

Qatar's Energy and Industry Sector

Sustainable Development Industry (SDI)

Report 2010

Doha, Qatar







HH Sheikh Hamad Bin Khalifa Al-Thani Emir of the State of Qatar





HH Sheikh Tamim Bin Hamad Al-Thani Heir Apparent



ABOUT THIS REPORT

SCOPE

This is the first sustainability report published by the HSE Regulations and Enforcement Directorate (DG) for 2010, summarizing the priorities and progress of Qatar's Energy and Industry Sector.

This report covers key Sustainable Development (SD) 2010 activities and is driven by the DG Directorate's "GUIDELINES ON SUSTAINABILITY REPORTING FOR ENERGY AND INDUSTRY SECTOR, issued in December 2010".

The information presented in this report also comes from the individual 2010 Sustainability Reports submitted to the DG Directorate by the Industry Operators and from public domain.

OBJECTIVES

The primary objectives of the SDI reporting are to:

Contribute relevant and useful information on the Sustainability of Qatar's Energy and Industry Sector to various national, regional and International organisations.

Meet the HSE Directorate's SDI Reporting guidelines support decisions about environmental policies and management at national & regional levels and

Provide the public with access to accurate and up-to-date information

CURRENT 2010 REPORT

SDI 2010 report consists of six chapters. They include:

- An introduction and history of the SDI reporting initiative
- An outline of the classification and list of industries among the energy and industry sector
- Highlights of the challenges to sustainable development
- Pathways and strategies towards sustainability
- Highlights of various SD initiatives and programs implemented by the industry
- Conclusions and the future

FUTURE REPORTS

The DG Directorate will gradually expand the scope of reporting to include industry-wide data for additional sustainability dimensions. Ultimately, the culmination of this report and its efforts will lead to a future annual sustainability report based on IPIECA/API/OGP reporting guidelines and a Global Reporting Initiative (GRI) Sustainability Reporting Framework.

As a result, the DG Directorate is working to identify relevant metrics and scope of industry-wide reporting mechanisms.

BENEFITS

Besides achieving the above objectives and compliance of the regulatory requirements, the reporting companies will benefit from the following:

- Crystallise Strategy: accelerate and focus a sustainability strategy
- Increase internal awareness and alignment: raise the profile of sustainability strategy among employees.
- Improved engagement with stakeholders: become the starting point for informed and productive stakeholders dialogue.
- Inspire improved performance: increases incentives to drive improvement
- Improve investor relations: provide investors with a clear description of how the company creates value, now and in the future, given the commercial, social and environmental context within which it operates.
- Conform to industry expectations.
- Employee attraction and retention.
- Preferred partner / business development opportunities.

For more information about the Sustainable Development Industry (SDI) 2010 Report or to submit feedback, kindly contact Mr. Saif S. Al-Naimi, Director, HSE Regulations & Enforcement Directorate at email address sss_alnaimi@qp.com.qa

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Minister's Message



H.E. Dr. Mohammed Bin Saleh Al-Sada Minister of Energy & Industry Chairman & Managing Director, Qatar Petroleum

t gives me great pleasure to present Qatar's first Sustainable Development Industry (SDI) Report.

As the global leader in LNG exports, with a production capacity of 77mn tons per-year, Qatar is poised for continued growth and is working steadily towards achieving one of the four main interconnected pillars of the Qatar National Vision 2030, which covers environmental protection and sustainable development (SD).

I am pleased with the progress of this SD reporting initiative and the development of the SD reporting guideline. This document clearly represents another strategic milestone for the energy and industry sector.

The State of Qatar considers Sustainable Development to be a fundamental principle of importance for the integration of economic, environmental and social needs of its society. Through Sustainability Reporting, operators can demonstrate their commitment to the long-term growth and development of the sector while ensuring alignment with 2030 vision and the National Development Strategy (NDS) 2011-2016.

Therefore, I sincerely encourage all operators to develop their SD strategies and expect that all operators from the Energy and Industry Sector, particularly from the petroleum industry will join this initiative in 2012, as your cooperation and contributions will lead to a more comprehensive Sustainable Development Report for Qatar's Energy and Industry Sector.

I would like to thank all those who contributed to the development of this SDI report, in particular the 17 industry operators for their SD submissions.

H.E. Dr. Mohammed Bin Saleh Al-Sada

Minister of Energy & Industry Chairman & Managing Director, Qatar Petroleum

DIRECTOR'S MESSAGE



Saif S. Al-Naimi
Director
HSE Regulations & Enforcement Directorate (DG)

he National Development Strategy (NDS 2011-2016) for the State of Qatar was prepared to set a path towards achieving the goals of Qatar's National Vision 2030.

This Sustainability Reporting initiative intends to support the National Vision and its objectives. The HSE Regulations & Enforcement Directorate (DG Directorate) and Operators within the Energy and Industry Sector will work together to fulfill the goals and objectives of ONV 2030 and NDS 2011-2016.

This is the first report of our progress towards sustainability goals by documenting the activities of Operators while seeking to encourage others to practice sustainable performance to the highest levels in the Energy and Industry sector.

The DG Directorate would like to take this opportunity thank all Operators that participated in the reporting initiative and would hope that future industry cooperation and contributions will lead to a more comprehensive Sustainable Development Report for Qatar's Energy and Industry Sector in 2011 and onwards.

The DG Directorate is focused on promoting Industry Sustainability of the Energy and Industry Sector via:

- 1. SD Industry Guidelines
- 2. Dissemination of SD Industry best practices
- 3. Performance tracking, reporting & awarding

A reporting timetable after consultation will be enhanced over the next five years. Further efforts of all operators will be recognized via a ranking and award system to be implemented for the next reporting period.

The Directorate will manage this SDI reporting initiative over a longer-term to further enhance the industry SD actions and reporting and prove the energy and industry sector's commitment to achieve the national vision.

Moving forward to future reporting periods and focusing on Qatar as being the host of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) 18 meeting in 2012, the report for 2011 will therefore be geared towards climate change and safety initiatives.

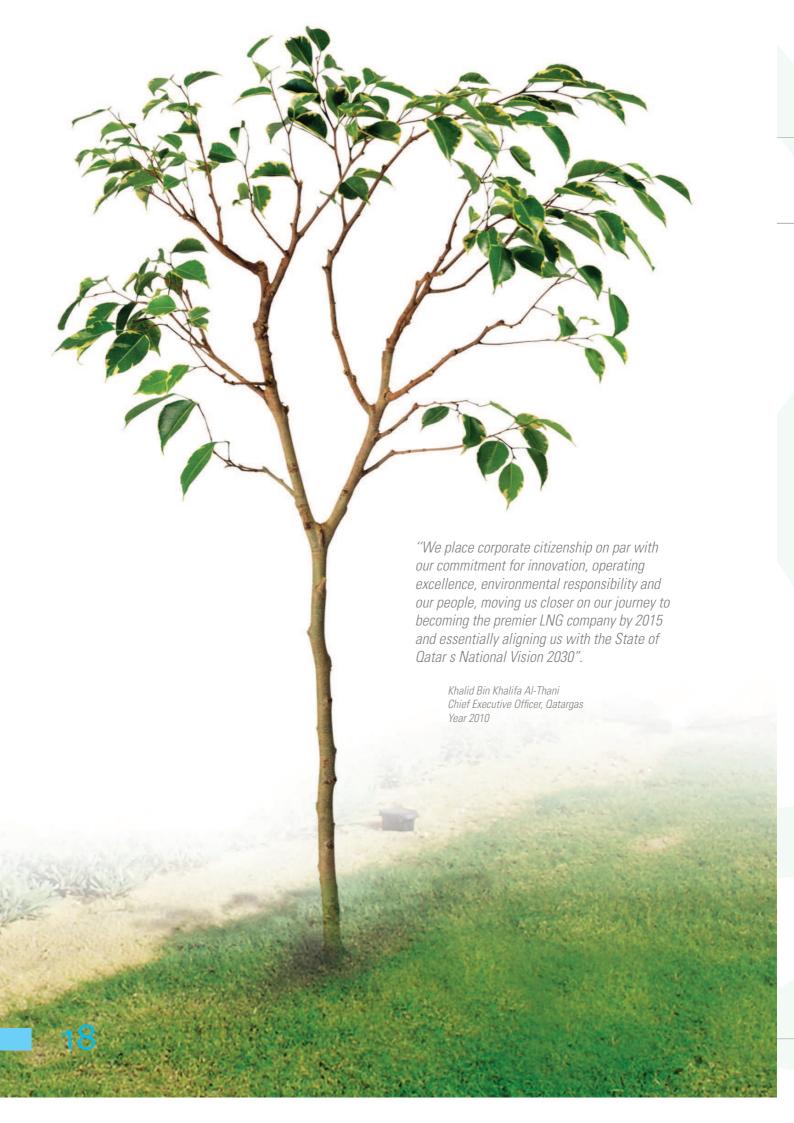
Your support in this endeavor is greatly appreciated.

Saif S. Al-Naimi

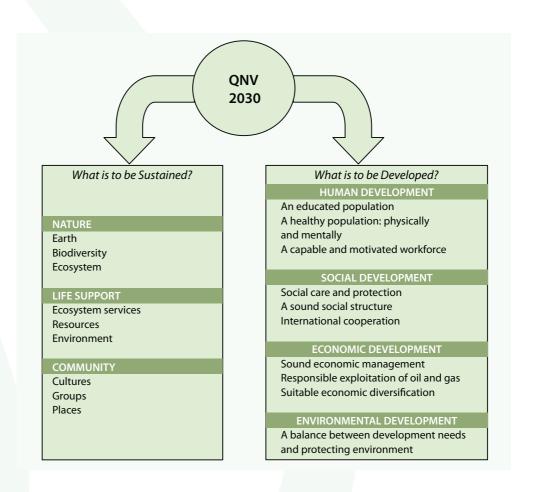
Director

HSE Regulations & Enforcement Directorate (DG)

QNV 2030 AND NDS 2011-2016



atar National Vision 2030 (QNV2030) approved through Emiri Decree 44/2008 and launched by **H.H. Sheikh Tamim Bin Hamad Al-Thani**, Heir Apparent in October 2008, defines the long-term development goals for 2030. It rests on four pillars consisting of Human, Social, Economic and Environment. The inter-linkages of the four pillars and comprehensive approach ensure continuous focus on economic and social development as well as on sustainability issues.

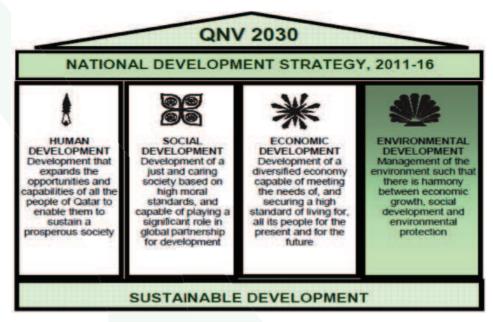


Source: Advancing Sustainable Development QNV 2030 (Second National Human Dev't Report)



QNV 2030 AND NDS 2011-2016

QNV 2030 Built on principles of suistanble development

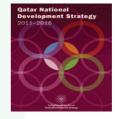


Aligned to the QNV 2030 goals, the programs and projects identified in the National Development Strategy (NDS) 2011–2016, including outcomes and targets, are from the 14 sector strategies. These strategies provide a transparent analysis of priorities for each of the programs and projects at a much more detailed level.

The targets in the NDS, a subset of those in the sector strategies, are developed with stakeholder inputs and focus on the results to be achieved by 2016. Subsequently, the same will be reviewed and refined as necessary by key stakeholders at the beginning of each program and project implementation. Qatar's National Development Strategy 2011–2016 is a plan of actions that presents new initiatives while building on what already exists. For projects, policies and institutions already under way, it provides added impetus and focus. The QNV 2030 and NDS 2011-2016 documents are available in the Following link:



http://www2.gsdp.gov.qa/www1_docs/QNV2030_English_v2.pdf,



http://www2.gsdp.gov.qa/ www1_docs/Qatar_NDS_reprint_ complete_lowres_16May.pdf

This SDI reporting by the Energy and Industry sector directly supports the QNV 2030 and the NDS 2011-2016 strategy.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Background:

This SDI initiative supports the national sustainable development strategy of Qatar National Vision 2030 and supports the major recommendations contained therein:

- Ensure an integrated and comprehensive policy framework for sustainable development
- Strengthen the institutional framework for sustainable development.
- Develop credible and reliable data and information for evidence-based decision-making
- Build national capacity for developing, implementing monitoring and evaluating environmentrelated policies and programmes.
- Promote effective participation and national ownership.

Oatar's Energy and Industry Sector continues to promote performance improvement on environmental, health, safety, and socio-economic issues by developing and sharing good industry practices. An important practice is sustainability reporting. So the first initiative taken up by the DG Directorate for Industry Sustainability was the Sustainable Development Industry (SDI) reporting initiative. This initiative is expected to deliver a sector specific sustainability report, focus on how a company's sustainability priorities are integrated into its overall vision and business strategy.

These priorities should cover both operational issues, such as health and safety, environmental compliance and labour practices, and longer-term considerations such as climate change risks or access to new energy resources. The background of this initiative is highlighted in **Chapter 1**.

Industry participation in the SDI initiative:

Upon His Excellency's instruction and based on DG Directorate's initiative on the SD reporting, seventeen industry operators have contributed to this report. 71 % of the invited companies joined the SDI reporting initiative on the first year of 2010 and they are summarized under the following categories:

- Oil & Gas (E & P) Four
- Liquefied Natural Gas (LNG)/Natural Gas (NG) Three
- Refining

 Two
- Petrochemical Six
- Power & Utilities One
- Transport, Storage and Distribution- One

The participation of the companies in the above categories is provided in Chapter 2. The directorate strongly encourages all operators from the Energy and Industry Sector, particularly from the petroleum industry to join this initiative in 2012.

Major Challenges for Sustainable Development:

The State of Qatar has identified 20 key challenges outlined in the Qatar National Development Strategy 2011-2016. The above challenges are addressed in Chapter 3. Additionally, there are company-specific challenges depending upon the type of its operations and business.

The industry operators are addressing the above and other emerging sustainability challenges. Collectively, the industry promotes productive engagement & performance improvement on environmental, health, safety, and socio-economic topics by developing and sharing good industry practices. Some of the noteworthy SD initiatives and programs taken up by Industry are given in Chapter 5.

Pathways and strategies to Industry Sustainability:

There are different pathways and strategies to tackle the above challenges which the Industry is facing and some of the potential strategy to overcome is highlighted in Chapter 4.

Conclusions:

Reporting Initiative

SDI Reporting initiative is a tremendous success which has helped all the major seventeen participating companies of Energy and Industry Sector to list out and discuss the country specific SD initiatives including health and safety indicators and create a solid platform for productive engagement and performance improvement. This initiative has lead to:

- Increased awareness among decision-makers, industry leaders and HSE professionals on the importance of sustainability, health and safety initiatives to be taken by the Energy and Industry Sector.
- More informed environmental management decisions that have lead to more sustainable use of finite natural resources that has lead to effective conservation of Qatar's natural resources.

This SDI initiative has become a major milestone for the Energy and industry sector to focus and concentrate on SD in line with the implementation of NDS 2011-2016 to fulfill the objective of QNV 2030.

