Sustainability Report

Creating Sustainable Excellence

سبكيم
Sipchem
EXCELLENCE everywhere

In the Name of Allah the Most Compassionate, the Most Merciful

Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al-Saud

His Royal Highness
Prince Mohammed Bin Salman Bin Abdulaziz Al-Saud
Deputy Crown Prince, Second Deputy Prime Minister And Minister of Defense

His Royal Highness
Prince Mohammed Bin Naif Bin Abdulaziz Al-Saud
Crown Prince, Deputy Prime Minister And Minister of Interior

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MESSAGE FROM THE CEO

I am delighted to share the inaugural report of sustainability performance at Sipchem.

Sustainability is an integral part of Sipchem values, balancing it's commitment towards the environment and community along with the drive for continuous business growth. Undoubtedly, it is a challenging task, however, with the commencement of our recent Corporate Strategy, Sipchem will continue to pursue leadership in corporate sustainability by creating value in the region and competing in the global market. This report is not only a transparent depiction of the recent contribution towards sustainability but also the beginning of performance recording. Launching of our brand initiative "Excellence Everywhere" truly reflects our relentless pursuit for excellence in sustainability.

2015 has been a challenging year, low oil prices, reduced market demand coupled with an increase in feedstock and fuel price exerted a significant pressure on profits. In addition, the reliability of some plants have limited production volumes during the year. In spite of these difficulties, Sipchem has been able to remain viable as we launched an aggressive program to enhance business reliability and production efficiency, through cost saving initiatives, widening the product portfolio and extending marketing efforts to target new customers and geographies. In 2015, "Sipchem Maintenance and Reliability Transformation of Operation" (SMARTO) program was launched in consultation with DuPont to instill a culture of defect elimination and asset optimization across production facilities in a sustainable manner.

International Polymer Company and Gulf Advanced Cable Insulation Company commenced commercial operation, while the Polybutylene Terephthalate (PBT) plant is currently in the testing phase. As a result, new products such as Ethylene Vinyl Acetate (EVA), Low Density Poly Ethylene (LDPE), and Cross Linked Poly Ethylene and Electrical Wire Insulation were successfully added to Sipchem's products portfolio. These are important steps forward in the company's expansion and growth program, increasing the value addition through captive use of products in the integrated downstream plants. Our growth ambitions will continue focusing on added value products and markets.

To support Company business and products, Technology & Innovation Center, MANAR, was inaugurated in March 2015, under the auspices of HRH Prince Saud bin Naif bin Abdulaziz Al-Saud, Governor of Eastern Province. The state-of the-art Center houses more than 41 laboratories, aiming to promote industrial & commercial diversification through the development and support of downstream industries in Saudi Arabia, as well as supporting our plants' performance improvements.

The safety of our employees, community and assets continues to be our top priority. Our unique safety monitoring and enforcement initiatives helped us to achieve high safety performance and results. However, further within enhancements of safety attitudes will continue especially during plants' turnarounds.

Caring for the Environment is our top priority. Sipchem's vision is to achieve Environmental Excellence by reducing energy consumption, GHG emissions, water usage & waste generation. There are endless opportunities for reducing the environmental footprint of the business. For example, a wastewater recycling project was initiated which reduced wastewater discharge by 300,000 m3/year, 15% decrease, and an equivalent amount of fresh water consumption.

Another environmental footprint reduction initiative was achieved by recycling waste chemicals through a local company, which not only reduces emissions but also promotes the use of small local businesses.

We place great value on our community responsibility and contribution to society through job creation, community outreach programs and the global benefits, our products bring to humanity. Over the years, Sipchem has launched a number of initiatives for the benefit of the neighboring community and allocates 1% of the Company's net profit to run these programs as part of our corporate social responsibility (CSR) efforts. The selection of programs is based on diversity and inclusiveness, including supporting needy women and orphans. Our programs have an objective to enable those in need, to be self-sufficient and not just provide them with donations. For instance "Orphans" is a unique program started 10 years ago and is a model sustainable program, assisting their families to become self-sufficient contributors to the community. Social responsibility programs are not just limited to Saudi Arabia but are extended beyond our borders. . For instance, with co-ordination of relevant Governmental agencies, Sipchem has supported the construction of 30 residential units for Syrian refugee families in Jordan's Zaatari Camp.

Since beginning, the company is taking care of its employees from all aspects. For example, career development and Succession programs put in place for creating a rewarding work environment. In addition company offers a number of incentives including Home ownership program and shares option scheme. As a result, company is amongst the best working environment in the region.

Our CSR journey will continue to drive prosperity for carefully selected targets in the Kingdom. We will continue to undertake programs with the same vigor in identified priority areas and will report our performance and achievements on a regular basis.
I trust this Report provides an insight into the contribution of Sipchem towards sustainability and develops our trust among stakeholders as a socially responsible company.

I take this opportunity to thank all our stakeholders, employees and their families for their great contribution to the success of the company.

Sincerely,
Ahmad A. Al-Ohali

SECTION 1

INTRODUCING SIPCHEM

SECTION 1

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Introducing Sipchem

Saudi International Petrochemical Company (Sipchem) is a public limited company listed on the Saudi Stock Exchange (Tadawul). Sipchem was founded on December 22, 1999 with current paid up capital of SR 3.6 billion divided on 366.6 million shares.

SIPCHEM AT A GLANCE

Sipchem is engaged in the manufacturing of a variety of basic, intermediary petrochemical, chemical & polymer materials that can be utilized as feedstock for manufacturing of a vast array of products that provide prosperity and welfare for humans.

Sipchem's headquarter is located in Al Riyadh and administration building in Al Khobar while the Research & Development Center (MANAR) is located in Dhahran Techno Valley, Saudi Arabia. The main industrial complex is located in Jubail Industrial City for the production of various petrochemical and polymer products due to the local availability of all the required basic infrastructure, raw materials and supply of petrochemical feedstock in the Eastern Province. Jubail Industrial City is also an excellent transportation hub allowing for the ease of export operations via King Fahd Industrial Port. Additionally two plants producing diversified products are located in Riyadh and Hail, Saudi Arabia.

The Sipchem Marketing Company (SMC), a wholly owned affiliate of Sipchem, functions independently in the sales and marketing of Sipchem products. Today, SMC has a strong, growing and diversified product portfolio and markets over 65% of its total merchant volumes globally. Sipchem's Marketing offices are located in Singapore and Switzerland.

Sipchem has been recognized as an important player in regional and global petrochemical business in just 15 years due to its agile administrative, professional and technical capabilities.

The present corporate strategy focuses on the phased integration of current and future products portfolio, with Jubail being the hub for the existing products. Furthermore, the strategy enables us to increase our domestic output in line with Government vision for diversification of economic growth of Saudi Arabia.

Through our passion and determination, we are able to influence the world positively in numerous ways. We live 'on purpose' and 'work on purpose' and our desire to challenge assumptions means that our commitment for the continual growth and prosperity of Saudi Arabia is unwavering, reaching every corner of the globe.

Since 1999

A world-class, Saudi petrochemical company

SAR 3,515 Million

Revenue generation

2.2 million MT

Gross production

Global commitment

To produce and supply petrochemical products

3,000+

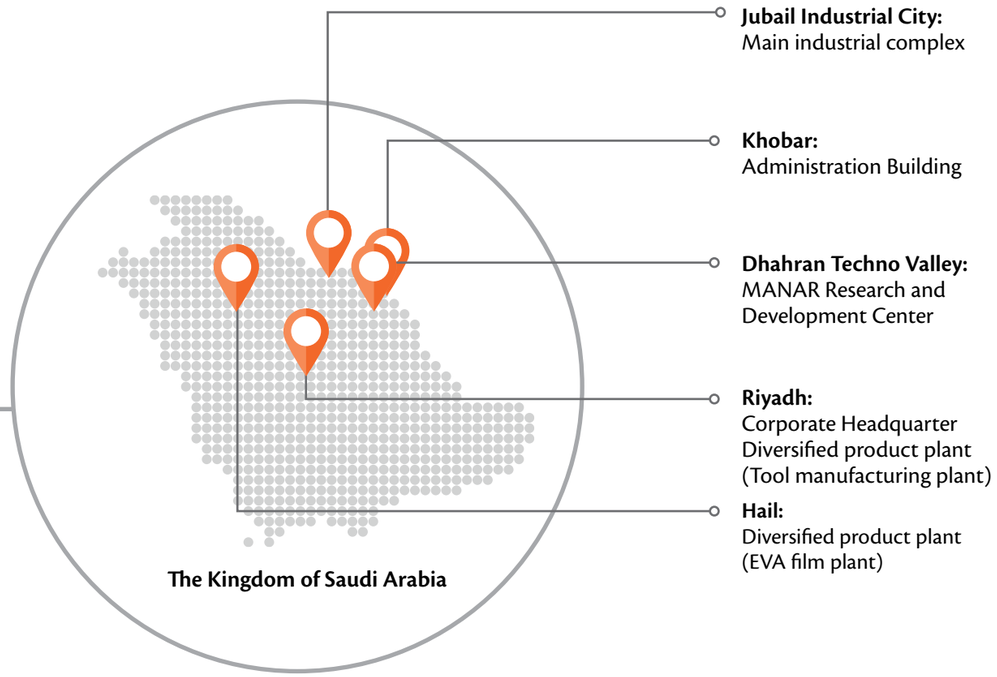
Job creation (direct and indirect)

Since 2011

Certified in Responsible Care

Here, There and Everywhere

Sipchem, now, has a strong growing and diversified product portfolio and markets itself over 65% of total merchant volumes globally. Sipchem's Marketing offices are located in Singapore and Switzerland.



OUR JOURNEY SO FAR

Sipchem's journey began in late 1999 as a Saudi closed joint stock company with the objective of becoming a major petrochemical manufacturer.

Our dream was to provide high quality petrochemical products for world markets. Since the beginning, we have delivered value-added and export-oriented products that have played a central role in harnessing the Kingdom's extensive natural resources that have benefited the far reaches of the globe. Since the commencement of operations in 2004 our journey has included floating as a public company in 2006, the acquisition of strategic businesses around the world and new operations coming on stream in the last three years.

With rapid population growth, urbanization, increasing energy demands, climate change and globalization, Sipchem is leading the future of how we live.

1999
Incorporated as a closed joint stock company

2004
Methanol plant commenced operations

2005
Butanediol plant commenced operations

2006
Went public through a successful IPO

2007
Established Sipchem Marketing Company

2010
- Allocation of 1% net profit for CSR
- Best work Environment Award
- CO, Acetic Acid and VAM plants commenced operations

2011
- Established marketing unit in Europe (acquired Aectra, a Swiss petrochemical trading and marketing company)
- Achieved Responsible Care© certification

2013
- EA/BA plants commenced operations
- Established marketing unit in Singapore

2015
- Wire & Cable plant commenced operations.
- EVA/LDPE plants commenced operations.
- Sipchem Technology & Innovation Center inaugurated.
- Sipchem New Brand launch

2016
- Acquired 11% shares held by Ikarus in IAC and IVC.
- (Plan) PBT plant to commence operations.
- (Plan) EVA Film plant to commence operations.
- (Plan) TMF plant to commence operations.

Sipchem's aim is to provide high quality petrochemical products for world markets.

VISION

We challenge assumptions every day to discover and develop responsible solutions, enhancing the quality of life for generations to come.

To ensure the highest quality of products and services we have developed an internal philosophy that will help us deliver excellence everywhere. This philosophy, or way of doing things, is called "challenge logic" and has been integrated into our brand idea. Challenge logic is our secret formula for a powerful way of thinking that encourages our internal teams to recognize that questions are more important than answers:

To challenge is to learn, to learn is to advance, to advance is to innovate, to innovate responsibly is to benefit mankind

As scientists, engineers, marketers and professionals, we rely on logic. It determines chemical formulas and gives order and structure to our daily lives. However, if we accept today's logic without question, then we will not improve the outcome of tomorrow. By continually challenging logic, we are looking at new things, new approaches and new development.

