



Partners in Success

Sustainability Summary 2013

Making a positive difference



CEO's Letter



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.

Since its inception in 1995, EQUATE Petrochemical Company has set its vision on becoming a global leader in manufacturing best-in-class products. Furthermore, as Kuwait's first international petrochemical joint venture, EQUATE has today become an organization that reflects and demonstrates a framework of sustainable excellence.

Ensuring that sustainability is core to our principles and integrated within our corporate and strategic objectives demonstrate our commitment toward the society and the environment. We have a clear and realistic view about our position in the context of the environment, economy, society and workplace. We know we have continuous challenges and seek to create opportunities for a better future and to make a positive difference.

While firmly committed to the fact that our employees constantly aspire for excellence and exemplifying innovation, I wish for us to continuously leverage and share best practices for the benefit of all our stakeholders. Safeguarding the environment, behaving ethically, supporting economic growth, as well as developing qualified human resources in Kuwait and beyond are some of the elements EQUATE wishes to share with its stakeholders who represent individuals, organizations and communities.

For the third consecutive year, we are pleased to issue this report in accordance with the guidelines of the Global Reporting Initiative. With this, we want to show our willingness to remain transparent with all our stakeholders, offering both qualitative and quantitative information, which reflects the innovation-based culture we promote. Our main objective in this period has been to unify and consolidate our economic, environmental and social practices carried out by us.

In this report, we share our commitments, results and achievements

during 2013. We demonstrate the impact our activities leave on the communities where we operate, as we take responsibility for all our actions in those communities.

Every year, we make a substantial effort in crafting a high performing innovative business culture and we are now ready to look to the future with renewed energy and drive. Sustainability reporting ensures consolidating best practices and global standards as competitive advantages for the benefit of all stakeholders. It is my personal aspiration to ensure we continuously add value to the society and care for the environment.

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, the media and all other stakeholders are built on the principle of long-term mutual advantage and respect. Our success 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. After all, we are 'Partners in Success'.

We hope you will find our 2013 Sustainability Report informative, relevant and useful.

Sincerely,

Mohammad Husain
President and CEO

EQUATE's Approach

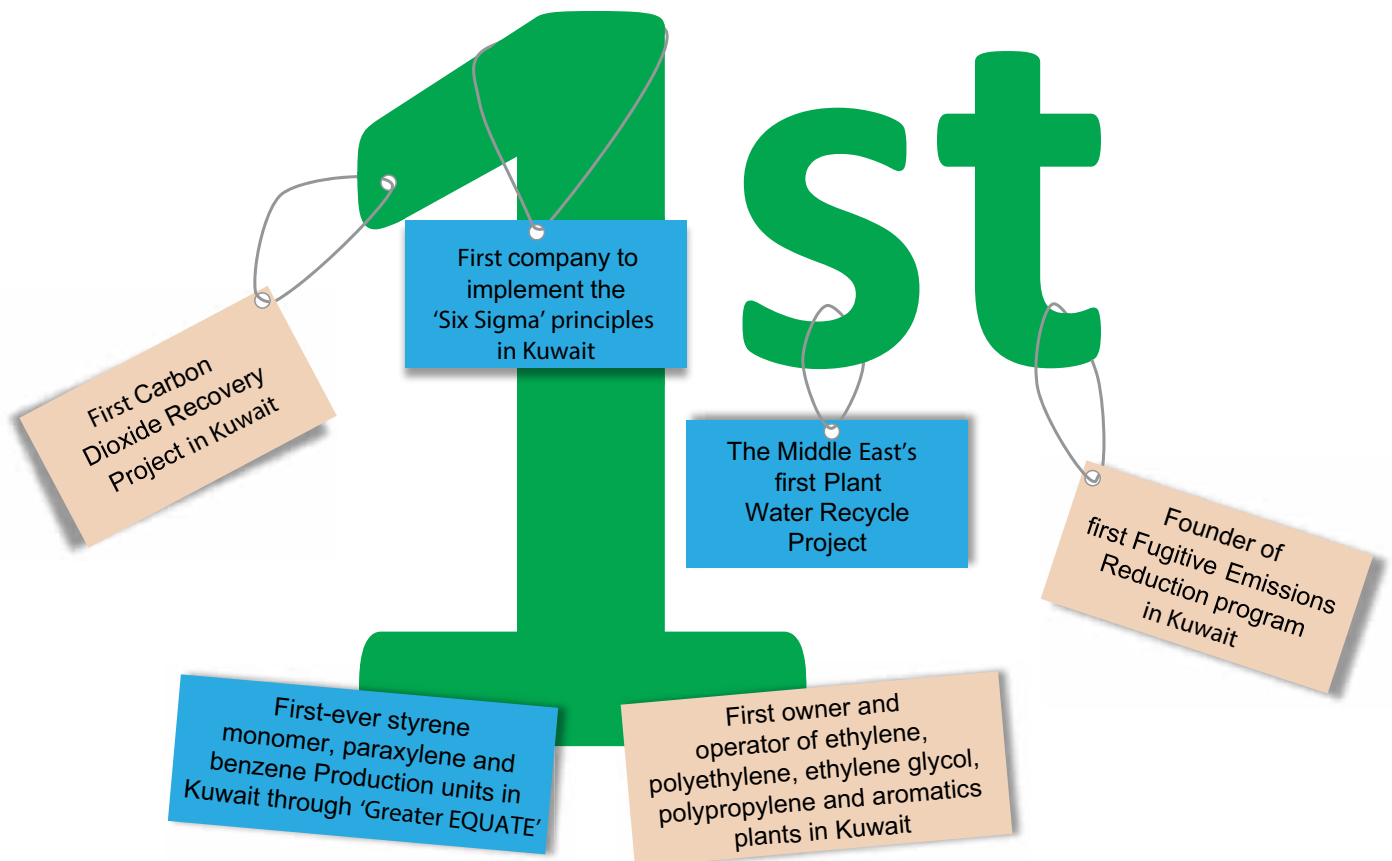
The year 2013 marked fresh initiatives in our sustainability agenda. In sync with our commitment to sustainable growth, we charted new courses in meeting our goals for community and environmental development. This report offers a comprehensive view of our sustainability activities in 2013, reflective of our strong links with all our stakeholders, our society and the environment.