"The way forward for 2012 and onwards"

Moving forward, all industry operators including service providers are encouraged to develop their SD strategy and join this initiative in 2011 report, as cooperation and contributions from all the operators will lead to a more comprehensive Sustainable Development Report for Qatar's Energy and Industry Sector. The DG Directorate will also guide the industry to promote more sustainability projects and programs in Qatar's Energy and Industry Sector.

The DG Directorate will launch an annual appreciation and ranking scheme to award the prospective industry operators for their noteworthy SD program based on their 2011 SD reports.

Industry Self-evaluation through a certification by a third party is an important part of self governance which will be beneficial in the long run and is strongly encouraged by the directorate.

Moreover, the Climate Change talks (COP18/CMP8) will be hosted by Qatar in November 2012 and the industry is expected to play a major role in showcasing the Climate Change strategy aligned with sustainable development, best practices, initiatives and programs to the world audience. **Thus, the theme for next reporting period will focus on climate change and safety**.

The DG Directorate reaffirms our commitment to continuous collaboration to realize the collective vision of building a more sustainable and profitable industry on behalf of the State.



"At Maersk Oil, sustainability is our commitment to extract oil and gas in a profitable, safe, environmentally sound and socially responsible manner. We believe that sustainable development is essential for both society and business to thrive and grow. We are therefore committed to integrating sustainability» in our operations and making our performance transparent to our stakeholders."

Lewis Affleck, Managing Director Maersk Oil Qatar Year 2010 Dr. Faisal Al-Thani Deputy Managing Director Maersk Oil Qatar Year 2010





CHAPTER 1

ince the launch of the QNV 2030 in October 2008, the government led an extensive process of stakeholder consultations, studies and analyses that culminated in the National Development Strategy 2011–2016. While QNV 2030 lays a foundation, it is the implementation of the NDS 2011-2016 that drives the long-term transformation of society through economic and social development.

This initiative of sustainability reporting from the energy and industry sector is one of the key starting points to showcase the achievements and challenges in line with the implementation of the NDS 2011-2016 in this sector.

The Sustainable Development Industry (SDI) report provides an insight to the sustainability performance of the Energy and Industry Sector of Qatar. This annual report of the industry will provide guidance in the identification of opportunities where efforts are focused to bring about the greatest improvements in performance. This report made the individual companies to benchmark their performance levels against that of their counterparts and also to adopt best practices. Relevant information is available on the DG Directorate's website https://www.hse-reg-dg.com.

The objective of this report is to capture and present key information on "Qatar's Industry Sustainability" in terms of:

- The present situation
- The sustainability challenges
- The initiatives in place to address industry concerns
- Record all Sustainable Development actions to enhance future performance

'Sustainability' is defined broadly under the DG Directorate's guidelines, highlighting sustainability assessments across interdependent and mutually reinforcing dimensions which surround environmental stewardship, economic growth, social progress and human development together with responsible governance. It captures critical information about sustainability issues which are nationally significant and relevant to current and future generations.



Participants at the 2010 "Building and Engaging a Sustainable Development Community for Qatar" Workshop

The fundamental objectives of the SDI reporting:

- To broadly support decisions about environmental policies and management at national and regional levels.
- To meet SDI reporting as highlighted in the DG Directorate's guidelines.
- To make relevant and useful information available on the Sustainability of Qatar's Energy and Industry Sector.
- To provide public access to accurate up-to-date information.

SDI reporting will be used to:

- Assess and monitor progress towards sustainable development in the Energy and Industry Sector
- Improve the quality, consistency and credibility of environmental, health, safety, social and economic performance reporting
- Enhance internal and external benchmarking opportunities
- Facilitate stakeholder engagement by policy makers
- Demonstrate industry commitment to consistent and transparent reporting
- Provide useful industry reference position on reporting
- Enhance the reputation of the industry through improved performance, transparency and communications
- Coordinate with industry operators including public sector organizations, private industry,
 NGOs, research institutions and citizens for experience and knowledge sharing
- Facilitate reporting and encourage a logical flow of information
- Identify relevant gaps in information and further develop and improve the SDI reporting process

This report and underlying datasets are therefore made freely available to policymakers with a need for relevant, credible and meaningful sustainability information.

Qatar's national, regional and international reporting obligations

The SDI Reports will contribute relevant and useful information on the Sustainability of Qatar's Energy and Industry Sector to various national, regional and International organizations.

Our Sustainability Journey

In 2009, the DG Directorate together with Qatar's industry leaders set-out to deliver a comprehensive sustainability initiative. The task began with five critical steps:

 Coming together through the "Sustainable Development Forum", this workshop provided strategic direction as well as an opportunity to identify the challenges and opportunities. Key action points from the workshop include:

- The need to provide National Information to the UN CSD by engagement of stakeholders from key sectors of Qatar.
- Guidance for national sustainable development programs and best practices of SD.
- Preparation of guidelines for national sustainable development for energy & industry sector.
- 2. In line with the recommendations, guidelines for the preparation of the sustainability development report was initiated, circulated to the industry for review and feedback. The guideline was used by industry operators in preparing their annual sustainability reports.
- 3. The SDI reporting initiative was launched by the Energy and Industry Sector for the first time in the State of Qatar.
- 4. Hosting an appreciation ceremony to recognise the contributions of operators and to encourage more industries to join in the initiative to achieve the long-term goals of Qatar National Vision 2030.
- 5. A steering committee was formed in March 2009 to review progress, monitor and report on the implementation of the UN Agenda 21 on the guiding principles of the UN Commission on Sustainable Development (UNCSD).

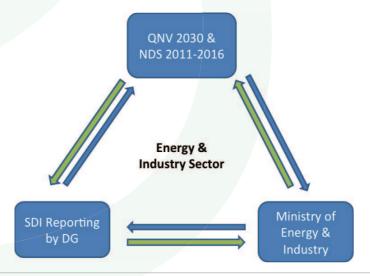
The DG Directorate will continue to work together with its stakeholders, particularly industry operators to advance its objectives of improving Qatar's industry sustainability and its progress towards achieving Industry Sustainability.

History of SDI reporting

The SD workshop titled "Building and Engaging a Sustainable Development Community for Qatar" hosted by the DG Directorate in January 2010 identified the need for SDI reporting.

Further, Minister of Energy & Industry H.E. Dr. Mohammed Bin Saleh Al-Sada in his visionary leadership, directed the DG Directorate to prepare the Industry Sustainability Report. This resulted in the development of this SDI report for the reporting year 2010.

Highlights of the SDI reporting initiative are available in **Annexure 3**.



"Sustainable Development is at the core of Shell's activities in Qatar and is the mechanism by which business activities are integrated locally in support of the Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016."

Mr Andy Brown, Executive Vice President, Qatar Shell Year 2010

CHAPTER 2



CHAPTER 2

MEET OUR INDUSTRY OPERATORS:

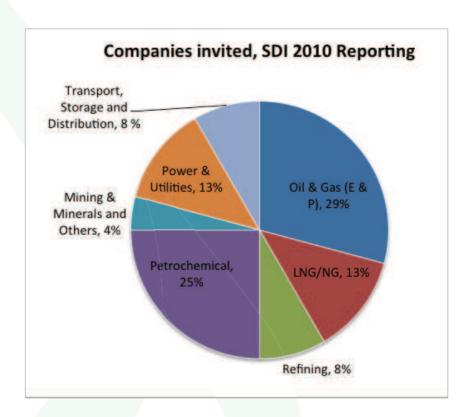
Industry operators that were invited to join the annual SDI reporting initiative in 2010:

	No.	STAKEHOLDER NAME (Operators)	Type (Qatar Operations)
Ī	1	Dolphin Energy	LNG/NG
	2	Maersk Oil Qatar	(Oil & Gas (E&P
	3	(Occidental Petroleum Qatar (OPQL	(Oil & Gas (E&P
	4	Oryx GTL	Refining
	5	(Qatar Chemical Company Ltd (Q-Chem	Petrochemical
	6	(Qatar Fertilizer Company (QAFCO	Petrochemical
	7	(Qatar Fuel Additives Company Ltd (QAFAC	Petrochemical
	8	Qatar Gas	LNG/NG
	9	(Qatar Gas Transportation Company Limited (NAKILAT	Transport & Storage and Distribution
	10	(Qatar Petrochemical Company (QAPCO	Petrochemical
	11	Qatar Shell	Refining, LNG/NG
	12	(Qatar Vinyl Company (QVC	Petrochemical
	13	RasGas	LNG/NG, Refining
	14	Ras Girtas Power Company	Power & Utilities
	15	SEEF Limited	Refining
	16	TOTAL E&P Qatar	(Oil & Gas (E&P
	17	Wintershall Qatar	(Oil & Gas (E&P
	18	Gulf Drilling International (GDI	Oil & Gas (E&P)
	19	Qatar Electricity and Water Company (QEWC)	Power & Utilities
	20	Qatar Petroleum (QP)	Oil & Gas (E&P), Refining
	21	Qatar Petroleum Development (QPD)	Oil & Gas (E&P)
	22	Qatar Shipping Company (Q Ship)	Transport & Storage and Distribution
	23	Qatar Steel Company (QSC)	Metals & Minerals and Others
	24	Ras Laffan Power Company (RLPC)	Power & Utilities

The table below presents a summary of the participation of industry operators within the Energy and Industry Sector in the first annual SD industry Reporting initiative:

Type (Qatar Operations)	Companies invited, SDI 2010 Reporting	Participating companies, SDI 2010 Reporting
Oil & Gas (E & P)	7	4
LNG/NG	3	3
Refining	2	2
Petrochemical	6	6
Mining & Minerals and Others	1	0
Power & Utilities	3	1
Transport, Storage and Distribution	2	1
	24	17

The following pie diagram shows the percentage distribution of sub-sectors invited for the SDI 2010 reporting:



Other key organization of the sector will be included in future reports with the aim of moving towards the Ministry's vision of producing a comprehensive Report for the Energy and Industry Sector.

The CEO/ Senior Management statements and messages of the seventeen stakeholders which joined the SDI reporting initiative are listed in **Annexure 4**.

"Total E&P Qatar (TEPQ) HSE and SD policy follows the National Requirements of the State of Qatar and aiming at adopting, implementing the most efficient international certifications and Oil and Gas sector best practices in order to demonstrate its high level of commitment."

Mr Philippe Guys Managing Director, Total E&P Qatar Year 2010





CHAPTER 3

Major Challenges for Sustainable Development

Sustainable development in Qatar's Energy and Industry Sector considers the challenges as well as the socio-economic and environmental reality that is in line with the principles in accordance with QNV 2030. The State of Qatar has identified 20 key challenges outlined in the Qatar National Development Strategy (see NDS 2011 -2016, Table 1, page 26).

The Energy and Industry Sector as a whole faces the following four key challenges plus sub-challenges:

- Economic development and contribution
- Environmental protection and management
- Social contribution to society
- Human and national capacity building

Over the above challenges, the energy and industry is now facing the challenge of climate change and few of the adverse effects and its impacts due to response measures is addressed below:

Climate Change

Despite the low contribution to global greenhouse gas emissions, Qatar like every other country in the world is exposed to adverse effects due to climate change and also likely to have an equal negative impact on environmental, social, and economic aspects.

Anticipated climate change effects include increased temperature, sea-level rise and decreased soil humidity, increased evaporation and transpiration. Climate change is also expected to affect many sectors such as water desalination plants, agriculture, health, public safety, biodiversity, tourism, navigation and more. One of the key impacts of climate change in the GCC is the increase in sea water level. Possible increases in the air temperatures and Sea Level Rise (SLR) can produce an adverse impact on the energy sector which is the backbone of Qatar's economy. Since the majority of the oil & gas, power & water facilities are located offshore or along the coast, it is of the utmost importance to make a proper assessment of the vulnerability and adaption of this sector to climate change.

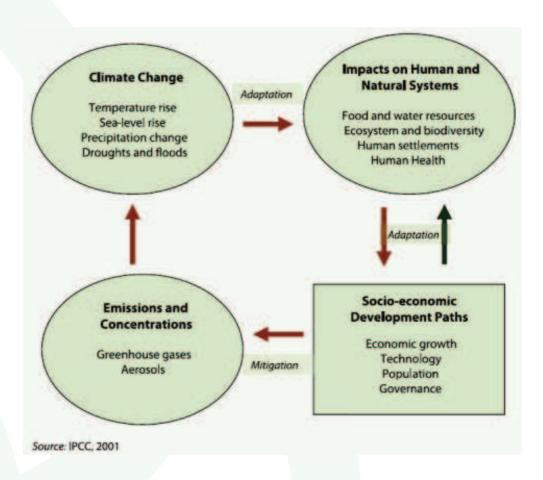
On one hand, like other developing countries with minimal adaptive capacity, Qatar's ecological and human systems are vulnerable to the adverse impact of climate change. On the other hand, due to its total dependence on the export of carbon based resources, Qatar's economic welfare and prosperity may depend on the outcome of the climate change negotiations which seeks, as an ultimate objective, complete phase out of fossil fuel energy sources from the world energy market. In view of this, a detailed assessment of the vulnerability and adaptive capacity of Qatar's economy & its ecological and human systems to the impact of climate change is critical. (Source: Initial National communication to UNFCCC 2009, Page.2).

As a result of the policies and measures adopted by Annex 1 Parties, in meeting their Kyoto Protocol commitments, Qatar economic welfare will be adversely impacted. Based on energy-economy models, the IPCC (IPCC TAR 2001) and others estimated the short and longer term economic impact on developing country Parties including Qatar ("Article 4.8 (h)"). Findings include reductions in GDP and oil revenues compared to those under "business as usual" projections ranging between 0.05%-13% and 0.2%-25% with emission trading and no trading by Annex B Parties, respectively. Modeling results suggest that under the Kyoto Protocol and three scenarios including "no flexibility", "tax cut" and "flexibility with CDM", compared with "business as usual", Qatar export of oil may decrease during 2010-2030 by 10%, 5% and 6% respectively. Qatar oil revenue loss is estimated between 200-800 million USD annually depending on whether carbon trading with CDM is employed or not. (UNFCCC submission dt.21st Feb. 2011, Page 2).

The United Nations Climate Change Conference in Durban, South Africa, was held from 28 November - 11 December 2011. The conference involved a series of events, including the seventeenth session of the Conference of the Parties (COP 17) to the UN Framework Convention on Climate Change (UNFCCC) and the seventh meeting of the Conference of the Parties serving as the Meeting of Parties to the Kyoto Protocol (CMP 7). The meetings resulted in the adoption of 19 COP decisions and 17 CMP decisions and the approval of a number of conclusions by the subsidiary bodies. These outcomes cover a wide range of topics, notably the establishment of a second commitment period under the Kyoto Protocol, a decision on long-term cooperative action under the Convention, the launch of a new process towards an agreed outcome with legal force applicable to all parties to the Convention, and the operationalization of the Green Climate Fund.

The 2012 UN Climate Change Conference, COP 18/CMP 8 (the 18th Conference of Parties to the UNFCCC, plus the 8th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol), will take place in Qatar from 26 November to 7 December 2012.

Many of the decisions made in COP 17/CMP7 will be made operational in 2012 and since the State of Qatar is going to host the Climate Change Conference, the Energy and Industry sector need to rise and show their commitment in tackling the challenge due to climate change.



Climate Change and Sustainable Development – An Integrated Framework

"RasGas has a clear and unwavering commitment to the goals of the Qatar National Vision 2030, which sets a clear path for the country's future development."