MISSION

To make this vision a reality it is our Mission to:

Grow our capability and reach by constantly pushing the boundaries that inspire, enhance and sustain excellence.

We are committed to the highest quality standards in all our activities, from products to the integrity of the surrounding environment and to the safety of our employees. This is what we consider to be our purpose.

OUR PURPOSE

We are committed to the highest quality standards in all our activities, from products to the integrity of the surrounding environment and to the safety of our employees.

BRAND AND VALUES

Launch of the Sipchem Brand in 2015

Sipchem's brand **'Here, There and Everywhere'** was launched in 2015 and is a significant milestone in Sipchem's journey of development.

'Here, There and Everywhere' is a strong scalable theme that enables Sipchem to express **"EXCELLENCE everywhere"** in countless environments and scenarios including both corporate and products level advertising.

SIPCHEM'S PRIORITY VALUES

Our Vision and Mission are underpinned and will be achieved by living our core values, those being Passion, Courage, Higher Efficiencies and Momentum, as described below.

Passion

What we do affects the world in thousands of positive ways, making every day enormous. This focuses our curiosity to contribute.

Courage

Standing up to be counted makes us feel alive as it brings us closer to new dimensions in logic and new parameters of possibility.

Higher Efficiencies

We value assets by applying them resourcefully: our energy, our finances, our acquired knowledge and the wisdom we generate together.

Momentum

Our size and strength enables reinvestments in our capabilities, in our learning and by constantly growing our goals we see originality emerge.

Let us encourage passion in our science, let us have the courage of our convictions, let us strive to be resourceful with what is challenged and let us take strength in our momentum, knowing that we are all working together for the pursuit of excellence everywhere.

OUR ACTIVITIES

Sipchem is classed as one of the world's leading manufacturer & marketer of a number of chemicals, grouped together as Basics, Intermediates, Polymers and Diversified Products produced at different production facilities within kingdom of Saudi Arabia.

Of our 14 production plants, 12 are located in Jubail Industrial city, one in Riyadh and one in Hail.

The products that we develop include Methanol, 1-4 Butanediol, Tetrahydrofuran, Maleic anhydride, Gamma-Butyrolactone Acetic Acid, Acetic Anhydride, Vinyl Acetate Monomer, Carbon Monoxide, Wire & Cable, Ethyl / Butyl Acetate, Ethylene Vinyl Acetate, Low Density Polyethylene and EVA Film.

We are in the initial stages of a startup of a Polybutylene Terephthalate (PBT) plant in Jubail, a Tools Manufacturing Facility (TMF) in Riyadh and an Ethylene Vinyl Acetate (EVA) Film Plant in Hail. We are doing this through either 100% Sipchem owned companies or through partnership with our investors.

At Sipchem, we challenge assumptions daily to allow room to discover and develop responsible solutions, enhancing the quality of life for generations to come.

By continually challenging logic, we are looking at new things, new approaches and new development. We are actively investing in basic, intermediary and polymer petrochemical and chemical materials that can be utilized as a feedstock in manufacturing a lot of products that can bring prosperity to human beings worldwide. Sipchem is committed to the highest quality standards in all its activities: from products to the integrity of the surrounding environment and to the safety of its employees and this is what we consider to be our purpose. Our purpose is realized by working with our shareholders and applying a vision, mission and strategy for our business.

SIPCHEM'S PRODUCTS

We serve customers across multiple industries: construction, solvents, automotive, electronics, polymer, coatings, and pharmaceuticals that help improve the lives of people across the globe. Our key products are summarized as:

Our products:

- Methanol (MeOH)
- Maleic Anhydride (MAn)
- Tetrahydrofuran (THF)
- Gamma-ButyroLactone (GBL)
- 1, 4-Butanediol (BDO)
- Acetic Acid (AA)
- Acetic Anhydride (AAn)
- Vinyl Acetate Monomer (VAM)
- Carbon Monoxide(CO)
- Ethyl Acetate (EA)
- Butyl Acetate (BA)
- Ethylene Vinyl Acetate (EVA)
- Low Density Polyethylene(LDPE)
- Semi-conductive LDPE
- Cross linkable LDPE
- Polybutylene Terephthalate (PBT)
- EVA films
- Moulds & Tools

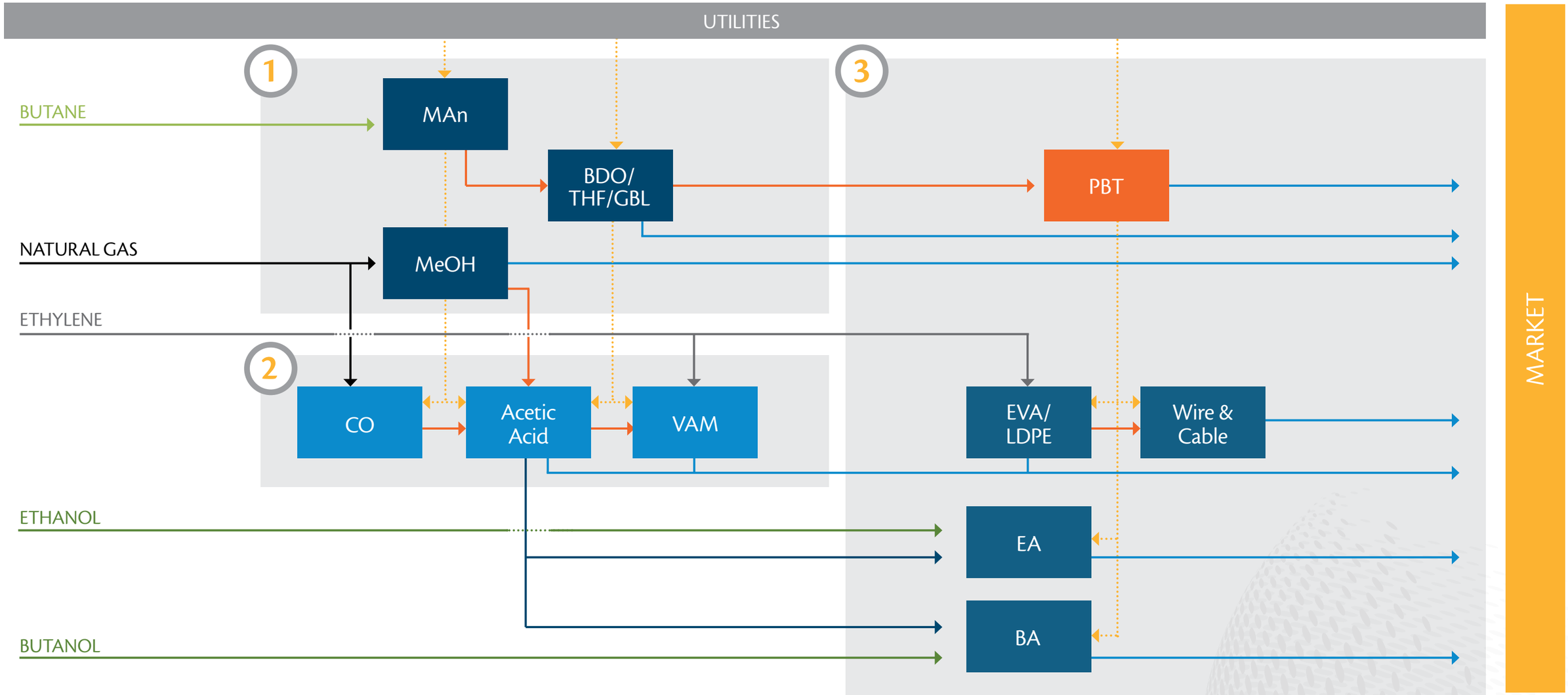
Applications:

Over 10 years

Our Production volumes have increased from **1.1** Million MT to **2.2** Million MT

SIPCHEM OPERATIONS

World-scale integrated and low cost value chain



Sipchem strategically developed the business in three phases integrating our whole complex.

1

Phase 1:
Product Methanol is partially used for phase 1 (BDO) and phase 2 (acetic acid).

2

Phase 2:
Product CO is used in acetic acid and the Phase 1 Methanol plant. The acetic acid produced is partially used as feed stock for the VAM unit which is also used as feed to LDPE/EVA plant.

3

Phase 3:
Product BDO is the main feed stock for the PBT plant in phase 3.

LDPE is also producing LD 8000 OO which is the main feed stock for the wire & cable plant, Gulf Advanced Cable Insulation Company (GACI). EVA will be used as feed stock for making EVA sheets

SIPCHEM'S GROWTH STRATEGY

New projects

Continue to add more products or increase production volumes both in & out of KSA

Production Joint Ventures

Exploring opportunities to form synergetic joint ventures locally & globally to increase production volume

Acquisitions

Considering strategic global acquisitions which offer diversification and synergies with existing operations.

Growth Strategy

- Market Focus
- Geographic Focus
- Investment & Ambitions
- Operating Model
- Organization Capabilities

As part of its strategy, Sipchem believes in engaging community, customers, employees and all other stakeholders for a sustained business growth while caring people and Environment.

STRATEGY

We developed a strategy to deliver upon our Vision and Mission which was approved by the Board of Directors in June 2012 and has served us well. This strategy is currently under review and we are re-setting our strategic objectives and identifying potential opportunities that will allow the company to achieve a profitable growth.

During this process, we identified that an integral part of the strategy update was to focus on the existing business, & our future product portfolio & business of the company. Profitable growth will be based on a solid portfolio foundation - concentrating our resources on the right products for the right markets.

Given the current market conditions, the challenges it poses are a clear indication that our Strategy should consider geographical, product diversification and downstream integration into existing and/or new value chains in order to generate less cyclical financial results. Ultimately there is a recognition that our strategy needs to be more sustainable and is represented in our commitment that Sipchem will take care of its people, the community and the environment through sustainable responsible decision making that allows the business to continue to be financially successful.

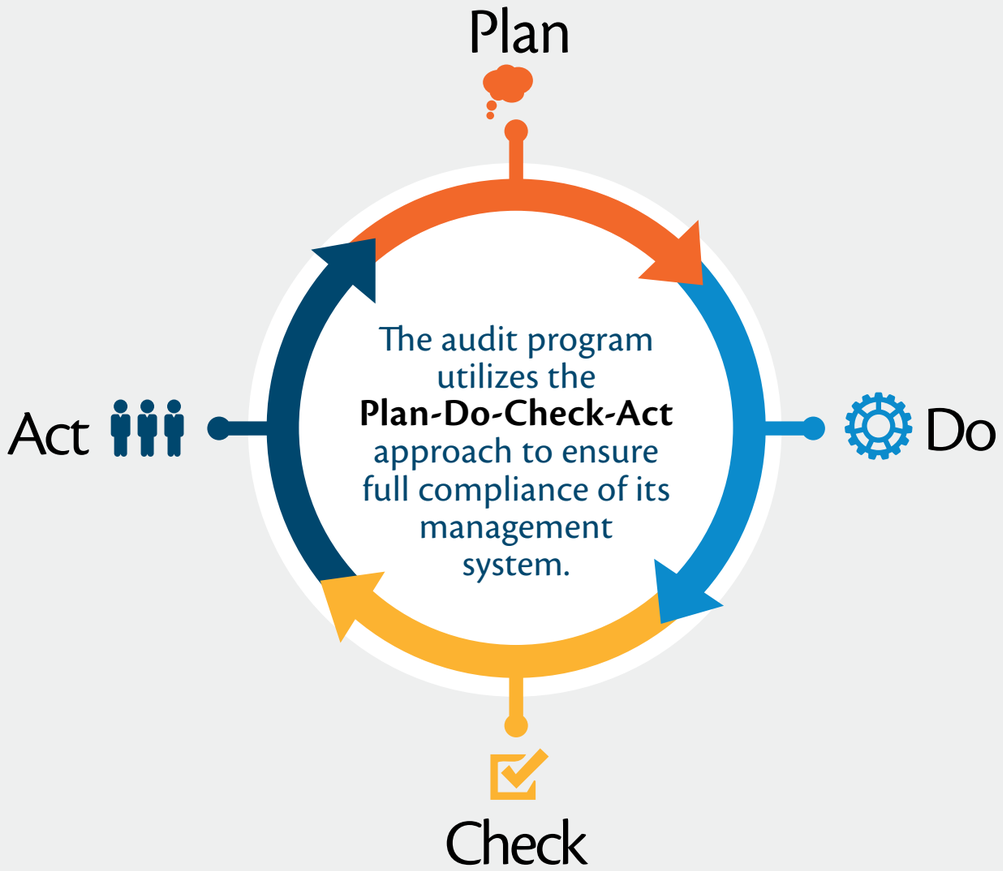
The revised strategy is expected to be completed during 2016.