As we promote innovation and take our business to greater heights, we are also adopting measures that conform to our reputation for sustainable development. Our vision as an organization is to establish strategic practices that will support our long-term sustainability endeavors. In 2013, we broke the ground toward achieving this vision.

As a prestigious acknowledgment of our efforts in responsible business practices, we were granted the Responsible Care 14001 certification in 2013. We derive motivation from the host of corporate social responsibility (CSR) awards we received in recognition of the social commitment reflected in building our business. Putting RC standards into practice, reducing emissions and making a visible impact in bettering the community are central to our corporate strategy.

The 'Greater EQUATE' project is one of our highlights in 2013 in terms of capacity expansion. The project elevated EQUATE to the position of the single operator of three new petrochemical companies. Our ethylene-based products contribute substantially to Kuwait's non-oil export revenue.

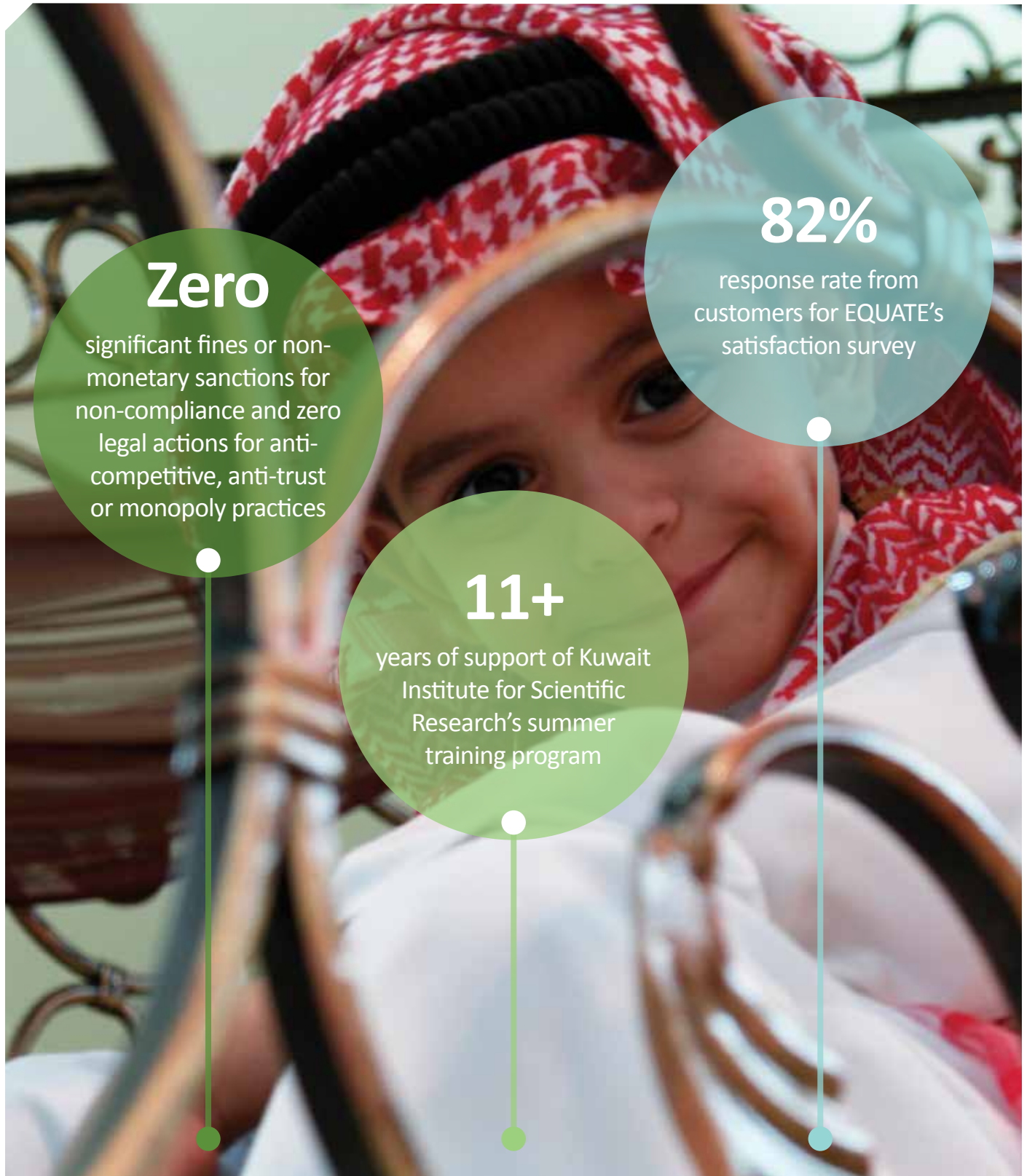