HE Dr Ibrahim B Ibrahim Economic Adviser to the Emir of Qatar Vice Chairman of RasGas Year 2010





CHAPTER 4

PATHWAYS AND STRATEGIES TOWARDS INDUSTRY SUSTAINABILITY

Developing countries like Qatar are concerned about the large-scale transition it will have to make to achieve a sustainable economy. This transition phase may be costly; therefore it requires complementary and offsetting mechanisms to reconcile the proposed social, economic and environmental goals.

There is also a concern that this transition phase could restrict social development and welfare. The transition to Industry Sustainability offers a full set of socio-economic strategies, means and tools which could be selectively used by the Industry depending on their situations and available capacities.

Low-risk and win-win options could be first adopted as opposed to other options based on trade-offs. As such, the pathway towards Industry Sustainability is likely to vary from one operator to another.

In essence, Industry Sustainability could be classified further under two categories:

- First, "Reactive SD Measures" based on enhancing, restructuring or rehabilitating existing productive sectors to make them more environment-friendly.
- Second, "Proactive SD Measures" based on investments in various environmental research activities to create new job opportunities and boost demand on environment friendly technologies.

The two categories are mutually reinforcing and their success depends on public-private partnership and commitment by decision makers, investors and producers.

Table 2 - Sustainable Development Strategies

S. No	Reactive Measures	Proactive measures
1	Creating new Opportunities by making economic activities more sustainable: Conservation and Efficiency of the energy sector Reduce, Reuse, Recycle Enhancing water management and desalination Promoting sustainable transport Adopting green building and design	Creating new opportunities by radical Sustainable change in the existing economic activities: Supporting innovation, research and development, and technology transfer Promoting entrepreneurship, education and retraining
2	Expected benefits: Reducing carbon emissions Waste Management Reducing water scarcity	Expected benefits:

Creating Industry Sustainability will also have a positive impact on society that stand to benefit from a cleaner environment, better services and reduced energy cost, therefore stimulating the economy as a hub for innovation and investment. Qatar's Energy and Industry Sector's commitment for Industry Sustainability may serve as an enabler for other sectors (Viz, Environmental, Education Training, Healthcare, Safety & Security etc); similarly other sectors can also be an enabler for Industry Sustainability.

Qatar's bountiful hydrocarbon resources can be leveraged to make sustainable development a reality for all its people.

Converting these natural assets into financial wealth provides a means to invest in world-class infrastructure; build efficient delivery mechanisms for public services, create a highly skilled and productive labour force; and support the development of entrepreneurship and innovation capabilities

GSDP, 2008

The following are some of the proposed pathways towards establishing the Industry Sustainability experience in Qatar's energy and Industry sector:

- Sustainable stimulus packages and strategic SD expenditure
- Improving Environmental Efficiency
- Investing in Sustainable infrastructure
- Restoring and strengthening natural resources
- Environmental accountability and reporting
- Research, development and technology transfer
- Training and Skills Development

Responsible Exploitation of Oil and Gas

Optimum exploitation of hydrocarbon resources, establishing a balance between reserves and production, and between economic diversification and the degree of depletion.

A vigorous oil and gas sector that generates advanced technological innovations and contributes to the development of human resources and economic capacities throughout Qatar.

A fully developed gas industry that provides a major source of clean energy for Qatar and for the world.

The long term maintenance of strategic reserves of oil and gas to meet the needs of national security and sustainable development.

Qatar National Vision 2030

Growing investments in the above areas are expected to enhance the economy and respond to major global environmental issues. According to the UNFCCC, a considerable growth of investment is needed to achieve international objectives regarding climate change adaptation and mitigation. The Green Climate Fund (GCF) as an operating entity of the financial mechanism of the UNFCC Convention is expected to mobilize US\$100 billion a year by 2020. The Energy and Industry Sector can avail this opportunity by investing in various SD initiatives in the future.

"At QAFAC, we focus on continuously improving our environmental performance. Our emphasis on identifying and controlling risks to the environment is central to our business approach. QAFAC team who are at all times looking for opportunities to keep our environment clean and protect it from harm for our children and future generations."

Rashid Misfer Al-Hajri General Manager, OAFAC Year 2010





CHAPTER 5

INDUSTRY SD INITIATIVES AND PROGRAMS

The industry is taking various measures to address the SD challenges. The participating companies have reported sustainability indicators against three broad categories (refer page 11-13 of the DG Directorate's Industry SD Guidelines):

- Environmental issues
- Health and Safety issues
- · Social and Economic issues.

The DG Directorate has reviewed the Sustainability Reports and has listed some noteworthy SD initiatives and programs which are reported by the industry Operators. They are covered under environmental indicators, health and safety indicators and socio economic indicators as given in the table below:

1 ENVIRONMENTAL INDICATORS

The eight indicators under which the projects and programmes are categorised are given below:

- Climate Change (Mitigation efforts)
- Energy use
- Biodiversity and ecosystem services
- Fresh water production
- Other air emissions
- Oil spill containment
- Discharges to water
- Industrial Waste
- Other industry environmental initiatives

2. HEALTH AND SAFETY INDICATORS

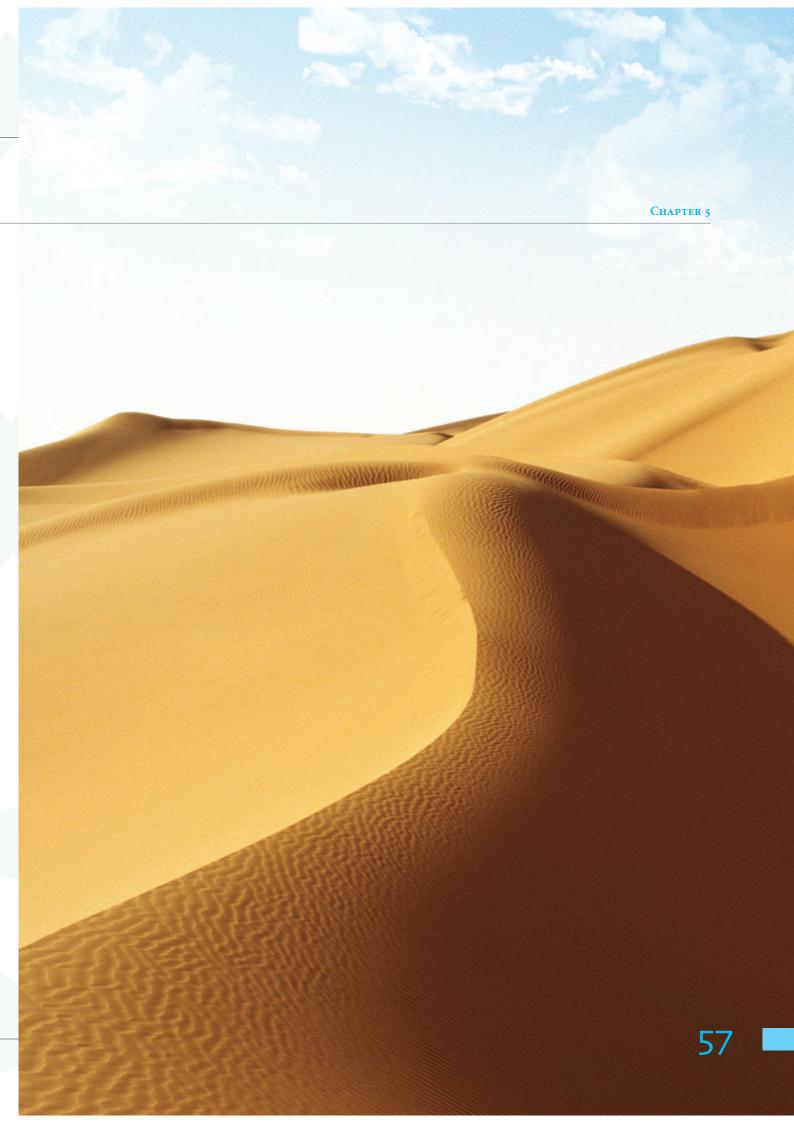
The four indicators under which the projects and programmes are categorised are given below:

- Workforce health and participation
- Occupational injury and illness incidents
- Process safety
- Product stewardship

Socio economic indicators

The six indicators under which the projects and programmes are categorised are given below:

- Local hiring, Human rights, local procurement and supplier development
- Human rights and preventing corruption
- Workforce training and development
- Preventing corruption
- Social investment
- Local community impacts and engagement



"We cherish our environment because it is an integral part of our country, our history and our heritage. On land and in the sea, our forefathers lived and survived in this environment. They were able to do so only because they recognized the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations."

His Highness Sheikh Hamdan Bin Zayed Al Nahayan Chairman of Dolphin Energy Year 2010

ENVIRONMENTAL ISSUES

DG leadership in Climate Change (Mitigation efforts)

The following are the initiatives by DG in the energy sector to tackle the climate change, particularly through some of the following mitigation efforts:

1. Climate Change Negotiations briefing to the industry

DG organized a briefing on Climate Change negotiations on the outcome of Copenhagen Accord in March 2010 and will continue to update the industry on this

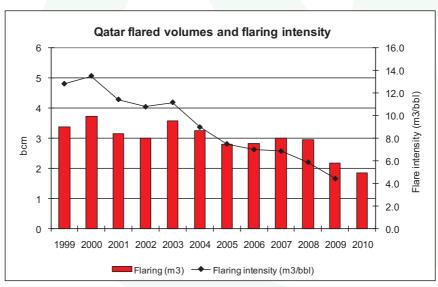
2. Encourage Clean Development Mechanism(CDM) projects

DG has formulated the CDM procedure and was circulated to the industry to encourage more CDM projects to the benefit of the Energy and Industry Sector. DG is providing particularly pre-validation and pre-verification services to the CDM projects.

3. GHG Emission Reduction such as Global Gas flare Reduction Program (GGFR)

The World Bank's GGFR public-private partnership was launched between Qatar Petroleum and the World Bank in mid-2009 and the partnership launched a 3-year program with flare reduction from 2007 levels as a key objective. GGFR supports the efforts of oil producing countries and companies to increase the use of associated natural gas and thus reduce flaring and venting, which wastes valuable resources and contributes to the causes of climate change.

As a result of this initiative, a significant change has been recorded in gas flaring despite the increase in production and expansion of oil and gas facilities. The joint effort by GGFR partnership and The US National Oceanic & Atmospheric Administration (NOAA) highlighted a 14% reduction of Qatar's flare volumes from 2009 levels (2.2 bcm) to 2010 (1.9 bcm).



Source: NOAA Satelllite Estimates

ENVIRONMENTAL ISSUES



GHG inventory support

DG is providing technical support services to the pilot project initiated by QP in Ras Laffan on the GHG inventory and verification of nine companies.

4. Renewable Energy and Energy Efficiency

DG is encouraging renewable and energy efficiency projects and is currently preparing a procedure on 'Renewable Energy for the Non-Grid Application' to integrate into the process of Energy and Industry operations.

5. Submission on 'Environmental Goods' for World Trade Organisation

DG is currently providing technical support to QP along with industry technical team on the preparation of the list on environmental goods from the State of Qatar to WTO.

The list of initiatives reported by the industry under environment indicators are as follows:

Greenhouse gas emission reduction

Jetty Boil-Off Gas Recovery Project:

Qatar Petroleum together with **Qatargas and RasGas** have initiated a US\$1-billion flare gas recovery project as part of its commitment to ultimately achieve zero-flaring operations and to contribute in global efforts to reduce greenhouse gas emissions. The project will enable boiled-off gas to be collected from LNG ships and compressed at a central facility which is currently being flared during LNG ship loading at the Port of Ras Laffan. The compressed gas will then be sent to the LNG producers to be consumed as fuel or converted back into LNG. This project, when fully operational (by the end of 2013 or early 2014), will recover the equivalent of some 0.6million tonnes per year of LNG, which is enough natural gas to power more than 40,000 homes.

Acid gas capture and re-injection:

RasGas implemented a scheme that stores CO_2 and hydrogen sulphide (H_2S) separated from the main gas stream for Trains 3 and 4 and for Al Khaleej-1 (AKG-1) into a saline aquifer in an onshore reservoir formation. With this technique, which represents an early form of carbon capture and storage (CCS), about 1 million tonnes per year of CO2 are re-injected and the emission of about 11,000 tonnes of SO_2 is prevented each year. RasGas, together with Qatar Petroleum, is studying the possibility of enlarging injection to include CO_2 from other existing amine units and to evaluate the future opportunities that might arise from this.

Turning CO₂ into a resource:

EOR and Zero Discharge Technology: Maersk Oil has acquired licenses to Clean Energy System's (CES) Oxy-Fuel Technology that allows zero emission power generation in combination with oil and gas projects. The technology uses pure oxygen to combust fossil fuels such as natural gas to produce water, electricity and carbon dioxide (CO_2). Water and power can be sold to consumers, while the CO_2 can be used for Enhanced Oil and Gas Recovery projects and subsequent sequestration, ensuring a zero emission operation.

Qatar Carbonates and Carbon Storage Research Centre (QCCSRC):

This 10 year, \$75 million initiative was launched in 2008 by **Qatar Petroleum, Qatar Science** and **Technology Park, Shell and Imperial College** aimed at improving the science and engineering underpinning carbon storage in carbonate reservoirs.

Monitoring flare gas tip ignition flame:

In 2010, **Dolphin Energy's Qatar** Operations spearheaded the reduction of emissions from flaring by conducting regular campaigns to detect and repair passing valves. Dolphin has also increased its monitoring of the flare gas tip ignition flame by installing sensors which help to reduce the flame as much as possible these initiatives, flaring was reduced by 56% in 2010 compared to 2009 figures.

Reformed gas to Fuel modification:

A scheme has been developed by **Qatar Fuel additives Company (QAFAC)** at the Methanol Plant to use reformed gas rich in hydrogen as a fuel instead of flaring it. This simple process modification prevents approximately 700 tonnes of reformed gas from being flared during cold start-up conditions and at the same time it saves around 72.5 tonnes of natural gas as fuel.

Flaring minimization strategy:

In **RasGas** the use of industry best practices and innovative planning, which includes improved facility designs, new operating procedures and using waste gas for power generation, has enable a reduction of on-site flaring volume by 66 per cent on a per-tonne product basis, despite an increase in absolute levels of flaring in 2010.



Environmental Indicator
Energy use

Doha Carbon and Energy Forum:

Qatar Petroleum in partnership with ExxonMobil and the Qatar Foundation organized the first-ever Doha Carbon and Energy Forum, an international event that discussed the range of energy challenges facing the world today.

Waste Heat Recovery Project in the AI Shaheen field:

The field development plan of **Maersk Oil Qatar** includes an improved process to enhance the separation of oil and water production from the wells. The process involves heating produced oil and water from a typical well production temperature of 35°C to 75°C. To achieve a high degree of eco- and cost-efficiency, waste heat from the hot gas turbine exhaust is used instead of fire heaters. The Project has prevented the use of 105,000 tonnes/year of fuel gas with a significant reduction of 250,000 tonnes per year of CO2.

Energy's Green IT initiative:

In August 2010 **Dolphin Energy** launched an initiative to minimize energy consumption of information technology (IT) systems by rationalizing its equipment following a strict refresh policy (3 years)on standard configurations with the highest green ratings. the number of IT systems is drastically reduced by leveraging consolidation and virtualization best practices wherever possible (network, servers, applications and printers). Dolphin Energy is also implementing various solutions such as energy-use optimization on company PCs, automatic shutdowns of company PCs at night, and optimized computing-energy factors in company data centres.