RESPONSIBLE CARE® AUDIT PROGRAM

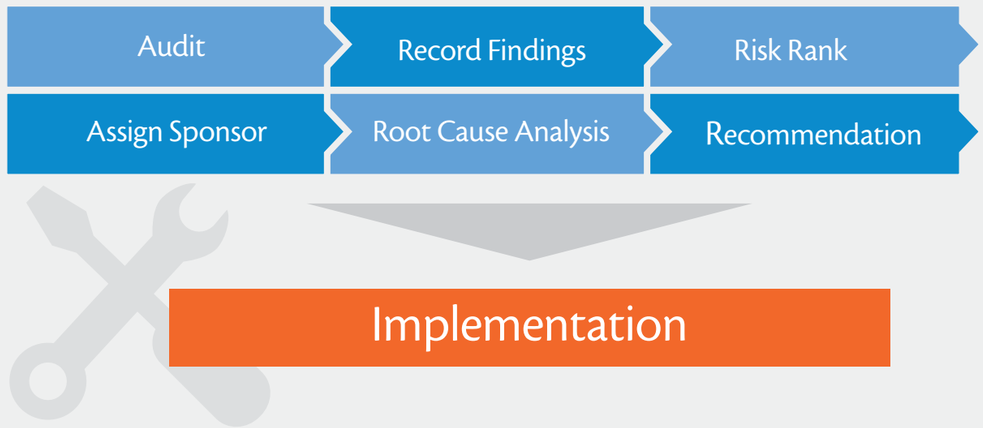
In 2011, Sipchem became the first Saudi manufacturing company to achieve certification to Responsible Care®.

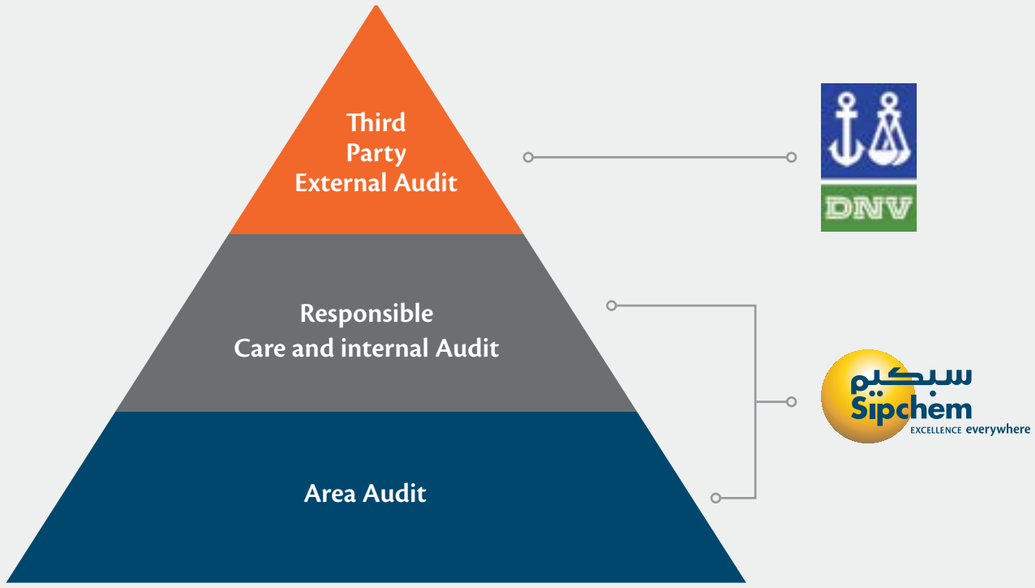
Responsible Care® is the global chemical industry's health, safety, security and environment initiative that drives continuous improvement in performance. The objective of the Responsible Care audit program at Sipchem seeks to define a systematic approach to measure conformance to applicable management system requirements and measure compliance with the requirements of Sipchem policies, procedures and legal and other requirements. The audit function focuses on performing, verifying, supporting and managing Sipchem' s Responsible Care and Quality related activities.

RESPONSIBLE CARE® AUDIT PROGRAM



The Responsible Care® process





Responsible Care® is both an ethic and a commitment seeking to build confidence and trust in an industry that is essential for sustainability.

Leadership:

1	LDR	Leadership, Management commitment & Accountability

Technology:

2	PHA	Process Hazard Analysis
3	PSI	Process Safety Information
4	OP	Operating Procedures
5	SWP	Safe Work Practices
6	MOTC	Management of Technology Change
7	PSSR	Pre-Start Up Safety Review
8	AI	Asset Integrity

Personnel:

9	TRN	Training
10	CC	Contractor Control
11	II	Incident Investigation
12	MOC(P)	Management of Change Personnel
13	ERP	Emergency Planning & Response
14	CA	Compliance Audit

As part of the Responsible Care© ethic, we are dedicated to lead our companies in ethical ways that increase the benefits to society by protecting our people, environment and community.

Guiding Principles

Responsible Care® is both an ethic and a commitment seeking to build confidence and trust in an industry that is essential for sustainability. These objectives are achieved by implementing the following guiding principles:

- To lead our companies in ethical ways that increase the benefits to society by protecting our people, environment and community;
- To design and operate our facilities in a safe, secure and environmentally sound manner;
- To instill a culture throughout all levels of our organization to continually identify, reduce and manage occupational and process safety risks;
- To steward our products and services through each life cycle stages in order to protect people and the environment;
- To promote pollution prevention, minimization of wastes and conservation of energy and other critical resources;
- To counsel customers and stakeholders on the safe use, transportation and disposal of chemical products;
- To work with Governments, Agencies and Associations at all levels in the development of effective and efficient health, safety, security and environmental effects of our products and waste material management;
- To measure performance, openly report and make continual progress towards our goal of eliminating accidents, injuries or harm to human health and the environment from our products and operations;
- To seek continual improvement in our integrated Responsible Care Management System to address health, safety, security and environment performance; and
- To promote the principles and practices of Responsible Care by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose of chemicals.

SHAREHOLDING

Sipchem owns majority stake in all its joint ventured affiliates and percentage holding is represented below:

Basics

65%
International Methanol Company

54%
International Diol Company

72%
International Gases Company

Intermediates

76%
International Acetyl Company

76%
International Vinyl Acetate Company

100%
Sipchem Chemicals Company

69%
International Utility Company

Polymers

75%
International Polymers Company

100%
Sipchem Chemicals Company

50%
Gulf Advanced Cable Insulation Company

Diversified products

75%
Saudi Specialized Product Company

Marketing

100%
Sipchem Marketing Company

Sipchem is in the process of acquiring 11% shares of IAC and IVC, each from minority interest holders.

GOVERNANCE STRUCTURE

Our Board of Directors is closely involved in all operations of the company, such as governance and other important management-related matters and examines progress on business initiatives and measures for resolving any issues that may arise. The interface from the Board of Directors and the company operations comes through the CEO. As the below diagram illustrates, the CEO overseas all activities in the business and is ultimately responsible for how we operate.

For sustainability leadership, we have recognized the importance and developed a Sustainability Governance Structure.

Sustainability Panel	The Sustainability Panel is led by the Chief Executive Officer. The Panel is responsible for vision, goals and sustainability performance.
Sustainability Steering Committee	The Steering Committee is led by a Senior Executive. The Committee is responsible for implementing long term sustainability goals and monitoring performance.
Sustainability Team	The Sustainability Team is led by the Responsible Care© Manager. The Team is responsible for routine work such as Key Performance Indicator (KPI) calculations, stakeholder engagement, report preparation, training and awareness.

SUSTAINABILITY GOVERNANCE

A dedicated sustainability governance structure has been established within Sipchem to allow us to manage sustainability issues in the company more effectively.

The management of issues is borne out the material topics that we identified as being important to Sipchem and our Stakeholders during a materiality assessment. The specific topics have then been linked to the annual corporate performance goals and the responsibilities cascaded through the organization to the relevant persons.

This governance is managed at three levels including the Sustainability Panel, Steering Committee and Sustainability Teams. An overview of this governance structure is presented above.

BUSINESS ETHICS

We recognize that a strong ethical culture is the foundation of good corporate governance & our ethical culture was created and is sustained through a robust ethics program. Sipchem's Code of Conduct sets expectations for acceptable behaviors in conducting business within the organization and with external parties. It includes elements such as company board oversight, strong leadership, ethics training, continuous monitoring and communications and preventative and corrective action.

Our employees sign a copy of this code upon joining and at the end of every year thereafter. No Code of Conduct can replace the thoughtful behavior of an ethical employee; however, Sipchem's essential objective is to uphold the highest standards of ethical conduct in all of its activities. It is expected that every employee of Sipchem will live by the Code at all times.

In 2015 Sipchem took a further step forward to nurture the environment of business ethics and compliance. Our Code of Conduct is supported by Sipchem's Fraud and Internal Control Awareness training sessions. 120 members of management and line supervisors attended these sessions in 2015. In addition, a dedicated hotline email was established in 2015. Employees are requested to report non-compliance / ethical issues using the email. All concerns are evaluated and all potential code violations are investigated.

Since February 2015, one matter has been reported to the hotline email which required an investigation and appropriate corrective action was taken.

Business Ethics

Sipchem took a further step forward to nurture the environment of business ethics and compliance

The establishment of an Ethics and Compliance Function as part of the Strategic objectives

Estblishing an Ethics and Compliance Committee under the chairmanship of the CEO

The development of policies and procedures for Sipchem's Code of Conduct violations

Assigning the Chief Auditor as Sipchem's acting Corporate Compliance Officer

We also seek to ensure that our supply chain is equally ethical in the businesses that they undertake. To this end we also have a Suppliers Code of Conduct covering compliance with regards to:

- Laws, Codes and Regulations;
- Environment, Health and Safety;
- Ethical Business Practices;
- Bribery;
- Kickback and Fraud,
- Gifts, Gratuities and Hospitality;
- Relationships and Communications; and
- Monitoring and Compliance.

SIPCHEM'S SUPPLY CHAIN CONCEPT

At Sipchem, we supply more than 1.24 Million metric tons (MT) of Liquid Chemicals and more than 208 thousand MT of Polymers to local and worldwide customers in over 50 countries. To ensure all Sipchem products are delivered to customers on time, we have established a safe, reliable and efficient supply chain model with consideration to environmental, economical, and social benefits. As we produce a wide range of products in different capacities, we focus on optimizing the logistics by maximizing the bulk shipments and consolidating all products on one shipment rather than multi smaller shipment. Such practices can create a positive impact by reducing number of vessels entering Jubail Industrial Port and consequently reducing the logistic cost and environmental impact.

