



EQUATE Group
**Sustainability
Report
2017 — 2018:
Executive Summary**

Enhancing value creation
through global integration



About this report

EQUATE Group's 2017-2018 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: 'Core' Option. This document is the executive summary of our 2017-2018 Sustainability Report and highlights our key sustainability performance over the reporting period, 1st January 2017 till 31st December 2018 covering EQUATE Group's operations in Kuwait and Canada.



Message from our President and CEO

GRI-102-14



”

This Executive Summary to our 2017-2018 Sustainability Report presents highlights of our sustainability performance in terms of economic contribution, environmental impacts, health and safety practices, and caring for our people and communities.

Welcome to the sixth sustainability report of the EQUATE Group. Headquartered in Kuwait and established in 1995, we are a global producer in the petrochemical industry and the world's second largest producer of ethylene glycol. Today, our Group employs over 1,500 people and we have manufacturing facilities in Kuwait, Canada and Europe with a combined annual production of over 6 million tons of the highest quality grades of ethylene, ethylene glycol, polyethylene, polyethylene terephthalate, styrene monomer, paraxylene, heavy aromatics and benzene. Our products are the building blocks of many everyday consumables and are distributed globally. While expanding our global footprint provides us with the competitive advantage to serve our customers in the world, one of EQUATE Group's priorities is to shrink our carbon footprint. Indeed our recent scientific breakthroughs, notably in introducing commercially viable, food-grade, 25 percent chemically recycled PET, is a testimony to this effort.

Sustainability is firmly embedded in our organizational culture and we acknowledge the vital role it has to play for the future success of EQUATE Group. Our sustainability vision for 2025 is based around the three pillars of sustainability - economic, social and environmental - and defines the strategic initiatives that we believe will shape our Group in becoming a more responsible yet more resilient organization by 2025. We are committed to delivering open, transparent and balanced communications to our stakeholders in the disclosure of our sustainability performance and we continue to embrace GRI standards to guide our reporting process.

The landscape at EQUATE Group over the past four years has been dominated by a global merger and subsequent integration. We have developed from an organization local to Kuwait to a global operator in the petrochemical sector. Our goal is to transition to one cohesive operating group that can garner the benefits of economies of scale to further enhance our sustainability performance.

We recognize that employees are central to the success of our business and we place their health, safety, well-being and education as a high priority on our agenda. In 2018, we launched Astrolabe, which is an accelerated people and technical leadership program. Further highlights, of which we are proud across the reporting period, included a reduction in our direct GHG emissions and decrease in the levels of hazardous waste we generated. As a measure of our commitment to group-wide sustainability efforts, we allocated approximately USD 1.5 million to our Sustainability Committee to drive our progress and achievements internally, as well as supporting external community initiatives.

Looking to the future, we embrace the next stage of our sustainability journey as we harness the improvement opportunities that our integration process presents, particularly as we combine the sustainability strategies of our Kuwait operation and Canadian operation, a goal we aim to achieve by 2020.

I encourage you to delve further into this executive summary of our sustainability report and learn more about the sustainability journey of EQUATE Group as we continue on our ambition to create value for all our stakeholders.

Dr. Ramesh Ramachandran

President and CEO
EQUATE Group





Focusing on our economic growth and prosperity

At EQUATE Group, we have always strived to adopt a forward-looking approach in managing our business practices and setting business strategies and future targets – taking into consideration that companies in our sector need to adopt more efficient and disciplined approaches in the future to continue meeting the targeted economic and financial goals.

We firmly believe that strong economic performance at the organization level is key to macroeconomic growth, including contribution to growth in national economic development, employment opportunities, and increase in investments and public spending.

The infographic below provides a breakdown of our economic

performance in 2017-2018. We at EQUATE Group achieved 13 percent increase in revenue in 2018 when compared to 2017 due to the multiple strategic initiatives we have implemented in our efforts of becoming more profitable.

Our Group aims to continue its sustainable economic growth by ensuring productivity, profitability and cost-control. We also strive to continue maturing further in our sustainability journey through our contribution to local economies, and investments in the community. We are committed to driving positive impact in the communities and countries that we operate in and will continue to do so in the future with the support of our sustainability committee.

EQUATE Group performance highlights 2017-2018



Value retained

258

USD million

1,319

USD million



Direct economic value generated (revenue)

4,252

USD million

4,821

USD million



Economic value distributed

3,994

USD million

3,502

USD million



Operating costs

3,002

USD million

2,898

USD million



Employee wages and benefits

404

USD million

378

USD million



Payments to government

86

USD million

123

USD million



Payments to providers of capital

500

USD million

100

USD million



Retirement benefit obligations of EQUATE Group

416

USD million

406

USD million



Direct community contribution

2.29

USD million

2.55

USD million

● 2017 ● 2018





Preserving our environment

At EQUATE Group, we are committed to environmental protection and continue conforming to international regulations and voluntary codes pertinent to our industry. We seek to align our actions with the UN SDGs 12, 13, 14 and 15 on responsible consumption and production, climate action, life below water and life on land.