Heat Recovery Steam Generation Systems:

Qatar Petrochemical Company (QAPCO) is mostly self-sufficient in electrical generation producing almost 94% of its annual electricity requirements in 2010 and exporting about 5% of its electricity production. Heat Recovery Steam Generation Systems (HRSGS) driven by gas turbines supply steam to the facilities for plant heat and steam power generation systems reducing heat losses at the turbines, while significantly offsetting the greenhouse gas emissions that would otherwise arise from steam generation at a conventional steam boiler.

"Nakilat also continues its strategic initiatives as evidenced by its plans to further consolidate its shipping business model; with the objective of better serving Qatar's marine transport sector--the cornerstone of the country's hydrocarbon export industry."

Mr. Hamad Rashid Al Muhannadi Chairman, Nakilat Year 2010 Biodiversity and ecosystem services

Soft starts of Seismic Survey Operations:

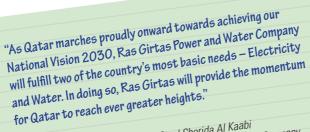
To minimize acoustic disturbances to animal life during marine seismic surveys (especially cetaceans such as whales, porpoises and dolphins), **Wintershall Qatar** has adopted the voluntary standard of soft line starts: whenever the seismic boat starts a new sail line, air guns will first eject a reduced air bubble level that will slowly increase to a normal level. This procedure allows animals get sensitized for the noise and it provides sufficient time to the marine mammals and fishes to safely leave the area.

The Sahara Forest Project:

QAFCO has developed and deployed an integrated, large scale system for reforestation and creation of green jobs through profitable production of food, freshwater, biofuels and electricity. It is designed to utilize deserts, saltwater and CO2 to produce food, water and energy. The pilot project started with conserving and developing 50 meters of land and this will be expanded in near future.

Protecting Wildlife - Turtle Nesting Studies at Ras Laffan:

The endangered hawksbill sea turtle nests on Qatar's beaches. To help protect these majestic creatures, **Qatargas, Ras Laffan Industrial City and other industrial partners** have been conducting a joint turtle monitoring study since 2002, the longest running project of its kind in Qatar. As a result of the study, a barrier now prevents vehicles from driving on the beach and destroying nests, beaches are clear of debris such as plastic bags and bottles and the area is kept under continuous surveillance to deter poaching. To further protect the eggs and hatchlings, Qatargas staff has developed innovative deterrents for a local natural predator, the desert fox.



Mr. Saad Sherida Al Kaabi Chairman, Ras Girtas Power Company Year 2010

Fresh water production

ENVIRONMENTAL ISSUES

GTL Water Reuse Research Project:

Shell GTL has initiated a research project focused on the use of the small surplus of water generated as a by-product from Pearl GTL for landscaping. This program is carried out in partnership with the Ministry of Environment at a farm at Rawdat al Faras. Shell constructed the Reverse Osmosis (RO) facility and the Ministry of Environment provided the land and carries out the field measurements and analysis. From well water, the RO facility produces very pure water that is mixed with chemicals to simulate different water sources from Pearl GTL. The simulated waters are used to irrigate indigenous trees and the growth pattern of these trees is measured.

Desalination plants in offshore platforms:

Freshwater is generated offshore by **Maersk Oil Qatar** from desalination plants on the platforms. Water is filtered and passed through an osmosis membrane then chlorine, carbon dioxide, zinc and chalk are added in order to regulate the pH and hardness. Approximately 75,000 m3 of freshwater is produced annually in the Al Shaheen field. Groundwater or other natural freshwater resources are not utilised.

Other air emissions

Common VOC Recovery Project:

In 2010, the first phase of this joint-initiative led by **RasGas and Qatargas** was commissioned. The system collects the vapours produced during ship loading of condensate, which are then directed from the loading berths to a set of thermal oxidisers to remove up to 98% of the VOCs, significantly reducing the potential for ozone production and eliminating direct hydrocarbon emissions and associated odours.

Phasing out Ozone Depleting substances:

Qatar Fertilizer Company (QAFCO) has conducted detailed studies on alternative substances, their suitability and subsequently planned and executed the phasing out of HALON (chlorofluorocarbons (CFCs) / HCFs) as fire fighting agent. As an alternative, water mist and NOVEC 1230 agents are used in the total flooding fire fighting system.

NOx reduction in Gas Turbines:

At **Ras Girtas Power Company** the gas turbines (GT) operate in conjunction with a single pressure Heat Recovery Steam Generator (HRSG). To reduce their NOx emissions the GT are equipped with dry low NOx burners for natural gas operation only. For the combined cycle, a Selective Catalytic Reduction (SCR) system integrated in the HRSG reduces the **NOx concentration from the GT** exhaust flue gases by injecting 19% aqueous ammonia upstream of the catalyst to achieve 9 ppm (or less than 20 mg/m3) at 15% O₂ in 60-100% GT load range. Continuous Emission Monitoring (CEM) system is provided to measure the emissions through the stacks

Natural Gas as Fuel for QMAX and QFLEX LNG Ships:

Nakilat is currently exploring the viability and feasibility of retro-fitting up to 45 QMAX and QFLEX vessels to allow their main engines toburn Liquefied Natural Gas (LNG) from the ship cargo tanks instead of Bunker heavy fuel oil. The concept is referred to as Main Engine **Gas Injection (ME-GI)**. Burning LNG would enable easily compliance with current and anticipated international legislative requirements on carbon dioxide (CO₂), nitrogen oxides (NO_x), sulphur dioxide (SO₂) and particulates.

Leak Detection and Repair (LDAR) Program:

In 2010 **Qatar Vinyl Company (QVC)** initiated the implementation of a Leak Detection and Repair (LDAR) program designed to measure, control and reduce fugitive emissions. The program involves identifying and tagging potential leaking sources plant-wide from process lines, equipment and systems. The LDAR components are monitored with technologically advanced hand-held infrared (IR) cameras and the information obtained is managed with dedicated software. The implementation of this program reduces VOC emissions and exposure of employees and reduces risk of fire and explosions.





Environmental Indicator Oil spill containment

ENVIRONMENTAL ISSUES

Oil spill detection radars:

In 2010 **Maersk Oil Qatar** and **Qatar Petroleum** held an offshore oil spill exercise for the successful testing of the SeaDarQ oil spill radar on the floating storage offloading (FSO) Maran Canopus. Based on the test, oil spill detection radars are being installed onboard both FSOs in 2011.

Oil spill control strategy:

OXY Qatar experienced no reportable spills of oil or condensate to the Arabian Gulf in 2010. The company invests actively in mechanical integrity and oil spill prevention, controls and counter measures at its facilities, and maintains a robust interface with ΩP .

Environmental Indicator Discharges to water

Membrane Bio-Reactor Project:

After successfully completing a pilot Membrane Bio-Reactor (MBR) study in 2008, **Qatargas** is now moving forward with a detailed engineering, procurement and construction of a full scale MBR unit for Qatargas 1 Utilities, which is expected to be commissioned for start-up in 2013. The MBR couples a biological treatment system with a membrane filtration unit to remove key pollutants and is recognised as a Best Available Technology (BAT) for industrial wastewater treatment. The MBR is expected to realise sustained conformance of process wastewater effluent discharge with the "Irrigation Water Quality" standards of the Qatar Ministry of Environment, thus enabling sustainable reuse of the treated wastewater.

Expanding the green belt:

QAFAC has developed a green belt within its facility and at the main approach road to QAFAC to utilize all the treated wastewater and to compensate the emissions of greenhouse gases within the area. A network of around two and half km irrigation pipes were laid down and a dedicated irrigation water (treated wastewater) pumping system was installed to serve around 560 trees planted in 2009/2010. QAFAC has taken another initiative to make green another large open area in the North West of the QAFAC complex by utilizing treated sanitary and process wastewater.

Pulse Chlorination:

Since 2007, **Qatargas** has adopted the EU Best Available Technology (BAT) for industrial cooling seawater system fouling protection by chlorination. This technique, called Pulse-Chlorination® (P-C), combines optimal fouling control with minimal chlorine discharge, while retaining safe plant operations. P-C enhances a cyclic mode of hypochlorite dosing (on/off dosing regime), based on the behavioural response of the specific bivalve (such as mussels, oysters and clams) to chlorine dosing, thereby taking advantage of this recovery period to delay the restart of P-C thus optimizing the dose of chlorine.

"SEEF Limited considers that, sustainability issues are an integral part of its business and a prime responsibility of the entire workforce. SEEF Limited has always conducted its business in a sustainable manner, outlined in strategic plans, which are environmentally and economically responsible."

AHMED AL-HITMI GENERAL MANAGER, SEEF Ltd Year 2010 Environmental Indicator Industrial Waste

Slops and Sludge Disposal facility at Ras Laffan Port:

Nakilat is working with the Port of Ras Laffan and Qatar Petroleum on a Slops and Sludge Disposal facility at Ras Laffan for ships coming to the shipyard for dry-docking.

Recycle of used oil:

SEEF recycles the used oil by injecting it to the slop tank and from there it goes to QP Refinery for processing as feedstock without affecting the quality of products.

Waste minimization Plan:

ORYX GTL has identified the sources of waste streams and implemented the concept of 4R Waste Management Principles: Reduce, Recycle, Reuse and Recover. Hazardous wastes, not suitable for recovery, are stored in an environmentally responsible manner at the onsite Hazardous Waste Storage area until a disposal solution is determined.

New hazardous waste storage yard project:.

Hazardous waste that cannot be disposed at the existing disposal facilities in Qatar is stored at Qatargas Temporary Holding Yard (THY); however, the ongoing Qatargas expansion projects will increase the amount of hazardous waste generated, beyond the capacity of the current storage site. To meet interim storage needs, until dispatch of hazardous waste from Qatargas to operational disposal facilities, a new Temporary Hazardous Waste Storage Facility (THSF) capable of safely storing hazardous wastes is planned to be constructed at Qatargas according to local and internationally recognised standards.

Other industry environmental indicator initiatives

- Incorporate Pollution Prevention and Control measures in new and expansion projects and incorporate the Best Available Technology (BAT) and the Best Practicable Environmental Option (BPEO) right from the design stage.
- Give considerable attention to the environmental aspects throughout the project phases and as early as the feed study phase, where an Environmental Impact Assessment (EIA) study outlined the framework and guidelines.
- Develop, implement and maintain an Environmental Management System (EMS) or integrated with Safety and Health (HSE MS) to manage all the HSS aspects in a systematic manner appropriate to the nature and scale of associated impacts and risks. Seek certification of MS under ISO-14001, OHSAS-18001 & ISO-9001 and ISRS edition-8.
- Integrate all sustainability KPIs into the performance management system.
- Keep in place a dedicated Environment / HSE Department with qualified and competent staff to deal with all kinds of environmental / HSE issues related to their activities.

"We are committed to continuous improvement in HES and SR performance and to enhancing Oxy Qatar's positive reputation in the community through a culture of individual commitment and responsibility. This commitment to the State of Qatar is shared and endorsed by our parent company, Occidental Petroleum Corporation, and its Board of Directors, senior management and dedicated employees throughout the world."

Oxy Qatans Leadership Team
Occidental Petroleum of Qatar Ltd. (OPQL) and Occidental
Qatar Energy Company Limited (OQEC)
Year 2010

HEALTH & SAFETY ISSUES

Workforce health and participation

Qatar Petroleum's Medical Services Department follows the international guidelines of health care provision by focusing not only on the management of chronic diseases but also on disease prevention. The Medical Services Department has four major divisions: Primary Health Services (including EMS), Support Services (Pharmacy, Radiology, Dentistry, Laboratory, and Medical Central Stores), Occupational Health, and Business Services (Administrative, Financial, and Project Management). A Clinical Governance model was successfully put in place, delivering 39 procedures and a clinical audit policy with a functioning database.

Qatar Petroleum's Occupational Health Care Service established a Weight Management Clinic and delivered health promotion presentations on obesity, smoking cessation, lifestyle and healthy food habits, breast cancer, diabetes and workplace stress management, thus raising the awareness of participants across all operational areas.

Maersk Oil promotes **worker involvement in health and safety** by organizing safety related poster campaigns throughout the year.

Maersk Oil encouraged a Safety Culture which requires that safety behavior extends beyond the borders of work place and introduced **"Defensive Driving"** courses for all employees and their family members.

RasGas is providing **dedicated occupational health support** to prevent and to respond to workplace health risks. This support includes response to medical traumas and a worker wellness programs, and extends to medical services for employee families.

Most Operators are making employees **aware of heat stress risks and work practices** through on-site public address systems, SMS alerts, company procedures and campaigns.

Fitting the Office vehicles with **in-vehicle monitoring systems (IVMS)** was adopted by **Ras Gas** as a valuable tool of making sure that driving behaviour matches appropriate standards.

Oryx GTL is tracking workforce health using daily clinic visit logs and compulsory PMA's (Periodical Medical Assessment) and prepares HSE Pocket information booklets and issue them company-wide as well as translating them for contractors.



HEALTH & SAFETY ISSUES

Workforce health and participation - continued

Development, implementation and maintaining a Health, Safety, Security and Environment (HSSE) Management System framework is in place at **Qatar Shell** to manage "Goal zero" (zero fatalities, zero significant incidents), personal safety, process safety, incident and injury free program (IIF).

Qatar Shell maintains records of how to control hazards which have the potential to endanger the safety of personnel, environmental or asset value is achieved during operational phase.

Oryx GTL have launched the Road to Zero Harm (RTZH) initiative

Qatar Shell invites the CEOs of the main contractors on the project twice a year to discuss project-related issues particularly on Safety which demonstrates that senior leaders are fully supportive of safety, progress and teamwork

Circulation of a Road Safety Handbook in 2010 by **Dolphin Energy**, to increase awareness among community members, employees and contractors of the high risks associated with driving motor vehicles.

QAPCO implemented the procedure for near miss reporting and Perform Contractor Camps inspection.

QAPCO implemented HSE induction program for contractors, training of Contractor workforce members, involving contractors in weekly safety and environmental site inspection programs and walk round talks. Implemented HSE motivational scheme (performance rewards) for contractors.

Hazard communication (HAZCOM) signage visibly placed throughout the **QVC** Premises to provide quick and accurate information about the health, safety and fire risks of major chemicals stored and the appropriate personal protective equipment required when working around those locations.

QVC Established a Mutual Aid Plan (MAP) for emergency assistance among member companies and form sub-committee for this initiative with representation from all member companies.

Occupational injury and illness incidents

HEALTH & SAFETY ISSUES

Medical clinics established both onshore and offshore to ensure timely and efficient treatment and medical advice by **Maersk Oil.**

Combined Recordable Incident Frequency (CRIF) indicator to record and reduce the frequency of LTIs and High Potential Process Safety Incidents (HIPO PSIs) are introduced by **Maersk Oil**

Oxy Qatar's workforce uses **"What If?" behavior-based safety program** to increase hazard awareness and prevent incidents

QAPCO launched an Occupational Health Risk Management Program (OHRMP)

RasGas initiated the tracking of traditional lagging indicators and leading indicators

... As a responsible corporate citizen, QAPCO considers the environment as an irreplaceable treasure and thus turning its operations as environment friendly in line with international standards. The company is proud of managing its operations with a high concern for the environment and health & safety of its employees at all levels. QAPCO environment and health & safety of its employees at all levels. QAPCO environment to maintain its high international standards of excellence continues to maintain its high international standards of excellence with the focus on customers' satisfaction. The Quality, continual with the focus on customers' satisfaction. The Quality concerns improvement; and safety, health, environmental, and community concerns are the driving forces behind company's overwhelming success."