EQUATE is Kuwait's first private sector petrochemical company and first international joint venture in the petrochemical sector and strives to continue to be a company of 'firsts' in Kuwait



► Society and the Local Community

Our customers are our driving force and we highly value the responses to our biannual customer surveys. In 2013, we recorded an encouraging 82% customer satisfaction. This number could be an indicator of the fact that there were no substantiated issues related to breach of privacy and loss of data of customers in 2013.

On the community development front, we have joined hands with Kuwait's Ministry of Health for various public health schemes. Reiterating our support for learning and research, we have been sponsoring the Kuwait Institute for Scientific Research's summer training program for over 11 years. Our promotion of research resulted in several innovative steps to improve product safety, industrial hygiene and sound working practices in 2013.



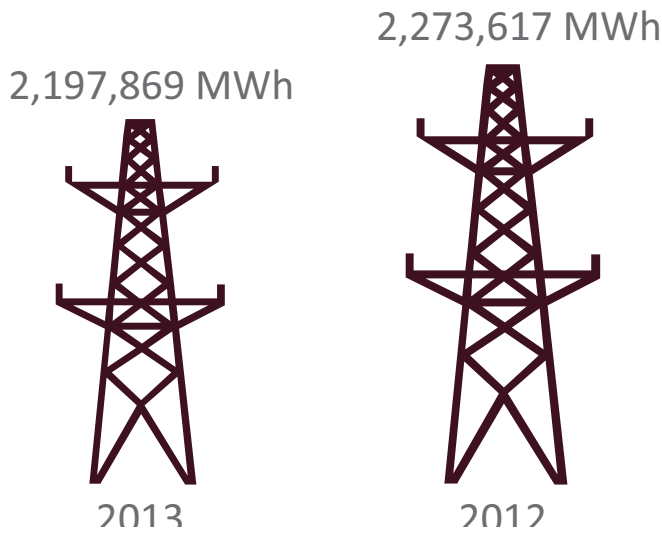
Managing EQUATE's Environmental Footprint

We are well on our way to achieving our sustainability goals drafted in 2011. Energy conservation remains a core area of focus for us. In 2013, our Six Sigma energy efficiency projects effected significant energy savings.