Other initiatives on optimizing land transportation of our products were taken; for example, previously, Sipchem was supplying 1,500 MT of EA, 1,000 MT of Methanol and 1,000 MT of VAM (42,000 MT/year) to customers in United Arab Emirates through 1,909 road tanker trucks. Sipchem managed to supply the required quantities by vessels direct to Jebel Ali Ports in the UAE thus reducing traffic on the roads. Sipchem focuses on shipping 50% of Polymer product through Jubail Commercial Port rather than Dammam Port, eliminating the 200 km trip for over 6,000 transportation trucks. Both initiatives were cost effective and resulted in remarkable positive impacts on road safety - benefiting the local population by reducing traffic and minimizing emission to the environment.

In 2015, we engaged with Gulf Petrochemicals and Chemicals Association (GPCA) to develop a Safety and Quality Assessment System (SQAS) for logistics service providers in the Gulf region. SQAS in the Gulf is aligned with the global standard through standardization and continuous improvement efforts. This initiative is expected to drive improvements in safe transportation, such as vehicle maintenance, journey management, and environment performance and driver competency.

This strategic and ethical approach to our business has seen Sipchem be recognized as a leader through awards and international certifications.

CERTIFICATIONS

Sipchem has continuously improved its business and is emphasized through our internationally recognized certifications

- **OHSAS 18001:2007**
- **ISO-9001:2008**
- **RC-14001:2013**

SECTION 2

ABOUT THIS REPORT

SECTION 2

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ABOUT THIS REPORT

Welcome to Sipchem's inaugural Sustainability Report, covering Sipchem's production activities in the Kingdom of Saudi Arabia for the year 2015 . This report focuses primarily on our performance and approach in the areas of economic excellence, environmental excellence and Social excellence.This report is an important step in our continuing journey to becoming a more sustainable business.

During 2015 we identified the need and recognised the value in driving sustainability through our business. We embarked upon a programme of raising awareness about sustainability issues across the company, so that we may identify areas of good practice to build upon and areas for improvement to address. The road to becoming a more sustainable company is not a short one and we are committed to making great strides in the coming years to improve our sustainability performance. This Sustainability Report communicates our performance and, to this end, we have captured the essence of our business in an internationally recognised manner and we fully expect to report on progress in the years to come.

REPORTING FRAMEWORK, SCOPE AND BOUNDARY

This report is structured in line with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines 2014. GRI G4 is a globally recognised framework for reporting on an organisation's economic, social, and environmental performance. We are self-declaring our report to be 'In Accordance – Core' with the Guidelines. A complete GRI content index is included at the end of this report.

MATERIALITY

This report covers the core and additional indicators of GRI G4. As part of the reporting process, Sipchem has undertaken a high level stakeholder mapping and a materiality assessment. For this first report and as part of the first steps in our journey to becoming more sustainable, we undertook a materiality workshop involving members of our executive team and our department managers. The workshop allowed the opportunity to identify and discuss the topics that we feel are important to Sipchem. Indicators identified as material are addressed in this report. It is recognized that there is a need for a robust materiality assessment to be carried out involving all stakeholders of Sipchem. Whilst this Report includes the high level materiality assessment outcomes, Sipchem is committed to actively improving our existing reporting mechanisms to ensure that a higher level of material information sharing on our performance is available in future reports.

The graph on the following page represents a graphical representation of our materiality assessment process.

The road to becoming a more sustainable company is not a short one and we are committed to making great strides in the coming years to improve sustainability performance.

As part of the first steps in our journey to becoming more sustainable, we undertook a materiality workshop involving members of our executive team and our departmental managers. The workshop allowed the opportunity to identify and discuss the topics that we feel are important to Sipchem.

Materiality Assessment Matrix

1. Air Emission
2. Asset Integrity
3. Business Integration
4. Community Social Responsibility
5. Customer and Supplier Relationships
6. Diversity and Equal Opportunities
7. Energy Management
8. Environmental Regulatory Compliance
9. Ethics & Corporate Governance
10. Geopolitical Risk
11. Growth
12. Human Capital Development
13. Innovation
14. Long Term Financial Performance
15. Market Presence
16. Physical and Cyber Security
17. Process Safety
18. Product Quality
19. Product Stewardship
20. Risk Management
21. Security and Sourcing of Material and Feedstock
22. Succession Planning
23. Talent Management
24. Waste Management
25. Water Management
26. Well-Being, Health and Safety

On the basis of this assessment we have then benchmarked and discussed with the Sipchem Management to refine our material topics. As this is our first report, we have focused on the majority of topics that fell within the high importance for Sipchem and high importance for Stakeholders. These topics are considered to be the most important to our business and we have only reported on these in this report. Our review highlighted that some of the material topics such as Risk Management actually cover a number of subtopics such as security, process safety and asset integrity and as such we have further refined the terminology from the initial assessment to develop an agreed set of material topics that will be reported upon this year. These are presented below:

Category	Material Topics
Economic	• Long Term Financial Performance • Process Safety and Asset Integrity • Product Quality • Growth • Customer & Supplier Relationships • Physical and Cyber Security
Environmental	• Environmental Regulatory Compliance • Air Emissions • Water Management • Energy Management • Waste Management
Social	• Well-being, Health and Safety • Ethics and Corporate Governance • Talent Management • Human Capital Development • Corporate Social Responsibility • Product Stewardship

It is recognised that not all topics highlighted in the Materiality Assessment were deemed to be as important as those selected this year and as such we will seek to disclose more on these material topics in our subsequent reports.

Moving forward, we are using the material topics as the foundation for the development of Sipchem's Sustainability Policy. The policy is currently being developed and it will aim to set out how we plan to manage the sustainability issues in subsequent years. We expect to publish out Sustainability Policy in next year's Sustainability Report.

STAKEHOLDER INCLUSIVENESS

Stakeholders are instrumental for the success and growth of Sipchem. Sipchem over the years has developed strong relationships with its stakeholders and gained value from understanding their perspectives and priorities. We work to build partnerships by continuously engaging with our stakeholders. The following table lists down our key stakeholders, the methods of engaging with them, the various needs of the stakeholders and how we respond to them.

In our report, we have focused on the majority of topics that fell within the high importance to Sipchem and high importance to Stakeholders

Stakeholder	Mode of Engagement	Issue identified	Resolutions to issues
Employees	• Immediate "face to face" dialogue with the employee or workgroup • An "Open Door" Policy, employees are free to meet with all levels of management to express concerns and raise issues • Web-based training. • Best work environment survey • Individual, Professional Development Plan • Monthly EHSS awareness sessions	• Running the business in a responsible manner • Engagement and open communication • Employee satisfaction • Safe and healthy work environment • Clear Career Development plans • Flexibility of learning opportunities	• Dialogue with employees, communication, gathering meetings • Roadblock removal analysis and actions • Recognition and awards • Periodic baseline medical examinations • Training; In-house and External Training
Insurers	• Face to face, email and written reports	• Highly reliable plants and equipment • Safe operations processes • Strong emergency preparedness plan measures	• Close out of survey report actions as appropriate • Alignment on Sipchem' s risk rating and premiums/rates • Formulation of teams to close gaps and concerns
Higher Commission of Industrial Security (HCIS)	• Discussions with onsite HCIS Inspectors • HCIS formal inspection reports and directives	• Statistical Reports on Security Manpower • Readiness Report in Emergency Cases	• Review and acceptance of agreed issues raised in formal inspection reports and directives and compliance with actions identified in the HCIS inspection Reports. • Official reports from Sipchem that address HCIS directives
Royal Commission	• Discussions with onsite Royal Commission auditors • Royal Commission formal audit reports • Official monthly reports from Sipchem that address Royal Commission reporting requirements • Formal exception reports from Sipchem that cover shutdowns, emergency outages, and releases within 24 hours	• Implement RC regulation on site and open communication • Compliance and report submission on time • Reporting Environmental excursions	• Exception reports are completed and communicated within 24 hours • Review, acceptance and compliance of agreed issues raised in e Royal Commission • Seek to remedy notice of violation for non-compliance with Royal Commission reporting requirements
Customers	• Participation in Exhibitions and conferences. • Customer visits. • Customer Feedback System	• Consistency in production, supply and business. • Product accountability. • Improve supply chain management. • Effective communications.	• Business Coordination Committee meetings • Use of incident reporting system and subsequent Root Cause Analysis / Y tree analysis to handle complaints.
Suppliers	• Requesting Company Profile • Vendor/Supplier Registration • Solicitation of Interest (SOI). • Request of Quotations (RFQ) and Proposal (RFP) • Invitation to Bid (ITB) and Purchase Order (PO) • Long Term Agreement/Contract • Vendor Assessment/Evaluation.	• Clear Description/Scope. • Proper and enough time to respond. • Provide necessary clarifications. • Fair Chance • Timely Award	• Share Full Description and Scope. • Approach once requirement is identified • Timely Response. • Two way communication
Non-government Agencies	• Face to face meetings • Attending their events • Emails • Official letters • Social Media	• Donation • Events and Exhibitions • Sponsorships • Sharing Experiences	• Appreciating of our NGAs by conducting campaigns, setting up exhibitions and providing Sipchem volunteers to work with our NGAs where appropriate on events. • Providing information flyers and brochures
Shareholders	• "Face to Face" Dialogue Through General Assembly Meeting • Receiving them in our Branches • Through communications and emails • Through newspaper and Social Media	• Increase of share value and yearly dividend • Running company plants with full capacity • Shareholders Services • Update company information in Sipchem IR webpage	• Providing Shares Statistics • Publish Board of Directors Annual Report • Publish dividend distributions and other related press releases through Tadawul website • Communication by email

PURPOSE

The purpose of our report is to demonstrate a balanced representation of our performance as an organization in general and specifically from a sustainability perspective. This report highlights and explains our positive aspects of performance and areas that we can improve upon.

Where possible, performance data for two years are presented to illustrate trends on material issues. The data and information in this report have undergone an extensive internal review process to identify and correct any potential inaccuracies.

REPORTING BOUNDARY

The report covers all of our operating facilities and locations within the Kingdom of Saudi Arabia.

The following limitations apply to the report:

- External contractors, suppliers and clients' data are not included in this report unless otherwise stated;
- Labour Practices Data cover Sipchem's employees as registered in the payroll or long-term contractors filling established positions;
- Our report does not include data from our overseas distribution and marketing offices in Switzerland and Singapore, unless otherwise stated.

DATA CONTENT AND COLLECTION MECHANISMS

This report allows us to report on most of our performance indicators and targets based on an annual cycle that is aligned with our core performance monitoring processes. Internally, all of our key performance indicators (KPIs) are monitored and reported to management on a monthly basis via our Corporate Balanced Scorecards (CBS).

The data presented in this report are based on our:

- Corporate Identity and annual Performance Management Contract and targets;
- Operational targets, performance indicators and action plans set at divisional and departmental level and formalized as part of our Business Plan; and
- External regulatory compliance reporting.

ASSURANCE

This report has not been subject to external verification by a third party auditor and does not have a formal assurance report.

FEEDBACK

Your views will assist us in understanding your expectations and will play a vital role in helping us to understand the topics material to us and our stakeholders. We welcome your feedback on this report as well as on our performance. Please send through your feedback to **sustainability@sipchem.com**

SECTION 3

ACHIEVING ECONOMIC EXCELLENCE

SECTION 3

ACHIEVING ECONOMIC EXCELLENCE

Instinctively, we are resourceful people. We value assets by applying them resourcefully: our energy, our finances, our acquired knowledge and the wisdom we generate together. **That's higher efficiencies.**

OUR PRODUCTION AND FINANCIAL PERFORMANCE

The year 2015 has been challenging for our industry, due to the significantly lower oil prices. We also faced some technical challenges, which resulted in some Sipchem facilities requiring shutdown. We have managed our business by enhancing business reliability and production efficiency, reducing our operating costs, introducing new products and increasing marketing activities to target new customers and geographies.