OAPCO's Leadership Team Oatar Petrochemical Company Ltd. (QAPCO) Year 2010

Health and safety indicators

Process safety & Product stewardship

Qatar's Petroleum's Halul Terminal implements the Ship and Port Security Code (ISPS) and follows the recommendations set out by **the International Safety Guide** for Oil Tankers and Terminals (**ISGOTT**).

Oryx GTL developed Performance Control and Reporting System (PCRS) in service departments of to enhance business performance by streamlining core activities.

Introduction of **Process Safety Review (PSR) initiative and Risk Based Process Safety (RBOS) guidelines** by **Maersk Oil** to achieve incident-free operation and improve the Safety Culture across the Company

Implementation of Asset Safety rules and controls to mitigate risks to 'as low as reasonably practicable' (ALARP) is done by **Qatar Shell** alongside with the design of HSE Case which records how process safety hazards were identified during the design phase, using Hazards and Effects Management Process (HEMP) studies

QAPCO engages in Critical task analysis study, development and implementation of procedure

RasGas promoted recording & reporting near-miss culture as a medium of inculcating behavioral safety. Also introduced the 'four-tier framework' to address loss of primary containment (LOPC, or unintended releases of gas or oil)

Use of pipeline inspection gauge (PIG) is done in **Dolphin Energy** to perform various operations on a pipeline without disrupting the flow of gas through the pipeline and to ensure the integrity of the pipeline remains intact (ensuring the thickness of the pipeline is maintained throughout its length and corrosion is kept at bay)

QVC designs new projects or modifications in accordance with internationally recognized standards based on Best Available Technology (BATNEEC).

Joint effort by **QAFAC** and **QChem** to introduce and train which are OSHA 29 CFR 1910.120, OSHA 29 CFR 1910.156, NFPA 600, NFPA 1081, NFPA 472, Materials/Weapons of Mass Destruction Incidents certified

All chemicals used on site by **Qatar Shell** have a valid Material Safety Data Sheet (MSDS) which are available at the relevant work areas. Copies of all MSDS are also stored and maintained centrally.

Majority of the operators cover Product health related emergencies in Emergency Response Procedure

Other Health & Safety Initiatives

HEALTH & SAFETY ISSUES

Ras Laffan Emergency and Safety College: Qatar Petroleum and Texas Engineering Extension Service are developing and establishing a world class fire and emergency training ground facility at Ras Laffan City. This is the first Middle East emergency response and safety training college for energy and petrochemical industries, under an agreement between Qatar Petroleum and Texas Engineering Extension Service (TEEX). Ras Laffan Emergency and Safety College will be one of the leading and unique educational institutions in the region in terms of its size, state of the art equipment and diversity of the training. It will offer a wide range of courses in fire-fighting, safety and emergency response to Governmental and industrial institutions across the region and beyond. In addition, the college will accommodate a host of petrochemical, industrial and civil training props, a state of the art LNG research facility. Training courses delivered at the Ras Laffan Emergency and Safety College will carry the required international certification.

"At QAFCO, Corporate Social Responsibility is deeply integrated into all aspects of our operations. To us, sustainability is a value proposition that augments our inherent strengths while reinforcing the positive impact we make on the communities in which we have a presence. We consider the socio-economic impact of our have a presence. We consider the socio-economic impact of our actions as part of our effort in creating value for our stakeholders. Sustainability has been built into our corporate DNA. What's more, our sustainability has been intricately linked with that of the nation, and we feel duty bound to maintaining this."

Khalifa Abdullah Al Sowaidi VICE CHAIRMAN AND CEO, QAFCO Year 2010

SAFETY INDUSTRY PERFORMANCE IN 2010



SAFETY INDUSTRY PERFORMANCE IN 2010

The Qatar energy sector showed strong performance during the period. Notable highlights are as follows:

- RasGas' rate (at 0.07) is one-sixth of the average industry LTI rate of 0.42 per million hours and that RasGas has been the top performer in the global OGP benchmark in 2010 and also for three of the past four years 2010
- The Erhama Bin Jaber Al Jalahma shipyard of Nakilat achieved a milestone of 16 million man-hours without a Lost Time Incident (LTI). Nakilat Svitzerwijsmuller achieved 5.8 million LTI free man-hours since the start of their operations. Nakilat Agency Company also accomplished 5 years of successful operation without a single LTI.
- Despite the high activity levels in the Al Shaheen field (more than 10 million man-hours), Maersk
 Oil, Qatar experienced 4 Lost Time Injuries (LTIs) in 2010 resulting in a LTI Frequency (LTIF) of 0.4 per
 million work hours.
- Dolphin's Qatar Operations Division registered more than 7.7 million man hours without a lost time incident (LTI)
- Qatargas have achieved over seven years without a Lost Time Injury (LTI) in onshore and eight
 years without a LTI in their offshore operations. In 2010, no fatalities and no LTIs were recorded for
 Qatargas employees and contractors within a total of more than eight million hours worked.
- In the year 2010, QVC has surpassed 4.5 million LTI-free man-hours (for employees) since start of operations and had recorded over 2.6 million LTI-free man-hours for contractors as at end 2010.
- In the year 2010, Qatar Shell LTIF(Lost Time Injury Frequency) is less than 0.1 and nearly 280 million kilometres driven without a serious injury
- In the year 2010, LTIF recorded by Total E&P, Qatar was less than by 0.5.
- During the year 2010, Wintershall, Qatar had no LTI.
- In the year 2010, SEEF Ltd recorded no LTI (Lost Time Injury) for 2.56 million exposed hours of Employees and contractors
- Oryx GTL's Total Recordable Injury Record (TRIR) of 0.16 despite a minor injury occurred during the last quarter of 2010.
- Oxy Qatar's combined injury and illness incidence rate of 0.37 recordable incidents for every 100 fulltime employees and contractors.
- QAFAC has achieved 1.66 million safe Work hours (days without Lost Time Accident) during 2010, combined for staff and contractors.
- QAPCO had no Lost-time injury and restricted work accident during the year 2010.
- Ras Girtas's plant was recently commissioned and they will start reporting Injury/Incident statistics from 2011

Conclusion

The above showed strong evidence of safety performance by the industry and the Sustainable Development Initiative will further highlight the achievement in 2012.

"Our mission is to meet and exceed the expectations of our Customers, Shareholders, Employees and Community reach our goals of Operational Excellence, Employee commitment, Customer Satisfaction, Community Development and Superior financial Returns."

OChemis Leadership Team OChem Year 2010

Socio-economics issues

Socio-economic indicators

Socio-economics issues

Local hiring, Human rights, local procurement and supplier development

Qatarization and "responsible procurement" by increasing the "local procurement" were implemented by most Operators

Human rights and preventing corruption

Oxy Qatar made available a Compliance telephone line to all employees and contractors to anonymously report suspected violations of the Human rights Policy or the Code of Business conduct.

The Qatar Petroleum has also formed a strategic alliance with Supreme Council of Information and Communication Technology (ictQATAR), whereby they share a common platform for E-learning. In 2010, a total of 672 courses for professional training were conducted, and with up to 10,505 seats offered to employees of QP and its affiliates, the number of participants was much higher compared to the previous year.

Maersk oil undertook assessment of training needs for personnel based on their department competency and training matrix and closely linked the training to the personal appraisal system

Workforce training and development)

Most Operations engaged in organizing Awareness sessions for employees and contractors (long-term and shutdown Contractors)

RasGas developed a long-term People Master Plan to build and maintain a culture of learning and growth to ensure that human resources are in place to meet and exceed the challenges of the future

Promote Diversity & Inclusion (D&I) engagements, such as: Working Across Cultures, Managing Micro-inequities, interventions for teams and leader.

Provision of Training courses (on-site and in-class) that covers a range of skills and topics for employees and joint-venture partners

SOCIO-ECONOMICS ISSUES

Preventing corruption

Maersk oil introduced the "Whistleblower" system to enable employees to report possible breaches and implemented 'anti-corruption policies' to guide employees in situations where ethical choices must be made and establish a set of policies, compliance tools and training programs for this purpose

Provision of Anti Bribery and Corruption (ABC) Program Manual and guidelines to all employees and display on company's website

Social investment

Most Operators support initiatives that advance the social and economic well-being of the communities in which they operate and also launch charity funds to offer financial support and assistance to people, educational sector and youth centers

Dolphin Energy initiated the 'strategic balanced scorecard' which will be directly developed from the sustainability themes focusing the entire organization's key objectives

Local community impacts and engagement

Oatar Gas sponsored annual road safety campaign for schools in the northern region providing practical hands-on teaching of road safety (now incorporated into the Ras Laffan Industrial City Community Outreach Program with participation from other Operators of RLC)

Undertake Corporate and Social Responsibility (CSR) activities by providing HSE support for the community in education, sports and culture by participating in exhibitions, career fairs, environment fairs, awareness campaigns and other related events

Major operators are ensuring (Responsible Care) (RC) by engaging with stakeholders about their products and processes. Ensures cooperation with others in the value chain.

"Sustainability and corporate social responsibility makes good business sense for all of us but more importantly it works well when it is deeply ingrained into our business decisions. We recognize that businesses today play an integral part in solving current social businesses today play an integral part in solving current social and ecological challenges. As a responsible corporate citizen, QVC and ecological challenges are absorbed within our pledges to ensure that these practices are absorbed within our business thereby forming habits that eventually transform into a culture within the organization."

Hared Rashed Al-Nuaimi General Manager & Board Director Qatar Vinyl Company Ltd Q.S.C Year 2010

OTHER SD INITIATIVES AND PROGRAMS



OTHER SD INITIATIVES AND PROGRAMS

Other SD initiatives and programs carried out by the entire Energy Sector in Qatar consist of:

- **Qatar Petroleum:** Qatar Petroleum is implementing various SD initiatives in all its operations since inception and is presently reviewing and enhancing the QP's strategy and implementation plan for sustainable development which is aligned with QNV 2030 and NDS 2011-2016. A world renowned external SD consultant is engaged in the process of consultation with all the Directorates of QP and the task will be completed during the first quarter of 2012.
- Qatar Science and Technology Park (QSTP): QSTP is home for technology-based companies
 from around the world supporting organisations involved in the development and commercialisation
 of technology. It has a 600,000 sq.m campus and will function as a free-trade zone offering several
 benefits for companies which include the possibility of 100% foreign ownership, trade without a
 local agent, no taxes, and duty-free import of goods and services.

QSTP is the main organization promoting innovation and technology initiatives in Qatar. International companies such as The European Aeronautic Defense and Space Company, ExxonMobil, General Electric, Microsoft, Rolls-Royce, Shell and Total have already committed to invest \$225 million in R&D activities at the QSTP.

- o The Maersk Oil Research and Technology Centre (MO-RTC) will focus on applied technology development into horizontal wells and carbonate EOR. Studies are also planned into the effects of offshore operations on the environment. The MO-RTC will offer training facilities for employees and local universities.
- O Chevron Corporation is establishing the Centre for Sustainable Energy Efficiency, which will develop and apply state-of-the-art technologies to improve solar power and energy efficiency and provide an early understanding of how applicable new renewable technologies perform in Qatans demanding desert environment.
- o **Shell** has initiated a cutting-edge GTL R&D programme in Qatar. The programme builds upon Shell's extensive experience in the GTL field and focuses on catalyst testing, product development and GTL by-product research, including sulphur management. Shell is also executing technology programmes focusing on Khuff reservoirs as part of its global Carbonates Reservoir Centre of Expertise. It is also establishing a learning centre that delivers a variety of technology-related courses and the Intilaaqah Qatar Youth Enterprise program.



OTHER SD INITIATIVES AND PROGRAMS

- ConocoPhillips is establishing the Water Sustainability Centre at QSTP, which will examine ways
 of treating and using by-product water from oil production and refining operations, as well as other
 projects relating to industrial and municipal water sustainability.
- o ExxonMobil is establishing ExxonMobil Research Qatar at the Qatar Science & Technology Park to conduct research in areas of common interest to the State of Qatar and ExxonMobil including environmental management research and LNG safety research that will be applicable to many of the country's industry leading projects.
- o General Electric Advanced Technology & Research Centre at QSTP provides technical training for Aviation and Energy customers, while GE's Global Research Centre, Oil and Gas, and Water divisions undertake research and development of technologies relevant to industry across the region.
- o The Qatar Petroleum Research & Technology Centre at QSTP defines and participates in collaborative research projects that contribute to QP's operational performance. It will initially address upstream oil and gas operations, carbonate reservoir research and the environment.
- o The Total Research Centre Qatar undertakes R&D activities in five areas: multiphase oil and gas production carbonate reservoir modelling, acid gas management, polymer production, and airquality management. Total will also provides training and technical assistance services from QSTP.

Environmental Awareness and Community Outreach Programme

Qatar Petroleum - Ras Laffan Industrial City (QP-RLIC) with the support of its customers has implemented various community development activities such as:

- Air monitoring stations at different locations in the city and the surrounding communities to monitor the quality of air
- Surveys to collect community feedback on ways to make RLIC and its neighbourhood a better place to live
- Quarterly environment newsletter 'Biatouna', which addresses a wide range of topics relating to the environment
- Quarterly meeting between members of RLIC and the representatives of the community
- Competitions for schools, fund raising charity events, and environment conservation programmes.

RLIC has also initiated activities, such as:

Conservation Programs

Land utilization due to industrial and residential developments displaces natural habitats and wildlife. In RLIC, the protection and conservation of natural resources has been given high priority. RLIC has launched some natural conservation programs, these includes:

- Gazelle Breeding Programme
- Mangrove conservation program
- Houbara Breeding Programme
- Marine Turtles Conservation Programme

"Our aim is to make GTL the choice for all stakeholders. In line with our values we are committed to develop our people, drive continuous improvement and act with integrity when dealing with others."

Abdulrahman M. Al-Suwaidi, Chief Executive Officer, ORYX GTL Year 2010

CHAPTER 6

Conclusions

SDI Reporting Initiative

Oatar's Energy and Industry Sector continues to promote performance improvement on environmental, health, safety, and socio-economic issues by developing and sharing good industry practices. An important practice is sustainability reporting. The first initiative taken up by the DG Directorate on Sustainable Development Reporting initiative is a tremendous success which helped all the major seventeen participating companies in the Energy and Industry Sector to list out and discuss the SD initiatives including health and safety indicators for the first time in the State of Qatar. This created a solid platform for productive engagement and performance improvement and became a major milestone for the Energy and industry sector to focus and concentrate on SD in line with the implementation of NDS 2011-2016 to fulfill the objective of QNV 2030.

It is an opportunity for industry operators to support the SDI reporting initiative, gain from diverse Corporate Social Responsibility experiences, find inspiration and learn from international and national best practices.

The way forward for 2012

In the years ahead, the DG Directorate will work together with stakeholders particularly the industry operators to advance its mission of improving Qatar's industry's sustainability and the progress toward the "Industry Sustainability" goal. The DG Directorate will continue to support the industry operators through the sharing of best practices, and further review and revise the SD industry guidelines in order to fill gaps that become apparent.

Moving forward, all industry operators including service providers are encouraged to develop their SD strategy and join this initiative in 2011 reporting, as cooperation and contributions from all the operators will lead to a more comprehensive Sustainable Development Report for Qatar's Energy and Industry Sector.