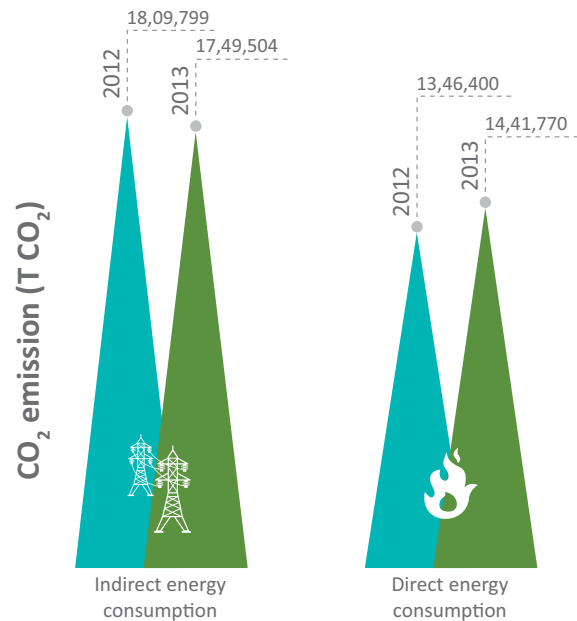
Kuwait's Ministry of Electricity & Water recognized EQUATE for its notable efforts in conserving national energy resources through stringent global practices and being a key member of the state-wide Higher Energy Conservation Committee. On a similar note, the seawater cooling plants we established have facilitated recycling of wastewater for use in our operations. We have systems in place to effectively recycle wastewater and stormwater. We have kick-started a partnership project for reuse of process wastewater.

We maintained full compliance with the Kuwait Environment Public Authority in 2013. With a view to reducing carbon dioxide emissions, we signed an agreement with Gulf Cryo in 2013.

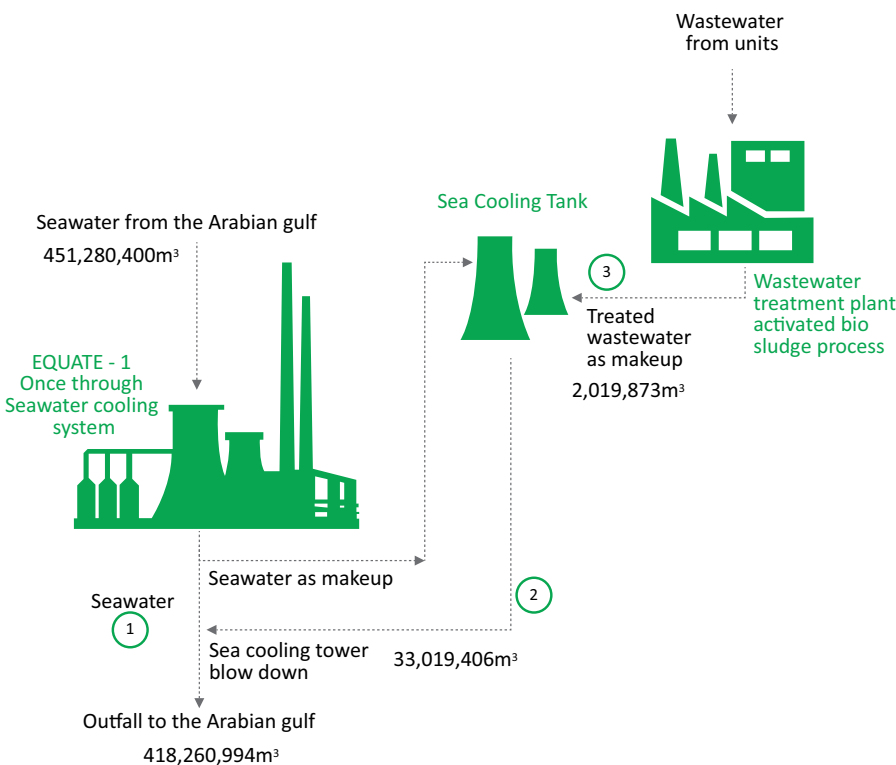
Indirect energy consumption — Electricity consumption



EQUATE's indirect GHG emissions from electricity and direct GHG emissions from fuel gas consumption in 2013



How EQUATE's cooling tower works



EQUATE's People

Contributing to the nation's economy and human resource development has always been one of our priorities. We maintain a balanced workforce ratio between nationals and non-national, in accordance with Kuwaitization.