The gross production of all existing plants was up to 2.2 million metric tons in 2015, while it was 2.1 million metric tons in 2014. This demonstrates our consistent and strong focus towards steady production to ensure sustainable business operations.

The following table summarizes our economic performance in the last two years and shows that, due to the present market conditions, our revenue in 2015 has been 15% less than that of 2014. However, we will continuously endeavor to improve efficiencies in our business to remain profitable, despite the current challenges.

In spite of the difficulties, Sipchem and its affiliates managed to rejuvenate the business by adding new projects/ acquisitions to our portfolio.

Direct Economic value	2014	2015
Total Production (Million MT)	2.1	2.2
Revenue (Million SAR)	4,125	3,515
Net Profit (Million SAR)	606	288

SAR 375.8 million

Equity investment acquisition of Ikarus Petroleum Industries Company in 2015

2.2 million MT

Gross production

New Products in the Middle East

EVA (Ethylene Vinyl Acetate) and PBT (Polybutylene Terephthalate)

We have managed our business by enhancing business reliability and production efficiency, reducing our operating costs, introducing new products and increasing marketing activities

New Projects/ Acquisitions

These transactions come in line with the Sipchem growth strategy to enhance its equity investment in its affiliates to increase Sipchem profits and shareholders' value.

1

Commercial Operation of Gulf Advanced Cables Insulation (GACI) Plant

In June, Sipchem commenced the commercial operation of the cable insulation polymers plant owned by Gulf Advanced Cables Insulation Company (GACI, a Sipchem affiliate) located in its complex in Jubail Industrial City. The plant produces several types of cable insulation polymers which are used for fabricating electrical cable insulation materials. Such specialized products are consistent with our strategy to execute comprehensive transformation projects in addition to Sipchem's existing products. The feedstocks for the plant are Low Density Polyethylene (LDPE) and Ethylene Vinyl Acetate (EVA) that is provided by the International Polymers Company (IPC) (another Sipchem affiliate). This plant is one of the downstream industries that uses feedstock produced by Sipchem and will meet the local and global demand of electric cable insulators.

This plant will meet the local and global demand of electric cable insulators

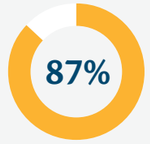
2

Signing of the agreement to acquire the Equity Investment of Ikarus in the Acetyls Complex

Sipchem signed agreement for acquiring the equity investment of Ikarus Petroleum Industries Company (a Kuwaiti Company) in two of its Sipchem affiliates, namely, International Acetyl Company (11%) and International Vinyl Acetate Company (11%), for an estimated value of SAR 375.8 million.

Both companies operate a plant for a production of Acetic Acid and Acetic Anhydride and Vinyl Acetate Monomer, which are located in Jubail Industrial City.

After the completion of this transaction, Sipchem will increase existing ownership from 76% to 87% in each of the two companies.



Ownership

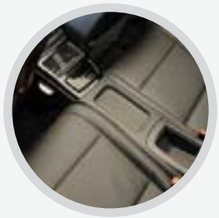
Of Sipchem in the Acetyl complex

3

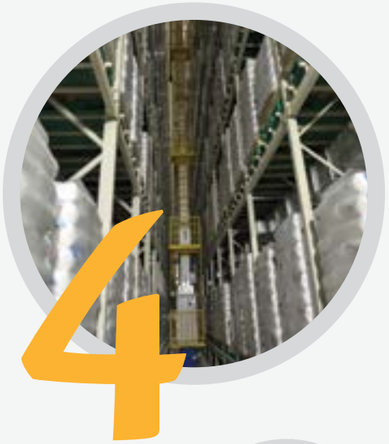
Initial startup of the Polybutylene Terephthalate Plant

The Polybutylene Terephthalate plant (PBT) of Sipchem Chemical Company (SCC-100% owned Sipchem affiliate) is considered the first of its kind in the Middle East, was started at its complex in Jubail Industrial City. The plant will produce 63,000 metric tons of PBT, which is one of the thermal engineering, highly specialized polymers used in the automotive industry, the production of electrical and electronics materials and the polymers and engineering plastics industry. It is an important step forward in Sipchem's expansion and growth program, where such specialized products come within Sipchem strategy to increase the added value of products through the implementation of integrated downstream projects using the company's existing products. 1,4-Butanediol, produced by the International Diol Company (an affiliate of Sipchem), is the main feedstock for the production of Polybutylene Terephthalate. Thus Sipchem will be able to benefit from its integrated products range and strengthen the value-added chain.

63,000 MT of PBT



Will be produced by the Polybutylene Terephthalate plant. PBT is one of the thermal engineering highly specialized polymers used in the automotive industry

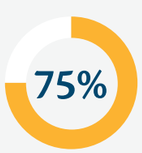


EVA/LDPE plant commercial operations

The International Polymers Company (IPC) an affiliate of Saudi International Petrochemical Company (Sipchem) announced commercial operations of Ethylene Vinyl Acetate (EVA) and Low-Density Polyethylene (LDPE) with a planned production capacity of 200 thousand mtpa . The technology is provided by ExxonMobil and was engineered by Simon Carves, working partner of GS Engineering and Construction. Sipchem owns 75% & the Korean company of Hanwha owns the rest of the shares of the capital.

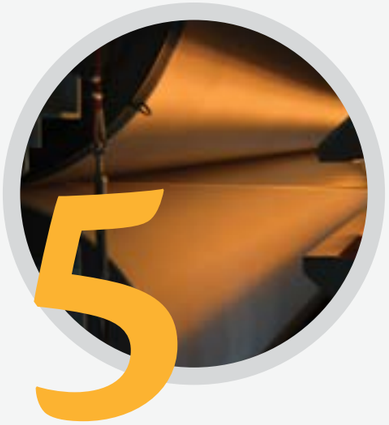
This plant is the first in the Middle East to produce Ethylene Vinyl Acetate (EVA).The project location is in Jubail Industrial City, Kingdom of Saudi Arabia. The Vinyl Acetate Monomer (VAM) will be provided as a second feedstock from IVC (Sipchem affiliate), while Ethane gas from Aramco will be treated by United Company (Sabic Affiliate), and thereafter converted into Ethylene as main feedstock for the project.

Ethylene Vinyl Acetate (EVA) is used as feedstock to produce heat soluble adhesives, resin products and high-quality sports bandages. Low Density Polyethylene (LDPE) is used as a feedstock in the production of various types of containers, bottles and medical detergents.



Ownership

Sipchem owns in IPC



Initial start of EVA film unit

The initial startup activities of EVA film plant, one of the conversion projects of Saudi Specialized Products Company (SSPC) located in Hail city, Saudi Arabia was initiated. Further testing of the plant is in progress and expected to start commercial operation in 2016.

EVA film is used for crystalline silicon and thin film solar photovoltaic module production. EVA film is selected to be the most optimum material for the encapsulation and it is widely used for solar cell encapsulation and perceived to be the most operationally friendly and cost effective material for solar cell glass encapsulation. This project is the first-of-its kind in the region and illustrates Sipchem's commitment towards the Kingdom's objective to become a driving force in renewable energy.

Sipchem Chemicals Company, affiliate of Sipchem of which Sipchem owns 100%, had signed an incorporation agreement with Hanwha Chemicals Corporation to form a new company, Saudi Specialized Products Company (SSPC) for establishing Conversion Projects in Saudi Arabia. SCC holds a 75% stake while Hanwa owns 25% in newly formed company.

SAR 225 Million

Total investment for conversion projects

SIPCHEM ORGANIZATION RESTRUCTURING

At Sipchem, we are currently witnessing strategic developments that result from the significant achievements that the Company has realized over the past few years. As always, we continue to be a company that is dynamic and proactive in responding to change. In order to make the most out of the growth achieved thus far, we will need a stronger focus on key functions with a clear understanding of roles, and will need to provide more opportunities for career advancement and succession. In this context, a constructive review of our organization structure was conducted and was approved by the Sipchem Board of Directors. Below are the following improvements to the organization:

1. **Increase focus on Manufacturing**, Sipchem has been delivering effectively on its growth agenda over the past 15 years; and 2015 marks a year where additional affiliates with new polymer products are beginning to come online: International Polymer Company (IPC) with Low Density Poly Ethylene (LDPE) and Ethylene Vinyl Acetate (EVA), Gulf Advanced Cable Insulation Company (GACI) with cross-linkable/semi-conductive LDPE, Sipchem Chemicals Company (SCC) with Polybutylene Terephthalate (PBT) and EVA film and Tools Manufacturing (TMF) plants.

   To continue driving the success of the Manufacturing function and sustain the maximum output, reliability and efficiency of all plants, the management of the Manufacturing Affiliates was refocused primarily on production. The main change is the separation of maintenance, reliability and technical functions from Manufacturing, and consolidating them under 'Corporate & Shared Services'.

2. **Maximize value from Marketing**, in its quest to create additional value, Sipchem is increasingly taking on marketing rights of its products through Sipchem Marketing Company (SMC) and its sales offices in Asia and Europe. In order to pursue this positive trajectory and maximize value creation in marketing and sales, a dedicated Marketing Services function with in-house market intelligence, marketing planning, logistics and commercial capabilities was created. Its objective is to maximize Sipchem's realized prices and margins by overseeing and monitoring all marketers of Sipchem products.

3. **Create succession opportunities,** in view of continuously developing its talent and ensuring sustainability of the company, Sipchem has launched strategic talents development and succession planning initiatives to prepare the next generation of leaders. As part of this effort, this reorganization created new opportunities for career growth and succession. The organizational changes resulted in the creation of new functions that allows staff to take on greater responsibilities now and in the near future.

SMARTO 2015 Highlights

50

Sipchem employees engaged

15

Trained managers and section managers

3

Years transformation program

SIPCHEM MAINTENANCE AND RELIABILITY TRANSFORMATION FOR OPERATIONS (SMARTO)

In June 2015, Sipchem kicked-off SMARTO (Sipchem Maintenance and Reliability Transformation for Operations), a three-year program that aims at instilling a "defect elimination culture" across the whole company and will aid in the development of Sipchem's operational culture towards a sustainable asset optimization level over the course of the project.

The project's objectives are to reduce the frequency and severity of reliability incidents and their impact on HSE and productivity in order to contribute to the reinforcement of Sipchem competitive position in the market.

The project team is jointly composed of Sipchem employees and DuPont consultants and is working on enhancing leadership capabilities to drive change and progressively instill a "can do" mentality and continuous improvement mindset in order to ensure a sustainable transformation.

The different core processes that the project teams have streamlined and will be embedded into the organization are "Planning & Scheduling", "Solving Reliability", "Prevent Reliability" and "Management Systems".

SMARTO also covers the coaching and training of up to 15 of Sipchem managers and section managers under DuPont's "Leaders Standard Work" framework.

The project focus during the first year is on two of Sipchem's assets, International Gas Company (IGC) and International Methanol Company (IMC), mobilizing up to 50 Sipchem employees on a full time or part time basis. The objective is to roll-out the transformation on the rest of Sipchem's assets during years two and three.

The project's objectives are to reduce the frequency and severity of reliability incidents and their impact on HSE and productivity in order to contribute to reinforcement of Sipchem competitive position in the market.

S.M.A.R.T
Sipchem Maintenance And Reliability Transformation for Operations
SMARTO... Partners in Excellence!

A unique program that aims at instilling a "defect elimination culture" across Sipchem

SIPCHEM'S INNOVATION PROGRAM: EUREKA!