In 2011 reporting, the DG Directorate will launch an annual appreciation and ranking scheme for awarding the prospective industry operators for their noteworthy SD program based on their 2011 SD reports.

Time line & Deliverables for SDI 2011 Reporting:

Time	Activity / deliverables	Responsibility	
February – March 2012	One-on-one meetings with industry to discuss particular issues relating to their operations regarding SD	DG Directorate	
April 2012	Sustainable Development Training and Awareness Workshop	DG Directorate	
May – July 2012	Operators' submission of individual 2011 sustainability reports to DG. Data / information needs assessment and acquisition		
August – September 2012	Authoring, Peer Review and interim release of supporting materials	DG/SD & Media team	
October 2012	Finalize report and associated deliverables Report submission and approval by Ministry of Energy and Industry	DG/SD & Media team	
November 2012	Release and distribution of SDI 2011 Report and appreciation ceremony	DG/SD & Media team	

It will be DG's philosophy to consult, advise and improve upon the process continually on a partnership basis with industry Sustainable Development reporting process for next period.

Therefore, all operators can be reassured that their views will be taken on board for the benefit of evolving the Sustainable Development initiative further.

The DG Sustainable Development team stands ready for consultation and engagement on particular issues that operators may have as required.





ANNEXURES

Annexure 1: Definitions and Acronyms

API	The American Petroleum Institute
CDM	Clean Development Mechanism
CEO	Chief Executive officer
CES	Clean Energy System
CO2	Carbon dioxide
DG	HSE Regulations and Enforcement Directorate
ESCWA	UN Economic and Social Commission for Western Asia
FDP	Field Development Plan
GDP	Gross Domestic Product
GGFR	Gas Flaring Reduction Partnership
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GTL	Gas — to — Liquid
HSE	Health, safety and environment
IPIECA	International Petroleum Industry environmental conservation association
LNG	Liquified Natural Gas
MIC	Mesaieed Industrial City
MMSCFD	Million standard cubic feet per day
MO-RTC	Maersk Oil Research & Technology Centre
NAKILAT	Qatar Gas Transport Company Ltd
NDS 2011-2016	National Development Strategy2011-2016 of Qatar
OGP	International Association of Oil and Gas Producers
OPEC	Organization of Petroleum Exporting Countries
OSR	Oil Spill Response
OXY	Occidental Petroleum of Qatar Ltd
QABP	Qatar Advanced Biofuel Platform

ANNEX 1

QAFAC	Qatar Fuel Additives Company
QAFCO	Qatar Fertilizer Company, Qatar Melamine Company
QAPCO	Qatar Petrochemical Company
QSC	Qatar Steel Co.
QCHEM	Qatar Chemical Company Ltd
QEWC	Qatar Electricity & Water Co. Q.S.C.
QNFSP	Qatar National Food Security Program
QNV 2030	Qatar National Vision 2030
QP	Qatar Petroleum
QPD	Qatar Petroleum Development Co. Ltd(Japan)
QSAS	Qatar Sustainability Assessment System
Q-SHIP	Qatar Shipping Co. Q.S.C.
QSRTC	Qatar Carbonates and Carbon Storage Research Centre
QSTP	Qatar Science and Technology Park
QVC	Qatar Vinyl Company Ltd Q.S.C.
RGPC	Ras Girtas Power Company
RLC	Ras-Laffan Industrial City
RLPC	Ras Laffan Power Company
SD	Sustainable Development
SDI	Sustainable Development Industry (SDI)
UN CSD	UN Commission on Sustainable Development
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNFCCC	Framework on Climate Change Convention
WHRU	Waste Heat Recovery Unit



Annexure2: Sustainable Development Industry (SDI) Reporting Initiative

1	Reporting period	Annual
2	Date of Most Recent Report	December 2011 for the Industry Sustainability Report 2010
Contact Points for Questions		Saif Al-Naimi Director, HSE Regulations and Enforcement Directorate (DG) Office : 4495-1414/15 Fax : 4429-3473 Email: sss_alnaimi@qp.com.qa www.hse-reg-dg.com Maheshkumar Patel Assistant Manager HSE Strategic Liason HSE Business Strategies (Opers Devt) Office: 44951513 - Fax: 44293609
4	Report Boundary	Qatar's Energy and Industry Sector particularly petroleum industry. For 2010 year report, invited 24 Operators from the petroleum industry
5	Self / External Assurance	Based on the operators individual 2010 Sustainability reports which was submitted to DG after Operator's self verification

Annexure 3: Our Stakeholders

OL NI-	Poll Name	Name		Type (Qatar	7	O	Sustaianbility Report (Qatar
SINO	Full Name	Name	Logo	Operations)	Zone	Company website (link)	operations) in company website (link)
			_				
1	CONOCO PHILLIPS	CONOCO PHILLIPS	ConocoPhillips	Support Services	Doha / Offshore	http://www.conocophillips.com/	
	OONOGO I TILLEII O	I TILLE O	1	Cupport Corvices	Dona / Olishore	пкр.// ими.сопосоришро.соп/	
			DOLPHIN (LIBIG:				http://www.dolphinenergy.com/ Public/default/sustainability.ht
2	Dolphin Energy Ltd	DOLPHIN		LNG/NG	Ras Laffan	http://www.dolphinenergy.com/	<u>m</u>
			E x onMobil			http://www.marchil.aaaa//JCA	
3	EXXONMOBIL	EXXONMOBIL		Support Services	Doha /Offshore	http://exxonmobil.com/USA- English/HR/Siteflow/Qatar.asp	
			BULF DRILLING				
4	Gulf Drilling International	GULF DRILLING		Oil & Gas (E & P)	Doha /Offshore	http://www.gdi.com.qa/	
	<u>g</u>		MAERSK		,		
			OIL				
5	Maersk Oil Qatar AS	MAERSK		Oil & Gas (E & P)	Doha /Offshore	http://www.maersk.com/	
	Mesaieed Power Plant						
	(Mpower)	Mpower		Power & Utilities	Mesaieed	http://www.gewc.com/	
			ex ·				
7	Occidental Petroleum of Qatar Ltd	OPQL		Oil & Gas (E & P)	Doha /Offshore	http://www.oxy.com/	
			ORYX				
	0 07		CKIA		D		
8	Oryx GTL	Oryx GTL		Refining	Ras Laffan	http://www.oryxgtl.com/	
	Qatar Aluminum Limited		الومنيوم قطر. Qalalum	Mining & Minerals and			
9	(QATALUM)	QATALUM		others	Mesaieed	http://www.qatalum.com/	
			Chem				
10	Qatar Chemical Company Ltd	QCHEM	AND DESIGNATION COMPANY CITY	Petrochemical	Mesaieed	http://www.qchem.com/	
	Qatar Electricity &	OF WO		Daniel O Likilikia	Manadanad	[]	
11	Water Co. Q.S.C.	QEWC	م م م م م م	Power & Utilities	Mesaieed	http://www.qewc.com/	
	Qatar Fertilizer Company, Qatar		QAFCO QAFCO QATAR MILAMINE CO.				
	Melamine Company	QAFCO		Petrochemical	Mesaieed	http://www.qafco.com/	
	O-t First & Living		(BM)				
13	Qatar Fuel Additives Company	QAFAC		Petrochemical	Mesaieed	http://www.qafac.com.qa/	
				Transport &			
14	Qatar Fuel Company (WOQOD)	WOQOD	э999 wодор	Storage and Distribution	Doha /Offshore	http://www.woqod.com.qa/	
14	(110400)				Dona /Olishore	map.//www.woqou.com.qa/	
	Qatar Gas Transport		NAKILAT ناقات	Transport & Storage and			
15	Company Ltd	NAKILAT		Distribution	Ras Laffan	http://www.nakilat.com.ga/	
	Ooton let Free!		QJetay				
16	Qatar Jet Fuel Company (QatJet)	QatJet		Petrochemical	Mesaieed	http://www.gietfuel.com/	
17	Qatar Lubricants Company Ltd (QALCO)	OALCO	QAICO	Petrochemical	Mesaieed	http://www.galco.net/	
''	Company Liu (CALCO)	QALOO			woodiecu	nap.//www.qaico.Het/	
	Qatar National Cement			Mining & Minerals and			
18	Company	QNCC		others	Mesaieed	http://www.gatarcement.com/	

Annexure 3

	Tune (Cotor Sustaianbility Report (Qatar						
SI No	Full Name	Name	Logo	Type (Qatar Operations)	Zone	Company website (link)	operations) in company website (link)
							website (link)
	Qatar Petrochemical		OFFICE O				
19	Company	QAPCO		Petrochemical	Mesaieed	http://www.qapco.com/	
			قطر للبترول Qatar Petroleum		Dukhan, Mesaieed,		
20	Qatar Petroleum	QP	Qatar Petroleum	Oil & Gas (E & P)	Ras Laffan, Doha / Offshore	http://www.qp.com.qa/	
			000				
	Qatar Petroleum		QPD				
21	Development Co. Ltd	QPD		Oil & Gas (E & P)	Doha /Offshore	http://www.qpd-jp.com/	
			POWER				
22	Qatar Power (Ras Laffan B) (QPOWER)	Qpower		Power & Utilities	Ras Laffan	http://www.gatarpower.net/	
	,						
23	Qatar Shell GTL Limited	SHELL Qatar		Refining	Ras Laffan	http://www.shell.com/qatar	
				Transport &			
24	Qatar Shipping Co. Q.S.C.	Q-SHIP		Storage and Distribution	Mesaieed	http://www.qship.com/	
			Û	Mining &			
	0 . 0		QATAR STEEL	Minerals and			
25	Qatar Steel Co.(QSC)	QATAR STEEL		others	Mesaieed	http://www.qasco.com/	
	Qatar Vinyl Company		FVC				
26	Ltd Q.S.C.	QVC		Petrochemical	Mesaieed	http://www.gatarvinyl.com/	
			œ ·				
27	Qatargas Operating	CATARCAS	S. St And GATAMORE	LNG/NG	D1-#	http://www.astausas.com/	
27	Company Ltd	QATARGAS	Ontofun 6	LNG/NG	Ras Laffan	http://www.qatargas.com/	
	Qatofin Company		Qatofin (
28	Limited (QATOFIN)	QATOFIN		Petrochemical	Mesaieed	http://www.qatofin.com.qa/	
			Ras Girtas 🎸 رأس هُرطاس	\			
29	Ras Girtas Power Company	RGPC	10,117	Power & Utilities	Ras Laffan	under construction	
	,,						
	Ras Laffan Olefins		RLOC				
30	Company (RLOC)	RLOC		Petrochemical	Ras Laffan	http://www.rloc.com.qa/	
	Dec Leffer D		RLPC				
31	Ras Laffan Power Company	RLPC	1002000000 F	Power & Utilities	Ras Laffan	http://www.qewc.com/	
			RG				http://www.rasgas.com/files/R
			RasGas				G SR10 Complete 070711%
32	Rasgas company Limited	RASGAS	C	LNG/NG	Ras Laffan	http://www.rasgas.com/	20vF3.pdf
			saipem				
33	Saipem Spa, Qatar	SAIPEM	-	Support Services	Doha /Offshore	http://www.saipem.com/	
			*				
24	SEEE Limited	SEEE	SEEF	Potrochemical	Mesaieed	http://www.coof.com.co/	
34	SEEF Limited	SEEF		Petrochemical	wesaleed	http://www.seef.com.qa/	
			TOTAL				
35	TOTAL E & P, Qatar	TOTAL		Oil & Gas (E & P)	Doha /Offshore	http://www.total.com/	
	Wintershall Holding		wintershall				
36	GmbH, Qatar , BASF Group	WINTERSHAL	BASF Gruppe	Oil & Gas (E & P)	Doha /Offshore	http://www.wintershall.com/	
	Loronh	<u> -</u>		Jon & Gas (L & P)	Dona /Onshore	TREE STAIL COTT	



MESSAGE FROM THE CHAIRMAN

We are proud to say that, despite the instability in the global economy since 2008, Qatar Petroleum (QP) remains focused on achieving long-term strategic targets and objectives. We have done so, confident in the knowledge that the success of investments in the energy industry is measured over decades, not months, and that the global economy will rebound, restoring the underlying fundamentals upon which QP's investment strategies are based.

QP's achievements in the LNG industry illustrate the desire and commitment of His Highness the Emir of Qatar to these principles. Under his wise leadership, QP has become a global leader in the LNG industry and now plays an essential role in supplying gas to regional markets as well as those in North America, Asia and Europe.

QP is also actively expanding its international investment portfolio through strategic investments in energy and petrochemical projects around the globe. This is being managed through our international division - Qatar Petroleum International (QPI).

At a national level, QP continues to work towards the goals of the Qatar National Vision 2030, which identifies key economic outcomes resulting from the responsible exploitation of the nation's oil and gas resources. These include establishing a balance between reserves and production, the generation of advanced technological innovations and the provision of clean energy for Qatar and for the world.

QP embraces the four pillars of development stipulated in the Qatar National Vision 2030 - namely, human development, social development, economic development and environmental development.

Our success in achieving our goals owes much to our highly skilled and tremendously committed workforce. I am confident that with people such as these the future for QP looks very bright.

HE Dr. Mohammed Bin Saleh Al-Sada Minister of Energy & Industry Chairman & Managing Director, Qatar Petroleum





Company Statement

At Maersk Oil, sustainability is our commitment to extract oil and gas in a profitable, safe, environmentally sound and socially responsible manner. We believe that sustainable development is essential for both society and business to thrive and grow. We are therefore committed to integrating sustainability in our operations and making our performance transparent to our stakeholders.

The foundations for our commitment are the A.P. Moller - Maersk Group Core Values and the Maersk Principles of Conduct which set the track to our solid sense of responsibility to society.

Together with Qatar Petroleum, our partner since 1992, we have developed the Al Shaheen oil field from what was first thought to be a marginal reservoir with no development potential, into a massive commercial success. This task would not have been achieved without innovative technology, highly skilled personnel and a sincere commitment to our partners. With a daily production of around 300.000 barrels of oil, the Al Shaheen field is now delivering one third of Qatar's total oil production.

Building on our company values and thriving with the people of Ω at a we will continue our story of success. Our vision of sustainable business goes hand in hand with the four pillars of the 2030 Ω at an National Vision and will promote Human, Social, Economic and Environmental Development in the country.

This report presents an overview of our approach to achieving sustainability as well as the best practices and benchmarking that allow us to track and improve our progress.

Within Qatar we are leveraging our position as one of the country's primary energy producers by using our own resources and technical expertise to make a long-term, sustainable impact in the areas of education, health and safety and the environment as well as the energy industry – to help build the nation







Dr. Faisal Al-Thani, Deputy Managing Director of Maersk Oil Oatar

RSK DIL DATAR A/S



Oxy Qatar's HES Policy Statement presents to Qatar Petroleum (QP) and our other stakeholders our commitment to advance the Vision and Guiding Principles by safeguarding the environment, protecting the safety and health of employees and neighboring communities, and upholding high standards of social responsibility. Accountability for these commitments resides with every Oxy Qatar manager and employee. The HES Policy Statement provides:

- Each of us has the obligation to assess work tasks for hazards and to stop any operation that appears unsafe
- We will protect the health and well-being of all people involved in or affected by Oxy Qatar operations
- We will understand our risks and manage them to make our risks as low as reasonably practicable
- We will minimize the impact of Oxy Qatar operations on the environment
- We will respect the culture, customs laws and rights of people involved or affected by Oxy Qatar operations in accordance with the Occidental Petroleum Corporation (OPC) Human Rights Policy.