Our employees are our strength and the welfare of our workforce is a vital part of our employment policies. Our social security contribution for pension support is expressive of the value we place on our people. We strongly emphasize investing in skill building and training to help our employees make the most of their potential.

With regard to work-related accidents, we are pleased to convey there were nil fatalities and loss-time injuries (LTIs) in 2013.

We at EQUATE foster a culture of gender and cultural diversity. There was a rise in the number of female employees in 2013 over 2012. We are committed to ensuring fairness for employees of both sexes in terms of recruitment, promotions and pay packages.

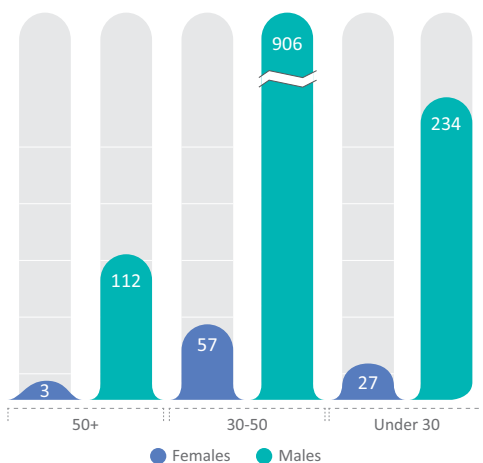
Safety Statistics at EQUATE (Exposure hours increased due to operational requirements)

| | 2012 | 2013 | |
|-------------------------------------|-----------|-----------|---|
| Exposure hours | 5,124,912 | 6,302,363 | |
| Number of work related fatalities | 0 | 0 | ≡ |
| Fatality accident rate | 0 | 0 | ≡ |
| Number of Lost Time Injuries (LTIs) | 0 | 0 | ≡ |
| Lost-Time Injury Frequency (LTIF) | 0 | 0 | ≡ |
| Number of lost days from LTIs | 0 | 0 | ≡ |
| Number of recordable injuries | 4 | 2 | ↓ |
| Total recordable incident rate | 0.12 | 0.06 | ↓ |
| Number of sickness absence days | 6,812 | 5,877 | ↓ |

▲ Improvement ▼ Deterioration ≡ Stagnant



Number of Employees



EQUATE Turnover Rates

| | Males | Females |
|-------------------------------|-------------|---------|
| Under 30 | 1.05 | 0 |
| 30-50 | 1.34 | 0 |
| 50+ | 0.67 | 0 |
| Employee turnover rate | 3.06 | |

Our Performance

On the whole, our sustainability practices in 2013 reflect an optimistic outlook. We set the ball rolling for several initiatives and practices designed for the overall well-being of our employees and the society at large. We propose to maintain the trend and take our environmentally sustainable practices further in the years to come.

| | | | | |
|--|---|---|--|--|
| <p>632,204,409J</p> <p>energy saved through energy management and efficiency</p> | | | <p>80,000MT</p> <p>carbon dioxide is expected to be provided annually to business partners for reuse in relevant industries</p> | |
| <p>Zero</p> <p>work-related fatalities and Lost-Time Injuries (LTI) recorded</p> | <p>2,019,873 m³</p> <p>wastewater was recycled and reused</p> | <p>51%</p> <p>Kuwaiti employees</p> | <p>76%</p> <p>response rate from customers for EQUATE's satisfaction survey</p> | |
| <p>91%</p> <p>of procurement budget went to local suppliers</p> | | | <p>1,339</p> <p>EQUATE employees</p> | <p>US6,579,857\$</p> <p>spent on Kuwaiti employee social security</p> |
| | | <p>11+</p> <p>years of support of Kuwait Institute for Scientific Research's summer training program</p> | <p>100%</p> <p>of staff received career performance reviews</p> | |
| <p>Zero</p> <p>significant fines or non-monetary sanctions for non-compliance and zero legal actions for anti-competitive, anti-trust or monopoly practices</p> | | | | |



Partners in Success

www.equate.com