In 2011, Sipchem launched an Innovation Program to engage employees in generating ideas and utilize our pool of experts to evaluate and select ideas that will deliver benefits to the business and its employees. The program adopted an effective approach through using interactive, network-based software that will allow everyone in the organization to collaborate in value creation.

The platform was named after the word that describes the exciting moment when a revolutionary idea is formed – Eureka!

Eureka is structured to welcome valuable ideas and manage the evaluation process until it is proven beneficial to implement. Not only does Eureka capture ideas, but also people learn from the workable solutions and opportunities for collaboration that reveal new ways to solve problems become possible. Through Eureka, we have implemented numerous ideas to increase our operational efficiency.

Eureka in Practice

In our Methanol plant we have adapted a new technique to cut downtime related to Reformer cooling. We have increased the convertor carbon efficiency even during the end of catalyst life. And if we find hot spots in our Reformer, we can immediately resolve this issue.

For safety at the plant, we have implemented minor modifications such as pipeline directional change, installed platforms for better access and eliminated a lot of manual activities so our Operators would be able to work safely. This has manifested through the decrease on our year on year safety recordable incidents.

Since Eureka started, we have approved more than 1,700 ideas where 10% of which was translated into capital projects. The value created from implemented idea was already worth more than 270 million SAR at the end of 2015.

The success of Eureka has been possible as a direct result of Sipchem's openness and ability to embrace change. Eureka has always been fruitful in adding value to our business growth and human development. We have witnessed that the room for improvement is endless and we will continue this journey of innovation and efficiency.

EUREKA Highlights

SAR 270+ Million

Benefit from implemented ideas

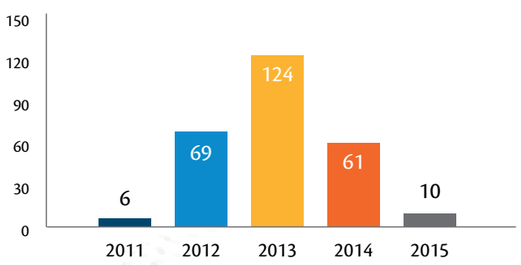
1,700

Approved ideas since Eureka started

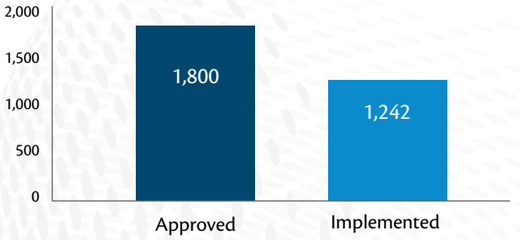
10%

Approved ideas translated into capital projects

Value Create (mSAR)



Approved vs Implemented Ideas



Eureka وجدتها

Innovation Program to engage employees in generating ideas

Through MANAR, Sipchem intends to establish itself as a leading provider of sustainable, innovative and value creating solutions for a range of industrial applications such as photovoltaic cells, food packaging, and agriculture for the benefit of the plastic downstream industry and the people of the Kingdom of Saudi Arabia in accordance with applicable laws, regulations and industry standards.

RESEARCH AND DEVELOPMENT CENTER – MANAR

On Wednesday, 18 March 2015, the Sipchem Technology and Innovation Center was officially inaugurated by His Royal Highness Prince Saud Bin Nayef Bin Abdulaziz Al Saud, Governor of the Eastern Province. The center, MANAR, embodies the investment of Sipchem and is part of the Saudi petrochemical industry commitment to supporting the economic vision of the Kingdom of Saudi Arabia which promotes industrial and commercial diversification through the development of a sustainable downstream industry.

The center is built in a modern eco-friendly design, located in the Dhahran Techno Valley. It provides a unique eco-system to foster innovation, support entrepreneurship and technical knowledge transfer to develop and grow specific skills and competences that will support national employment in KSA for future generations.

MANAR, embodies the investment of Sipchem and is part of the Saudi petrochemical industry commitment to supporting the economic vision of the Kingdom of Saudi Arabia

PRODUCT QUALITY

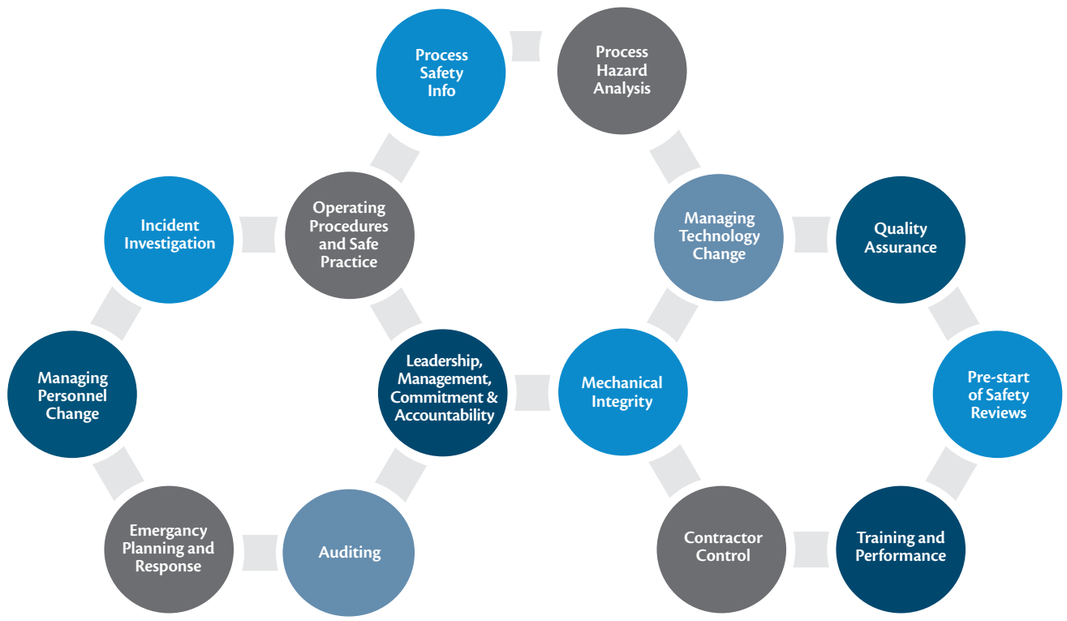
Sipchem continually seeks to acquire a deep understanding of our customers' needs, and contribute ways to boost customer satisfaction. We regularly perform customer satisfaction surveys to gain valuable insight into customer demand and to help tailor solutions that meet our customers' needs.

Customers can post their information on Sipchem's website questionnaire or send their feedback directly to the Marketing department. All customer comments and complaints are then tabulated and evaluated by calculating customer complaint frequency versus number of customers and transactions completed.

In 2015, there were 39 customer complaints out of 3,233 transactions with over 100 customers. Therefore, our ease of doing business indicator is 1.2%.

Quality issues	2014	2015
Complaints received	20	39
Complaints (Based onTotal transactions)	2%	1.2%

The PSM has contributed to our successful operations



PROCESS SAFETY MANAGEMENT

Process Safety Management (PSM) is the application of management principles and systems to the identification, understanding and control of process hazards in order to prevent process-related injuries and incidents. This Standard defines the minimum requirements that must be in place to ensure deficiencies are adequately addressed. Such deficiencies can lead to unacceptable risks to safety, health and the environment or losses of assets and/or production.

PSM focuses on the design and engineering of facilities, hazard assessments, incident investigation, management of change, inspection, testing and maintenance of equipment, effective process controls and alarms, operating and maintenance procedures, training of personnel, and human factors.

Managing Process Safety, helps us achieve excellence in our performance. We have invested in the development of a PSM Model that is borne out of our approach to Responsibe Care. The PSM model that we have developed is focused around 14 key elements that help us manage our faclities, technology and personnel in a manner that optimises performance without causing harm.

Sipchem's PSM Model is based on the Occupational Safety and Health Administration's (OSHA) PSM Standard. Our PSM standard is rooted in the idea that risk should always be managed through inherently safer designs and residual risks levels should not only be acceptable but also as low as reasonably practicable (ALARP). Sipchem is committed to comply with all codes, standards, and Recognized & Generally Accepted Good Engineering Practices (RAGAGEPs).

PROMOTING LOCAL SUPPLIERS

Supporting local suppliers and manufacturers is one of our important strategic goals. Sipchem is putting maximum efforts in promoting local suppliers and services to support the different economic sectors of Saudi Arabia.

Sipchem recognizes its responsibility for supporting local suppliers and contractors, and subsequently favors local materials and service providers in the selection process. We are committed to continually increase the percentage of local suppliers. In 2015, 79% of our procurement budget was spent on local suppliers.

Procurement	2015
Amount spent within KSA -locally (Million SAR)	2,177 (79%)
Amount spent outside KSA -foreign (Million SAR)	591 (21%)

SECTION 4

ACHIEVING ENVIRONMENTAL EXCELLENCE

SECTION

SECTION 4

ACHIEVING ENVIRONMENTAL EXCELLENCE

Our brand promise, *Excellence Everywhere*, grew out of an innovative culture that challenges logic by constantly seeking new and better ways of doing things. We understand by logic the importance of the planet in supporting life and know our influential position in the environmental stewardship of our company's operations. Considering the magnitude of our business and our plans for sustainable growth, it is essential that the potential impacts to the environment are at the core of our initiatives to reduce our environmental footprint. The future of our planet is in all of our hands and we at Sipchem take pride in the sustainable practices we follow for the balance of our planet.

In adopting this philosophy we have looked at the fundamental impacts that we have on the environment around us. Our impacts are both positive and negative and so we constantly seek to monitor and manage these to ensure that we achieve environmental excellence. The key impacts that we have are consumption of energy& water, generation of waste & emission.

This chapter of our report highlights some of the key information in relation to our performance in the management of these impacts.

ENERGY INTENSITY – DIRECT/INDIRECT

The consumption of energy in our operations is inevitable, the manner in which we consume that energy is an area that we can control and manage. In managing our energy consumption it is first necessary to understand our actual energy demand needs and then ensure that we are using that energy efficiently. Obtaining that information is the first step in ensuring that our supply meets our demands. At Sipchem we only want to consume energy that we need for efficient operation, without excess or unnecessary losses. We have established a need to obtain that information so that we can make informed decisions about how we might apply efficiencies and demonstrate improvements in efficiencies. We are proud to have invested in a program of undertaking Energy and Water Audits with the aim of further improving our existing management system. This is the start of our journey in managing our energy needs more effectively. Our energy consumption for 2015 can be summarized as:

	Unit	QTY
Direct Energy[1]	MMBTU	35,778,204
Indirect Energy[2]	MMBTU	2,490,937
Total Energy	MMBTU	38,269,141
Energy intensity[3]	MMBTU/MT	26.3

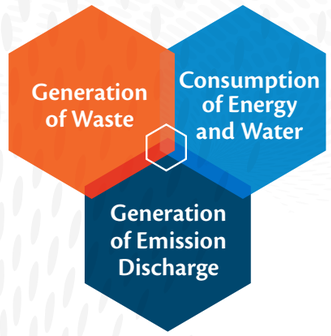
[1] Energy taken from fuel, steam, heat recovery from waste & purges and unconverted hydrocarbon like butane and ethylene and covers scope 1
[2] Energy purchased from outside and covers scope 2
[3] Intensity is derived from total emission over each metric ton of Sipchem product sale

Energy Reductions

For our first report we are unable to report on energy reduction programmes that we have implemented, however we have formed an "Energy Mastering Committee" which is led by the President of Manufacturing . This team is focusing on areas of improvement in energy management and specifically energy reduction.

We understand the importance of the planet in supporting life and know our influential position in the environmental stewardship of our company's operations. We constantly seek to monitor and manage these to ensure that we achieve environmental excellence.

Sipchem monitoring operations



At Sipchem, we understand the consequences that environmentally irresponsible corporations may pose and have pledged to become a leader in sustainable emissions control and monitoring.