Oxy Qatar implements the HES Policy Statement through our HES Management System, which addresses the functional areas of health, safety, security, environmental protection, risk management and social responsibility (SR). Oxy Qatar's Leadership Team is committed to continuous improvement in HES and SR performance and to enhancing Oxy Qatar's positive reputation in the community through a culture of individual commitment and responsibility. This commitment to the State of Qatar is shared and endorsed by our parent company, Occidental Petroleum Corporation, and its Board of Directors, senior management and dedicated employees throughout the world.

Sustainability Reporting 2010 Wintershall Holding GmbH, Branch Qatar



1 Company Statement

Energy is our business Energy is our future

We wish to make the future a sustainable one.

Wintershall Holding GmbH is the largest German Oil & Gas Company and part of the BASF SE Group. Our sustainability is achieved by reconciling long-term economic success with protection of the environment, safety, health for all and our social responsibility. This integrated report further explains our environmental and social performance for 2010.

Together with Qatar Petroleum, our partner since its foundation, and our international partners we have conducted petroleum operations and have invested into exploration activities in Qatar since 1973 to find and develop new hydrocarbon resources and sustain the Oil & Gas production of the State of Qatar. We will continue to build a sustainable foundation for future development and production.

2010 was a extraordinary year as we started operational activities to explore Block 4N "Khuff" and we commenced to drill the first exploration well with the "Khuff" gas formations as a target. This is the first Khuff exploration well Wintershall has drilled since 1986. We anticipate and are confident we will find the valuable gas needed for domestic supply towards further development of the country as per HH the Emir's Vision Qatar 2030.

Our ambitious HSE target for accidents in all our activities remains at zero. We achieved this mission in 2010. We will however continue to implement further measures to ensure that we keep our standards and practices at the highest level.

Erwiń Kroell General Manager

Wintershall Holding GmbH, Qatar Branch



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Respect for the environment and sustainable development is a long standing part of our tradition. The late Sheikh Zayed Bin Sultan Al Nahayan captured this in his own beliefs:

"We cherish our environment because it is an integral part of our country, our history and our heritage. On land and in the sea, our forefathers lived and survived in this environment. They were able to do so only because they recognized the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations."

As we continue to move forward, it is important that sustainable development remains at the centre of our efforts to secure beneficial growth for future generations. Sustainability management is our means of working towards sustainable development. It is the integrated management of economic, social and environmental considerations in a manner that creates optimal value for our stakeholders in a socially and ecologically responsible manner. By embedding sustainability management across our company, we can minimize our environmental impacts and maximize our involvement and positive economic and social impacts within the communities in which we operate.

Our commitment endorses the vision of HH Sheikh Khalifa Bin Zayed Al Nahayan, President of the UAE and Ruler of Abu Dhabi, to place sustainability at the heart of Abu Dhabi Vision 2030, as well as the direction and support of HH General Sheikh Mohamed Bin Zayed Al Nahayan, Crown Prince of Abu Dhabi and Chairman of the Executive Council, who is overseeing the implementation of that vision. I would like to thank them for their continued guidance as we strive to help preserve the future of this wonderful emirate.

"We cherish our environment because it is an integral part of our country, our history and our heritage. On land and in the sea, our forefathers lived and survived in this environment. They were able to do so only because they recognized the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations."



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"To achieve sustainable development, build a cohesive society and an open economy capable of global competitiveness."

His Highness Sheikh Khalifa bin Zayed Al Nahayan, President of the United Arab Emirates and Ruler of Abu Dhabi articulated the importance of sustainability within his vision: "To achieve sustainable development, build a cohesive society and an open economy capable of global competitiveness."

I would like to thank His Highness for providing us with his foresight and express my gratitude to His Highness Sheikh Mohamed Bin Zayed Al Nahayan, Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces, and Chairman of the Executive Council of the Emirate of Abu Dhabi, for his continuous stewardship and encouragement as we contribute to the future success and wellbeing of the emirate.

Dolphin Energy is in business to create value for our joint venture partners and stakeholders through the appraisal, development, production, transportation and marketing of hydrocarbon resources in a safe, efficient and environmentally responsible manner. I am committed to business processes that focus on efficiency, investment in people, correct ethical conduct, social responsibility, profit and growth. A key element in the area of corporate social responsibility is our pledge to conduct our business in a manner that embeds sustainability across our company and promotes continuous improvement in all our business practices and operations. Our goal is to ensure that wherever Dolphin Energy conducts its activities, we are the partner of choice, the employer of choice and the neighbor of choice.

As a founding member of the Abu Dhabi Sustainability Group (ADSG) Dolphin Energy has risen to the challenge of embedding sustainability across our company. Since our initial involvement in the ADSG in 2008 and leading up to our 2009 Sustainability Report, Dolphin Energy has worked to incorporate the principles and practices of sustainability into our everyday business. From 2009 to 2010 Dolphin has worked to align our strategic business plan with the goals of sustainability. This year's report includes highlights showing the impact and benefit that sustainability has brought to Dolphin.

I am therefore delighted to welcome you to Dolphin Energy's 2010 Sustainability Report.

4 Sustainability Report 2010



RasGas Company Limited

Foreword

by His Excellency Dr Ibrahim B Ibrahim

RasGas has a clear and unwavering commitment to the goals of the Qatar National Vision 2030, which sets a clear path for the country's future development.

Across all its activities, RasGas is pursuing economic, environmental, social and people-related goals closely aligned with the four pillars of the national strategy.

RasGas has continued to deliver outstanding business results, playing a major part in Qatar's economic growth through its own success and by generating wider economic benefit by providing jobs, opportunities for suppliers, and revenues for government. The company's contribution to the national achievement of 77 million tonnes per annum (Mta) of liquefied natural gas (LNG) production capacity by 2010 cannot be overstated.

Operating safely and demonstrating responsible stewardship for the natural environment are fundamental parts of RasGas' commitment to operational excellence. RasGas is showing that development is possible while simultaneously safeguarding people and the environment.

In its support for increasing the effective participation of Qatari men and women in the labour force, RasGas is taking practical steps to develop the capacity of Qatari citizens by offering them opportunity and building the skills that help them fulfil their potential. The company's Corporate Social Responsibility programme includes commitments to education and health which are integral features of the vision's human development pillar. In its support for communities, the company is showing its commitment to the social development foreseen in the national vision.

In building an enviable reputation for delivering LNG safely, reliably and efficiently to customers around the world, RasGas has continued to demonstrate leadership and innovation. RasGas has set an excellent standard for others to follow – an example now and in the years ahead.

His Excellency Dr Ibrahim B Ibrahim

Economic Adviser to the Emir of Qatar Vice Chairman of RasGas



RasGas' contribution to the national achievement of 77 Mta of LNG production capacity by 2010 cannot be overstated



Sustainability Report 2010 5

Introduction



As we reflect on the achievements of 2010, we can also look forward to the challenges of the future

2010 was a momentous year for Qatar and for RasGas. In achieving the objective of delivering 77 Mta of LNG production capacity, Qatar has not only established itself as the world's leading producer of LNG, but demonstrated clearly that its people have the foresight and determination to achieve things on an extraordinary scale.

As this report makes clear, RasGas' achievements in 2010 do not lie solely in achieving our production capacity target, important though that was. The report outlines the wide range of activities and initiatives we have taken across the whole field of sustainability — on safety and the environment, and in developing our people and caring for our community. The report shows our commitment to meeting our performance goals while operating responsibly, with a high priority given to safety and operational integrity — which have been issues of particular concern in the global oil and gas industry in 2010. The report describes the steps we have already taken and are continuing to take to contribute to Qatar's economy, in the context of national and international challenges relating to supplying the energy that we all need.

RasGas has played a significant role in Qatar's historic success, a role our shareholders, employees, contractors, customers and suppliers can all be very proud of. From managing mega-projects and investments in LNG technology and infrastructure to our world-class safety performance, RasGas has helped Qatar establish itself as a leader in the global LNG market.

As we reflect on the achievements of 2010, we can also look forward to the challenges of the future. Our goal is to maintain our track record of excellent performance and build on it. In doing so, we are committed to working towards the Qatar National Vision 2030, and its four pillars of economic, environmental, human and social development.

We were proud, in 2009, to be the first Qatari energy company to issue a sustainability report. We are equally proud to issue this second report now, as a demonstration of our continuing commitment. Sustainability is a journey. We firmly believe we are on the right path.

Hamad Rashid Al Mohannadi

Managing Director, RasGas

Statement from the Chief Executive Officer

For Qatargas, our determination and commitment for excellence has enabled us to become pioneers in the global Liquefied Natural Gas industry, creating steady growth, advancing operational excellence and establishing the highest levels of safety and environmental performance.

These attributes have contributed towards Qatargas becoming, the largest LNG producing company in the world, playing a significant contribution, under the guidance of the Minister of Energy & Industry for the State of Qatar, and our Chairman, His Excellency Dr Mohammed Bin Saleh Al-Sada, towards the State achieving the defining milestone, a combined production capacity of 77 million tonnes of LNG per annum and securing customers from all corners of the world.

Whilst proudly acknowledging the strides we have made, one thing that we at Qatargas place at the very heart of our priorities is our corporate citizenship responsibility.

Ingrained deeply into the foundation of our success, is a consciousness that places corporate citizenship on par with our commitment for innovation, operating excellence, environmental responsibility and our people, moving us closer on our journey to becoming the premier LNG company by 2015 and essentially aligning us with the State of Qatar's National Vision 2030.

We strongly believe, that as a global leader, in the global energy industry, we do not operate in isolation. On the contrary, we believe Qatargas is intrinsically linked with the communities and environments in which we operate, wherever they may be around the world. We remain keenly aware, that this link brings us opportunities as well as responsibilities, not only in terms of business success but also in terms of environmental, social and ethical aspects of our business.

As Chief Executive Officer, Qatargas, I am privileged to introduce our first Corporate Citizenship Report.

This Report truly captures, in all areas of our business, the significant commitment we have made towards operating in ways that reflect our values, where we look to create partnerships, based on trust, ingenuity, innovation and collaboration that promote the long-term economic, environmental and social value of the communities and environments in which we operate.

At Qatargas we uphold the highest standard of energy use, responsible energy management and energy conservation combined with an unwavering commitment to safety and the care and protection of the environment.

Through this Report we demonstrate how we have developed our people and fostered a culture of learning, innovation and excellence, making a positive contribution towards community development, whilst ensuring that everyone involved in the lifecycle of Qatargas plays their part in making a positive and lasting contribution towards community development, enhancement and growth for the next generations to come.

Thank you

Khalid Bin Khalifa Al-Thani

Chief Executive Officer





Message from Abdulrahman M. Al-Suwaidi, ORYX GTL CEO



With our aim to make GTL the choice for all stakeholders the 2010 calendar year was where we managed to make marked improvements in safety, production, environment and our social responsibility. We are grateful for the dedication, commitments, and hard work of the people working in and with ORYX GTL.

With their efforts and support we successfully completed the 2010 Shutdown

safely and continued the good safety performance through the year. We were able to reward the shareholders with good returns through the year based on good plant performance coupled with higher oil prices. With this performance ORYX GTL has shown the ability to be an exceptional investment and lucrative business.

In line with our values we are committed to develop our people, drive continuous improvement and act with integrity when dealing with others.

INTRODUCTION

QATAR SHELL SUSTAINABLE DEVELOPMENT 2010 REPORT



Andy Brown Executive Vice President, Qatar Shell

Welcome to the Qatar Shell Sustainability Report for 2010. In this report we show how consideration for safety, the environment and communities lies at the core of our operations and the development of our future energy projects.

Shell is a global group of energy and petrochemical companies employing 93,000 people in more than 90 countries. Shell aims to help meet the energy needs of society in ways that are economically, environmentally and socially responsible.

Qatar Shell is a proud partner of Qatar Petroleum in unlocking Qatar's gas reserves and supporting Qatar to further diversify its economy. Gas is a vital part of the secure and diverse supplies of energy the world needs and is abundantly available in Qatar. The construction of the world's largest gas to liquids (GTL) plant, Pearl GTL in Qatar, is a major step towards meeting the world's growing demand for cleaner energy. The plant, a joint development by Qatar Petroleum and Shell, will process about three billion barrels of oil equivalent over its lifetime from the world's largest single non-associated gas field, the North Field, which stretches from Qatar's coast out into the Gulf.

Sustainable Development for Shell and Qatar Shell, means considering both short- and long-term interests, and integrating economic, environmental and social considerations into our decision making. Sustainable development helps govern the way we develop new projects and run our facilities, how we manage our supply chains, and how we share benefits with the community.

The Pearl GTL plant will produce cleaner-burning diesel and kerosene, base oils for top-tier lubricants, a chemical feedstock called naphtha, which is used to make plastics, and normal paraffin, which is used to produce detergents

As you will read in this report, Sustainable Development is at the core of Shell's activities in Qatar and is the mechanism by which business activities are integrated locally in support of the Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016.





Message from the General Manager



At QAFAC, we focus on continuously improving our environmental performance. Our emphasis on identifying and controlling risks to the environment is central to our business approach.

Qatar is a country with very high aspirations and there is tremendous growth in industrial and non industrial sectors. I can proudly say that QAFAC has contributed in this extraordinary development of this country with zeal. To keep our air clean, we add value to the fuel in the form of MTBE, used in the massive transportation activities in the country and also to the other parts of the world. Our products are playing a vital role in the clean burning of the fuel for millions of vehicles all over the world.

As we work to improve environmental performance, our goal is to prevent any environmental pollution. Our policy is to comply with all applicable environmental laws and regulations and to apply responsible standards where laws and regulations do not exist. We track our environmental progress using several performance indicators. We closely monitor oil and chemical spills, greenhouse gases, air emissions, water discharge and waste disposal. We take these steps to understand and reduce the effect of our operations on the environment. We have made improvements in environmental performance over the past several years. QAFAC is following best environmental management practices and we are an ISO14001:2004 certified company.

I give entire credit to QAFAC team who are at all times looking for opportunities to keep our environment clean and protect it from harm for our children and future generations.

Rashid Misfer Al-Hajri General Manager



QAPCO was established in 1974 as a joint multinational venture to utilize the associated and non-associated Ethane feed from petroleum/natural Gas production in line with the industrialization plan of the State of Qatar.

Qatar Petrochemical Company
Ltd. (QAPCO) is one of the
leading producers of ethylene
and low-density polyethylene
(LDPE) in the Middle East
Region.

...QAPCO is presently owned by Industrial Qatar (IQ) with 80% by petrochemicals of France for the rest 20% share. The IQ is controlled & owned by Qatar Petroleum (QP) with 70% share in it, the remaining 30% shares being held are by the public. Qatar Petroleum is a wholly owned corporation by the State of Qatar and responsible the development and distribution of Country's oil & gas reserves and also in promoting downstream industries in the State The TOTAL Petrochemicals is part of TOTAL Group, France.

QAPCO is one of the companies located in the Mesaieed Industrial City along-with its neighbors producing fertilizers, steel, petroleum products and natural gas liquids.

...As a responsible corporate citizen, QAPCO considers the environment as an irreplaceable treasure and thus turning its operations as environment friendly in line with international standards. The company is proud of managing its operations with a high concern for the environment and health & safety of its employees at all levels.