We reported on our performance on the environmental topics identified as the five most material for our organization during the reporting period – materials, energy, emissions, effluents and waste and environmental compliance.

While evaluating EQUATE Group's performance, it must be noted that 2017 was a turnaround year for our Kuwait

operation, which had a material impact on our performance indicators for that year.

At EQUATE Group, we understand the significant impact we can have on the environment. Therefore, in future years we will continue our commitment and seek ways to mitigate our environmental footprint and consumption levels by adopting new technologies, embracing smarter processes and continue to conduct optimization studies across our processes and plants in order to uphold our quest to be environmental leaders in our industry.

EQUATE Group performance highlights 2017-2018



Total energy consumption within the organization

36.7

Million GJ

37.5

Million GJ



Total electricity consumption

8.73

Million GJ

10.04

Million GJ



Total fuel consumption

26.2

Million GJ

25.8

Million GJ



Energy Intensity

Kuwait

13.42

MJ/kg of products

11.87

MJ/kg of products

Canada

10.12

MJ/kg of products

9.88

MJ/kg of products



Scope 1 and 2 GHG emissions

6,570

Thousand tons of CO₂ equivalent

7,123

Thousand tons of CO₂ equivalent



Weight of materials*

45.7

Million tons

48.6

Million tons



Non-hazardous waste

22,348

Tons

24,477

Tons



Hazardous waste

5,795

Tons

1,726

Tons



Water discharge

413

Million m³

432

Million m³

● 2017 ● 2018

* Note: The weight of materials at EQUATE Group reflects the materials that are used to produce and package EQUATE Group's primary products.





Promoting health and safety

Workplace health and safety is part of our code of conduct, and our Operating Discipline Management System (ODMS) and everyone at EQUATE Group are mandated to comply with their requirements. EQUATE Group is a Target Zero Group with a vision of Zero Incidents, Zero Injuries and Zero Harm to the Environment, and are committed to full compliance with all regulatory EH&S requirements within our operations. In 2017 and 2018, we had Zero work-related fatalities and recordable injuries.

By being a Responsible Care Company, we have integrated Responsible Care Codes of Practice into every aspect of our operations through our ODMS performance measures and continuous improvement efforts. We have a dedicated process

safety standard under our ODMS Environment health and safety standards. This helps us to ensure that the development, manufacture, sale, distribution, transportation, use and disposal of our products, processes and services will be managed according to the Responsible Care Codes of Practice and our Group's safety standards.

As we continue our journey of health and safety excellence, we will remain committed to ensuring that we follow the best-in-class practices of health and safety and comply with all international, regional and national health and safety regulations and standards. In specific, we will continue to build and advance in the aspects of monitoring health, safety and environmental impacts of our products and services.

EQUATE Group performance highlights 2017-2018



Process safety tier
1 and tier 2 events

1
Zero



Injury rate

Kuwait	Canada
0.01	Zero
Zero	Zero



Total man hours worked

Kuwait	Canada
14,288,573 Hours	851,290 Hours
8,206,666 Hours	1,004,958 Hours

● 2017 ● 2018





Caring for our people

We at EQUATE Group also appreciate that our people are the building block to our success and prosperity. Thus, our code of conduct governs our practices and activities in relation to all our people. We actively promote and create an environment that is inclusive for all people and their unique abilities. EQUATE Group's policies are designed to create a safe and harmonious work environment for all our employees in all aspects of their relationships with EQUATE Group including recruitment, hiring, development, work assignment, promotion, transfer, termination, benefits and salary administration.

We promote a culture of respect and anti-harassment and

believe that training and educating our employees is the key to advance their knowledge and skills.

We are committed to our people and reported on our performance on employment, training and development and diversity and inclusiveness during this reporting period.

We comprehend that EQUATERS are fundamental to our Group's success and strive to continue our journey in hiring the best talent and reducing our attrition rates. We also strive to improve our talent and development programs to enhance our employees' knowledge and skills and develop our Group's future leaders.

EQUATE Group performance highlights 2017-2018



Total number of employees

Female	Male	Total
136	1,387	1,523
136	1,434	1,570



Number of new hires

99
59



Number of employee turnovers

84
67



Average hours of training broken down by employee category

Executive	Senior management	Middle management	Staff	All employees
40 Hours	66 Hours	212 Hours	274 Hours	231 Hours
30 Hours	43 Hours	80 Hours	76 Hours	66 Hours

● 2017 ● 2018





Partners in Success

www.equate.com