EMISSIONS MONITORING

Climate change and global warming are very well known phenomena that the entire world has begun to focus on. Many believe that climate change could be the single biggest environmental and humanitarian crisis of our time. At Sipchem, we understand the consequences that environmentally irresponsible corporations may pose and have pledged to become a leader in sustainable emissions control and monitoring. We monitor our stack emissions through a sophisticated Continuous Emissions Monitoring System (CEMS) and we are pleased to report that our stack emissions are all well under the Royal Commission's (RC) emission set limits.

Whilst we fully expect that this good performance will continue, we have established corrective action plans for reduction of emissions.

Greenhouse Gas Emissions (GHG)

Sipchem regularly evaluates its Greenhouse Gas (GHG) emissions. In 2015, Sipchem included scope 2 GHG calculating process to reflect the leading international Standards and follow GRI protocol.

	Unit	2015
Direct Emission[1]	MT	1,919,843
Indirect Emission[2]	MT	582,114
Total Emission	MT	2,501,957
Emission intensity[3]	MT/MT	1.7

[1] includes fuel use (NG , Butane , ethylene, Methanol, purges and other waste streams) and flaring and cover scope 1
[2] Related to scope 2 emission energy taken from outside
[3] Intensity is derived from total emission over each metric ton of Sipchem product sale

Ozone-Depleting Substances (ODS)

No ozone depleting emissions were recorded from our operations during the year 2015.

Fugitive Emissions

We conduct a fugitive emissions test at all plants to track any leakages. In the event of any release of emissions, an action plan for mitigation is quickly initiated.

Criteria	2014	2015
Total number of leaks identified	45	38*
% of leak	0.3%	0.2%

* The number included phase 3 plants EA &PBT in the test.

Despite the number of potential point sources of leaks increasing due to the additional EA&PBT plants , we managed to achieve a reduction that allows us to meet our own 0.2% target as part of the RC limit. This reduction can be attributed to our efforts on preventative maintenance.

Stack Emissions Monitoring

We have a total of eleven stacks that are monitored in our online systems and by an independent third party company. In 2015, we have continued to maintain our emission rates far below the threshold limits set out by Royal Commission, as depicted below:

Items	Unit	QTY (2015)
SO_x	MT	24
NO_x	MT	1,561
CO	MT	9
PM	MT	89

We have continued to maintain our emission rates well within Royal Commission set limits

These values have been obtained from the regulatory requirements from the Royal Commission which set mandatory reporting on 11 of our stacks.

CLIMATE CHANGE AND RISKS

With the increase in climate change events and consequences, it is our duty as a company to recognize that these changes have the ability to impose challenges not only from an environmental aspect, but also financially. We may face risks including but not limited to:

- The impact of more frequent and intense storms;
- Changes in sea level, ambient temperature, and water availability; and
- Impacts on the workforce, i.e. health effects (such as heat-related illness or disease) or the need to relocate operations.

WATER WITHDRAWALS & EFFLUENTS REDUCTION

Water Withdrawals

Water is an integral part of operations and facilities here at Sipchem. It is used as a primary input for processes and for cooling and firefighting. We also depend on fresh water for housekeeping and maintenance activities.

	Unit	QTY (2015)
Fresh water consumed	m^3	2,477,175
Fresh water consumption intensity	m^3/MT	1.8

Fresh water is supplied from Marafiq's Saline Water Conversion Corporation (SWCC) desalination plants

Water Discharge

Waste water is a by-product of many processes at our facility and we have invested in the responsible management of waste water to minimise our impact on the environment. The waste water generated at our facility is collected in a Membrane Bioreactor (MBR) treatment plant and treated onsite to ensure that the local environmental regulations are met. Once the waste water has been handled at our own treatment plant, it is then sent via pipeline to the Marafiq plant for further treatment.

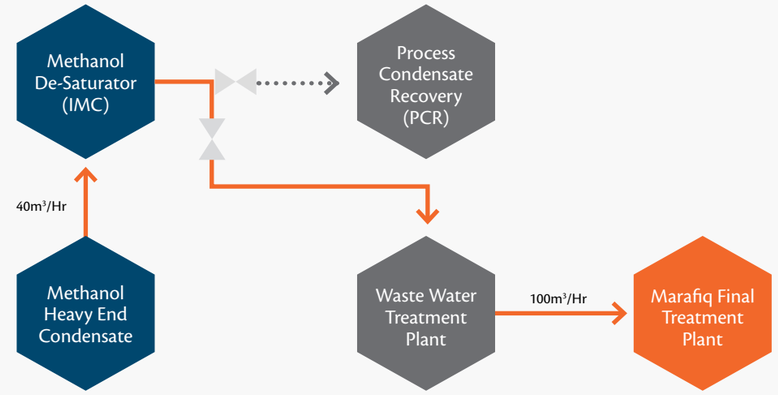
	Unit	QTY (2015)
Waste water generated	m^3	1,605,140
Waste water intensity	m^3/MT	1.1

We implemented a scheme to recycle one of the Process Waste streams that was being sent for waste water treatment. Recycling of the stream has enabled us to reduce waste water generation by 37 m^3/hr and reduce fresh water intake by the same amount. This proccess is detailed in the graphic to the right.

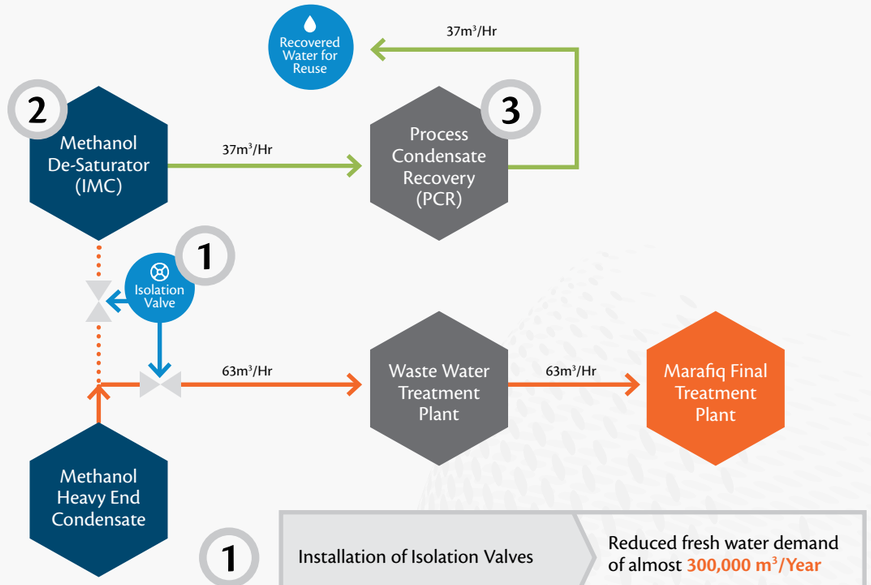
Although procedures are in place to manage our waste water so that we do not have any uncontrolled discharge of hazardous materials, we want to further excel in the management of our waste water and as such we have initiated a number of studies and projects to manage our waste water efficiently.

We have also initiated a technical feasibility study to identify an appropriate scheme for water recycling in order to reduce the requirement and consumption of fresh water throughout our processes. This study is in its final stages and the results are expected to be reported during the second quarter of 2016. This will enable us to make informed decisions about the viability of implementing water recycling initiatives.

Previous process



Process implemented



1	Installation of Isolation Valves	Reduced fresh water demand of almost 300,000 m^3/Year
2	Elemination of wax and methanol contaminated water being sent to the Methanol De-saturator	Reduced wastewater to be disposed of by almost 300,000 m^3/Year
3	Methanol De-saturated waste water recovered fully in the PCR	Financial savings of SAR 3,000,000

2015 HIGHLIGHTS

300,000 M³

Fresh water saved

ZERO

Environmental spills

66%

Reduction in process leaks in the last two years

WASTE GENERATION

Hazardous and Non-hazardous Waste

The generation of waste is something that we at Sipchem are taking very seriously. We have developed a Waste Management Plan that covers all of our operations. The management of waste at Sipchem includes the generation of by products from our processes, which is largely classed as hazardous material. The hazardous material that we produce includes bio-sludge, tar, EA heavy ends, EDA, etc.

Material	Unit	QTY (2014)	QTY (2015)
Hazardous waste	MT	2,050	2,553
Non-hazardous waste	MT	9,194	9,357

Hazardous wastes produced at Sipchem are managed in accordance with the Royal Commission (RC) regulations for waste management. As part of our procedures for waste disposal, all hazardous wastes generated are sent to RC-approved disposal facilities. Currently hazardous wastes are being sent to the Environment Development Company (EDCO) and Bee'ah engineered landfill and incineration facilities.

Our non-hazardous waste is currently sent to RC-approved engineered landfills operated by Risil and Al Fahhad Zegwaard .

We at Sipchem are continually evaluating the waste management sector to identify alternatives to disposal.

Sipchem has taken a step forward with another environmental footprint reduction initiative by recycling used oil.

Previously, used oil was incinerated at approved waste management company. Even though it was disposed of safely inceneration was contributing to higher GHG emissions, environmental damage, climate change and loss of energy and resources.

Being a responsible care company, other options for disposal were explored. Unilube, a Royal Commission approved local company in the KSA was given this used oil for recycling. Unilube collects and refines used oil into lubricants for automotive and Industrial use.

The objective of this project is not only to reduce emissions in a cost effective way but also to maintain a sustainable environment and promote local business.

We at Sipchem recognise the need to manage our waste effectively and are continually looking for ways to shift our reliance on waste disposal and will continue to explore opportunities to move up the waste hierarchy, focusing on recycling, recovery and minimisation, where possible. We are eagerly looking forward to reporting our progress in these areas in our future reports

Spills

Spill of hazardous materials is the most significant environmental incident that can occur at our plants. Due to the significant amount of our product stored on site along with other chemicals required for normal operation, a special attention is given to avoid spills.

A spill has the potential to adversely impact the affected environment depends on nature, quantity and properties of hazardous material.

We believe that all spills are preventable. To prevent spills, we monitor and analyze minor Environmental Spills spills to identify root causes. We also conduct routine plant maintenance and inspections, and undergo process safety management programs.

4.9 ENVIRONMENTAL OUTREACH EVENTS

We are committed to prioritizing environmental care and participating in events that facilitate and promote awareness in society and amongst our employees at Sipchem. Last year the Sipchem team participated in the Gulf Petrochemicals and Chemicals Association (GPCA) waste-free campaigns, Earth Day and the World Environment Day.

In addition, in the event of a large spill, we have crisis and emergency response teams in place to mitigate any health, safety and environmental impacts. As a responsible care company

We also work closely with our Community to ensure community concerns about potential incidents are addressed.

FLARING

Flaring should be minimized as this is a waste of valuable resources, increases GHG emissions and contributes to climate change. Our production facilities are designed in such a way that continuously flaring is not required.

Operational flaring occurs for safety and operational reliability reasons or during the start-up and shutdown and we always keep it to as low a level as reasonably practical.

Sipchem undertakes necessary flaring in line with the Royal Commission regulatory limits on compliance as set out in the Environmental Operating Permit (EOP).

Sipchem always aims to minimize flaring.

LEAK REDUCTION PROGRAM

Achieving environmental excellence at Sipchem means being aware of the potential environmental risks that our operations can pose and managing them effectively. One such measure that allows us to do this is the leak detection programme. In 2012 the Reliability Department at Sipchem undertook an assessment on the Breach of Pressure Envelope across the operations. This assessment identified a number of recommendations that would allow us to manage our leaks. In 2015, we were able to reduce the number of process and utility leaks in our manufacturing plants by 66% in the last two years.