QAPCO was established in 1974 as a joint multinational venture to utilize the associated and non-associated Ethane feed petroleum/natural Gas from production in line with the industrialization plan of the State QAPCO Qatar. commenced commercial production in 1981 and soon became well established in the global market for its commitment to quality and reliability.

...QAPCO continues to maintain its high international standards of excellence with the focus on

customers' satisfaction. The Quality, continual improvement; and safety, health, environmental, and community concerns are the driving forces behind company's overwhelming success.

...As a responsible corporate citizen, QAPCO considers the environment as an irreplaceable treasure and thus turning its operations as environment friendly in line with international standards. The company is proud of managing its operations with a high concern for the environment and health & safety of its employees at all levels.

...QAPCO has major investments in several Jointventures projects in Qatar like QVC, Ras Laffan Cracker (RLOC), Qatofin, QPPC etc. These projects are currently running successfully contributing immensely to the growth of the State of Qatar. The investment to achieve economy of scale remains the central pillar of QAPCO's strategic plan. The initiatives undertaken in this direction continues to put QAPCO on the track of accelerated growth.



Q-Chem Guiding Principles

Vision

To be the premier producer of petrochemicals to our respective markets

Mission

To meet and exceed the expectations of our Customers, Shareholders, Employees and Community

Values - "We Believe in..."

Protecting the safety of people, process assets, and the environment is our most important value and always our highest priority

Employing and developing Qatari Nationals

Respecting diversity and cultural differences

Continuosly improving our people's skill, process and products

Communicating well, empowering and engaging individuals and teams and recognizing superior perfomance

Fostering a fair, interesting, enjoyable and rewarding workplace

Goals



Operational Excellence Employee Commitment
Customer Satisfaction Community Partnership
Superior Financial Returns





Message from the Vice Chairman and CEO

On behalf of QAFCO, I am pleased to present our first Sustainability Report, which highlights our contribution to sustainable development and the effects that our actions have on our main stakeholder groups – customers, shareholders, employees, business partners, society and the environment at large. At QAFCO, Corporate Social Responsibility (CSR) is deeply integrated into all aspects of our operations.

Sustainability is at the heart of our business. We consider the socio-economic impact of our actions as part of our effort in creating value for our stakeholders. In an intensely competitive and rapidly evolving fertiliser industry, sustainable development plays an essential role in ensuring our viability. We realise that sustainability issues can affect our investment value, our risk profile and potential liabilities. As a result, the Board of Directors and senior management are increasingly focused on ensuring the sustainability of all our activities. To us, sustainability is a value proposition that augments our inherent strengths while reinforcing the positive impact we make on the communities in which we have a presence.

We believe in safeguarding the long-term interests of our stakeholders in order to ensure our own viability. Sustainability has been built into our corporate DNA. What's more, our sustainability has been intricately linked with that of the nation, and we feel duty bound to maintaining this.

Commitment towards Better Disclosure and Transparent Reporting

In preparing this report, we have been guided by the Global Reporting Initiative (GRI) which evaluates sustainable development according to the three parameters of economic, social and environmental performance. By and large, these parameters correspond to the areas that support our CSR programmes in our employment practices, health and safety, human rights, society, product responsibility and the environment.

We have achieved an excellent performance in reporting by achieving Application Level XXX in accordance to the GRI-G3 framework for Sustainability Reporting. The independent assessment by GRI in Amsterdam confirms that QAFCO has reported on all required core indicators under GRI-G3 which measures disclosure and transparent practices in business.

We have integrated responsible code of conduct into our strategy and activities. Our social reporting will help us to meet the increasing demand of society. This is also part of our commitment to continue improving our management decision making in achieving greater transparency. This sustainability report presents our Corporate Social Responsibility achievements in the year 2010 and clearly sets out the actions we have planned to build on our solid performance in the future. We have extended our efforts in identifying the gaps and formulated our strategy to fill these gaps.

Our Milestones in Achieving Greater Sustainability

We have achieved "Responsible Care" (RC) certification which is a comprehensive Health, Safety, Security and Environment (HSSE) performance improvement initiative. Our commitment goes beyond

this as Qatar Melamine Company, which received the consent to operate this year, is in the final stages of certification for Quality, Occupational Heath & Safety and Environmental Management Systems based on ISO 9001, OHSAS 18001 and ISO 14001 standards. We strive to be a leader across all aspects of sustainability. We realise that sustainability requires our concerted efforts to conserve and contribute to the environment. In 2010, we continued to mitigate the burden of our business activities on the environment while developing a sustainability society.

We value the contribution of each employee and their safety is of paramount importance. I am pleased to announce that during 2010, we celebrated five million working hours free of lost time accident; our Frequency Rates and Accident Severity Rates were zero. I am pleased to report that the hard work from our Safety Team has paid off.

Looking forward, we have designed a fish hatchery which we hope to build soon. Large numbers of fish eggs are artificially fertilized and the fry will eventually be released into the open sea to increase wild stocks. We are also looking at feasible ways of introducing technologies which reduces nitrogen oxide emissions and we hope that we work with the authorities to roll this out to the whole of Qatar and ultimately all GCC countries.

In protecting the biodiversity and conservation of our nature, QAFCO has continued to be actively involved in greening activities including the Sahara Forest project which is a large reforestation activity and the ecological conservations of Al-Besheriya island.

QAFCO is committed to build the momentum and confidence in the mindset of national citizens. Whilst there have been a number of initiatives across all aspects of sustainability over the past twelve month, the key focus has been on building the nation. For the record, we have annually provides the largest number of jobs to Qatari citizens and we provide the right employment opportunities, in conjunction with the Qatarization policy.

Acknowledgements

None of the initiatives highlighted above would have achieved the required results if not for the dedication of our most important stakeholder - our employees. Our own efforts to create a conducive and rewarding work environment for our employees are detailed under the Labour Practices and Decent Work section in this report. Needless to say, we truly appreciate the hard work and commitment of all our employees, to whom I would like to express my heartfelt gratitude. I would also like to thank all our business associates, partners and customers for their continued loyalty. Finally, I would extend a word of acknowledgement to the regulators and government authorities for their constant support over the years. This Sustainability Report is dedicated to all of you. We hope you find it useful and informative and welcome feedback on how we can further improve our operations, hence our sustainability.

Khalifa Abdullah Al Sowaidi VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER





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Section 1:

1- GM & Board of Director Statement



Qatar Vinyl Company (QVC) was established as a Qatari Shareholding Company in December 1997 by Emiri Decree No. 24. Many milestones have been achieved since then, including the official inauguration of QVC in June 2001, under the auspices of H.H. Sheikh Hamad bin Khalifa Al-Thani, the Emir.

Project completion was successfully accomplished within the stipulated timeframe, the approved budget and over 18 million man-hours without lost-time accidents.

The environmental aspects received considerable attention throughout the project phases and as early as the feed study phase, where an Environmental Impact Assessment (EIA) study outlined the framework and guidelines to incorporate the latest internationally recognized standards that are applicable for similar 'world-class' vinyl industries. Currently, QVC is operating in accordance with a renewable 'Consent to Operate (CTO), issued by the Ministry of Environment (MoE), where plant emissions and discharges are monitored against stringent requirements and are reported on a quarterly basis.

Thanks to the concerted efforts of everybody, especially our foreign shareholders, QVC has established a well-managed and optimally-controlled plant, which is operated in a smooth and efficient manner and has been able to honour our commitments to our customers. QVC is currently exhibiting highly commendable production rates – 128% of the design plate capacity for the Chlorine Plant and 160% of the design plate capacity for the VCM plant.

Since startup, QVC has achieved a remarkable safety record of over 4.5 million man-hours without any lost-time accidents.

The fact that today QVC is enjoying a reputable name in the Caustic and Vinyl markets gives us immense pride. QVC's organisation is based on a lean/horizontal type of organisation whereby easy and efficient inter-departmental communication forms the successful tool to run the plant safely, complying with all legal and applicable regulations and still satisfying the customers' requirements.

QVC's management will continue to focus on achieving the objective of being a low cost, safe, high quality and efficient vinyl producer, together with concentrating on future debottlenecking and expansion plans.

OUR VISION:

A World Class Vinyl Company giving
Value to our Owners
Service to our Customers
Pride to our Employees



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While QVC has clearly accomplished a great deal over the last few years, we recognize that there is a cost associated with growth. The petrochemical industry has contributed significantly to the development of nations the world over and as the demand for chemicals continue to rise, it has also led to increased amounts of wastes, air emissions and water discharges. In addition, the global use of resources generates much in the way of greenhouse gas emissions.

To this end, QVC, being one of the founding members of the Gulf Petrochemicals and Chemicals Association, GPCA, together with its other members have embarked on the journey towards achieving 'Responsible Care' (RC). Through RC, QVC communicates with its stakeholders about its products and processes, and cooperates with others in the value chain in the manufacture, supply and use of products that bring real benefits to society.

QVC is committed towards the implementation of its RC programme, including conducting self-assessments and ensuring action plans to address areas for improvement. With GPCA's approval, QVC has now been granted the RC logo.

QVC recognises the value of demonstrating transparency and accountability beyond the traditional domain of financial performance. Corporate sustainability encompasses strategies and practices that aim to meet the needs of stakeholders today while seeking to protect, support and enhance the human and natural resources that will be needed in the future.

Sustainability and corporate social responsibility makes good business sense for all of us but more importantly it works well when it is deeply ingrained into our business decisions. We recognize that businesses today play an integral part in solving current social and ecological challenges. As a responsible corporate citizen, QVC pledges to ensure that these practices are absorbed within our business thereby forming habits that eventually transform into a culture within the organisation.

Finally, it gives me great pleasure to bring to you the first sustainability report prepared by QVC.

On behalf of QVC management and staff, I take this opportunity to express my sincere gratitude to H.H. Sheikh Hamad bin Khalifa Al-Thani, the Emir; H.E. Dr. Mohammed Saleh Al-Sada, the Minister of Energy and Industry and Chairman of QVC Board of Directors and to the shareholders of QVC for their continued cooperation and support.

Yours Sincerely,

Hamad Rashed Al-Nuaimi

General Manager & Board Director Qatar Vinyl Company Ltd Q.S.C

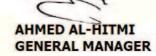


SEEF Limited considers that, sustainability issues are an integral part of its business and a prime responsibility of the entire workforce. Therefore, I am very pleased to present our first Sustainability Report which shows the gradual progress we are making in terms of integrating all the elements of sustainability into our business model.

SEEF Sustainability Report has served as an important tool that helped us chart our progress and improve productivity. And also helped to motivate our employees to actively explore improvement opportunities.



SEEF Limited has always conducted its business in a sustainable manner, outlined in strategic plans, which are environmentally and economically responsible. We are determined to run a successful business that is efficient and transparent when it comes to the protection of the environment. This report is part of our drive to become more accountable, and sustainable.



S IE IE IF



As Qatar marches proudly onward towards achieving our National Vision 2030, Ras Girtas Power and Water Company will fulfill two of the country's most basic needs – Electricity and Water. In doing so, Ras Girtas will provide the momentum for Qatar to reach ever greater heights.

The Ras Girtas plant is by Independent Water and and one of the biggest water in the world. I am Company will drive the that construction of this time. In less than three works to power growth by Qatar's power and water

None of this would have farsighted vision of His Sheikh Hamad Bin Khalifa Heir Apparent, Sheikh would also like to take Kahramaa, Qatar and all our partners in this



far the largest Integrated Power (IWPP) facility in Qatar, single-site producers of power and proud to Ras Girtas Power next chapter in Qatar's report facility was completed in record years we have gone from piling building strategic surpluses into supply.

been possible without the Highness the Emir of Qatar, Al Thani and His Highness the Tamim Bin Hamad Al Thani. I this opportunity to thank Electricity and Water Company epic undertaking.

As the plant's full capacity is brought online, Ras Girtas will supply continue speedy execution of IWPP projects 30% of the total electricity and 20% of the country's potable water. Not only will this build strategic reserve capacity into our infrastructure, but it will also provide avenues for employment for Qatari nationals, make us even more self-reliant and usher in an era of even greater progress and prosperity for all.

Mr. Saad Sherida Al Kaabi Chairman Ras Girtas Power Company





To Our Shareholders,

On behalf of Nakilat, I am pleased to present the many highlights of the Company's major achievements in 2010.

The past year was of great importance to Nakilat. Nakilat reached an historic milestone on 23 November 2010, when, under the patronage of His Highness Sheikh Hamad Bin Khalifa Al Thani, The Emir of the State of Qatar, Nakilat inaugurated the first three phases of its new world-class Erhama Bin Jaber Al Jalahma Shipyard in the Port of Ras Laffan. The new Shipyard is of key economic and strategic importance to the State of Qatar. It will ensure our Fleet is maintained to the highest possible quality standards, while also providing impetus for the development and growth of a new marine industry in Qatar. The new Shipyard is a truly outstanding asset for the State of Qatar and for Nakilat.

Following significant and successful staffing efforts in 2010, operations at the new shipyard began in the latter part of 2010. Initial projects and successes were robust with N-KOM's fabrication and installation of massive dry dock gates for the shipyard's graving docks, and with the certification via DNV of the company's Integrated Management Systems (ISO 9001, OSHAS 18001 and ISO 14001). N-KOM was also successful in negotiating new business opportunities via a signed three year Fleet Servicing Agreement with STASCO; in signing MoU's with the Qatar Navy and Gulf Drilling International for Ship Repair and Dry Dock Services; and in Letters of Intent with six major shipping companies for various shipyard services.

NDSQ also began construction of its first vessel in late 2010, a 140 meter Load-Out/Recovery Barge, for Qatar Petroleum. NDSQ's new business initiatives resulted in MoU's with the Qatar Emiri Naval Forces for the construction of six (6) Naval Patrol Boats and with Qatar Petroleum for the construction of 19 commercial vessels (tugs, pilot and supply boats) for use at the Port of Mesaieed. NDSQ also made significant progress in its ISO 9001 certification which is expected in early 2011.

On 12 August 2010, "Rasheeda", our final ship to be constructed was delivered to the Nakilat fleet. With "Rasheeda" in service, Nakilat's 25 wholly-owned ships combine to complete an LNG fleet of 54 vessels—the largest and most modern LNG fleet in the world. Added to these impressive assets, the fleet also includes four Very Large Gas Carriers for the transport of LPG. "Rasheeda's" commissioning marked the successful completion of a very aggressive and unprecedented LNG ship construction program. In less than five years Nakilat has become a world leader in LNG shipping; solidifing its strategic position in Qatar's LNG supply chain, and, in turn, becoming the country's floating pipeline to world markets.

Nakilat achieved another significant milestone when on 13 April 2010, Nakilat's Ordinary Annual General Meeting approved its first cash dividend distribution to its shareholders totaling 5% of the nominal value of its share capital, which was equivalent to 50 Dirhams per share. Nakilat's Board of Directors is recommending the distribution of an additional cash dividend for its 2010 performance of 75 Dirhams for a total cash dividend distribution to date of 125 Dirhams. This compares with a combined IPO estimate for this same period of 19 Dirhams or a success multiple of nearly 6.6 times the IPO estimate.

All of these accomplishments have been achieved due to the strength of Nakilat's strategies, its robust business model, the abilities, values and focus of its people, and the tremendous support of its Board of Directors and shareholders.

Future Plans

In the year ahead, Nakilat will continue its efforts to develop the necessary infrastructure and management systems that will achieve our strategic objectives and optimize shareholder value. We will further identify and pursue value-added opportunities that correspond to our business mandate.



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