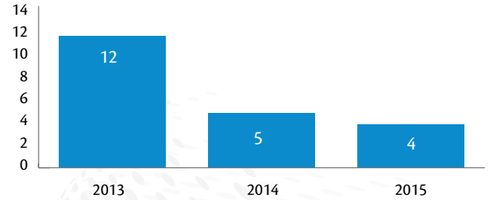
The Sipchem Asset Integrity (AI) improvement journey began in 2009 with two manufacturing plants with an AI infrastructure and a developing AI culture. In 2010 when additional manufacturing plants were commissioned, the organization was restructured, placing higher focus on AI opportunities. With this, new Key Performance Indicators (KPIs) were developed, such as "Number of Leaks" and Root Cause Analysis tools and techniques were utilized in analyzing site leak events and opportunities.

Today, our ultimate goal is zero leaks, and therefore it is important to maintain our focus so that we can continue to achieve our goals in the coming years. Therefore, the following programs were established and rolled out to the organization:

- Reliability Improvement Teams;
- Risk Based Inspection Program;
- Condition Monitoring Program;
- Preventive and Predictive Maintenance Programs;
- Plant HSE and Reliability Improvement Projects; and
- Process Safety Committee

The chart below shows the process leak trend in Sipchem within the period of 2013-2015.

Sipchem Process Leak Trend



The trend indicates that a Sipchem effort to minimize leaks is on the right track and showing positive results. We have observed a substantial reduction of leaks in the past three years. We will seek to achieve our primary goal of "Zero Process Leaks" very soon as we are already in the transition phase from a 'reactive' to a 'proactive' approach. To establish a complete proactive system and to meet our goal we are all committed to comply with the following four mandatory requirements:

- Operate assets within the integrity operating limits;
- Optimize the Preventive Maintenance plan & resources;
- Enhance the existing inspection & monitoring system; and
- Develop and implement the asset performance improvement initiatives.

ENVIRONMENTAL COMPLIANCE

As an environmentally responsible company, at Sipchem, we track all fines, penalties or sanctions that may have incurred. We have an obligation to report this to the regulator per the RC requirements and we are pleased to say that we have not received any violations.

SECTION 5

ACHIEVING SOCIAL EXCELLENCE

SECTION 5

ACHIEVING SOCIAL EXCELLENCE

While one person can create an idea, it takes teams to generate movement. By working within close teams we value the spirit of collaboration, both internally and with our partners. Our size and strength enables reinvestments in our capabilities, in our learning and by constantly growing our goals we see originality emerge. That's momentum. Our people are our assets and they make an impact here, at work, there in our communities and everywhere across the world.

THE SIPCHEM FAMILY

Everyday all Sipchem employees work as a team and contribute for a better and brighter future for all the people of our proud nation and to everyone around the world.

We have been successful in creating an environment in which employees are proud to work in and our team strives to deliver responsibly and with excellence

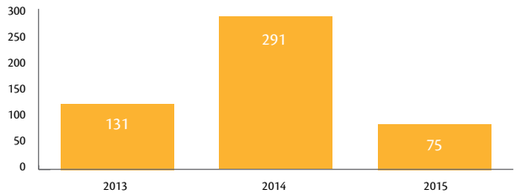
We believe that through providing equal opportunities and empowering our employees by providing further training and career development we are able to foster a positive work environment that prepares every member of the Sipchem family to continue to meet our growing expectations.

We invest in our future by investing in our people.

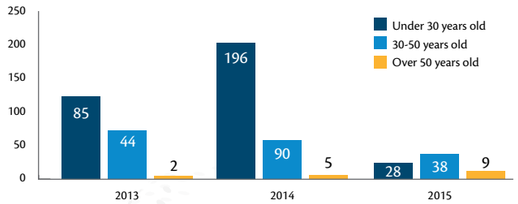
EQUAL OPPORTUNITIES FOR A DIVERSIFIED WORKFORCE

Sipchem is also very proud of its diverse, multi-talented and multicultural workforce. We actively pursue diversity in our workforce composition, the markets we serve, and the services we provide because the technical challenges we solve, benefit from diverse perspectives and experiences. This diversity has enabled us to grow by attracting talented employees from around the world. Sipchem is committed to fair and equal opportunities to all employees. The company believes that every individual's unique background and experience contribute to its success.

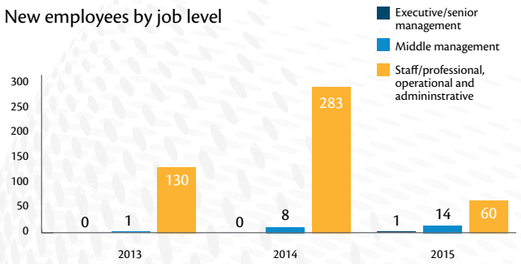
Total number of new Sipchem employees



New employees by age group



New employees by job level



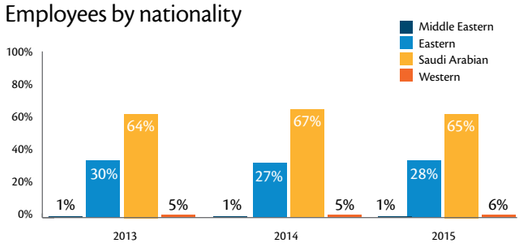
"I'm proud to be part of the Sipchem family which has reached monumental achievements in record time. During this time I witnessed people enter Sipchem and rise in the ranks to make a solid career for themselves which personally makes me very proud to belong here."

- Abdulaziz Al-Ghamdi, HR

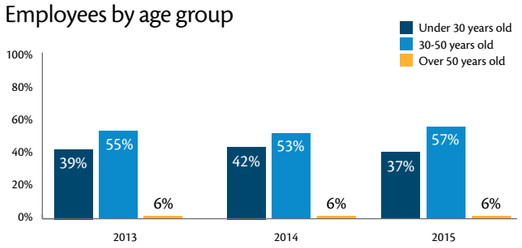
2015 HIGHLIGHTS

Ethics		
Training on anti-corruption (No of employees)		120
Incidents of Corruption		0
Human Capital		
Total Workforce (Direct & Resident Contractor)		1,386
Classification by Job Category	Executive/Top Management	1.8%
	Middle management	7.2%
	Staff &Professional	91%
Classification by Age	More than 50 yrs	6.8%
	30 to 50 yrs	57%
	Less than 30 yrs	36.3%
Saudization (Direct hire)		74%
Employee Turnover (Direct hire)		3%
Employees Satisfaction Survey		Once every 2 Years

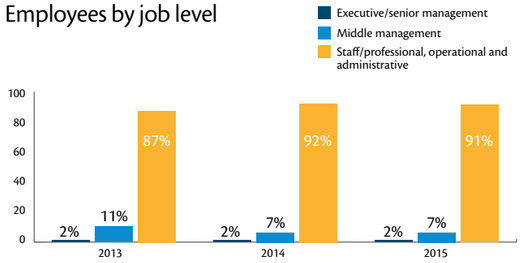
Employees by nationality



Employees by age group



Employees by job level



Gender

There are currently no women employed within Sipchem operations in the Kingdom of Saudi Arabia. Sipchem's overseas operations do include female workers and as of 2015 Sipchem employed seven women across the globe in Switzerland and Singapore. All the female employees belong to Sipchem Marketing Company.

EMPOWERING PEOPLE & STRENGTHENING COMMUNITY

Our workforce continues to grow due to our rapid expansion over the past several years, and the need to meet market requirements and expectations. The latest expansions in Jubail, Hail and Riyadh are supporting our strategy to increase opportunities for our national human capabilities, particularly within the Kingdom of Saudi Arabia, and to enhance the communities where we operate. We built up our workforce for Sipchem's Polymers production facilities which commenced in 2015, notwithstanding the competitive labor market with limited availability of specialist talent, we hired 200 new employees to keep pace with business requirements, 173 of which were Saudi Arabian Nationals.

In 2014, there had been development and growth in terms of employment and,whilst the number of employees had increased, the continuous need for Saudilization was our focus.

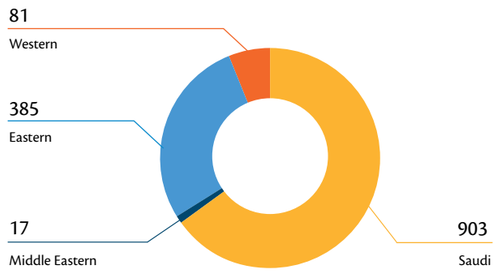
Due to increased efforts, our national employment in the Kingdom of Saudi Arabia is exceeding our targets, and our

Training & Career Development Department paves the way to corporate excellence. We design our programs using different techniques to suite different types of learners.

training and development planning is meeting the need for specific competences and skills required for current and future Sipchem expansion projects.

Employees	2013	2014	2015
Total	**1,020**	**1,311**	**1,386**

Our 2015 Workforce



TRAINING AND DEVELOPMENT

Training

The Training & Career Development Department paves the way to corporate excellence. At Sipchem, we explore all development opportunities that will enhance staff performance, career progression and help in achieving Sipchem strategic goals. By turning the conventional way of delivering training and development interventions into an interactive hands-on methodology, we increased the learning effectiveness and learning retention. We design our programs using different techniques to suite different types of learners. In our courses, we include games, role-plays, group discussion and interactive solutions to help solidify concepts and memory.

We provide a training catalogue accessible to all Sipchem employees that lists the available training courses such as safety, performance management, communication skills, writing skills, problem solving, leadership, and time management.

Employees	
Total No. of Training Hours for the Total Workforce	85,523
HSE Training Hours	24,507
Average Hours of Training per Employee	71
Total Cost of Training (Million SAR)	14.4
Average Cost of Training per Employee (SAR)	12,033
Classification of man-hour training according to job category	
Executive & Senior	458 (0.5%)
Middle Management	7,358 (8.5%)
Staff & Professional	77,707 (91%)

43% In-house training budget

By mid-2014, we began to shift the conventional training methodology into something more interactive and engaging, focusing more in the quality of training methodology rather than the number of days. Hands-on-training such as games, simulations and experiential learning usually require fewer days than theoretical training, but its impact and the knowledge retention is incomparable.

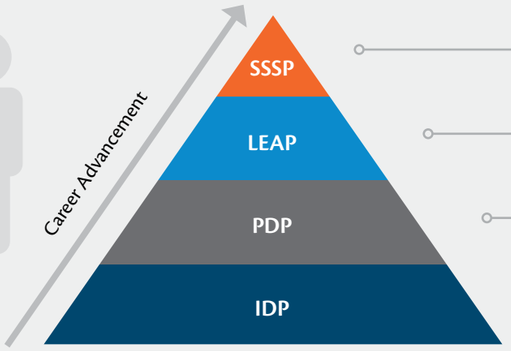
We develop training from within the company; we have internal trainers who deliver courses on a yearly calendar basis. Our trainers are certified by multinational entities, certified in programs such as "The 7 Habits of Highly Effective People", "CAMEL: a Program of Behavioral-based-Safety", and "PHA Program".

Sipchem is a Responsible Care® Certified Organization. Responsible Care® is a voluntary initiative of the chemical industry. The objective: continuous improvement in the areas of environmental protection, health and safety. On a yearly basis, we deliver a package of safety courses that helps keep Sipchem employees in compliance with Responsible Care® safety regulations.

In Sipchem we deliver training to all employees based on their roles. We design, develop and deliver our programs based on the employee's needs. Our yearly training calendar includes programs for all job levels, giving the opportunity to all employees to reach their highest potential. The 2015 allocated training budget has increased by 43% in house training budget in comparison to 2014, a direct reflection of our belief in the importance of investing in people, our most cherished asset.

Employee Development

Our people are our assets and we have focused training plans to help our employees at Sipchem develop challenging and rewarding careers. This includes every level of our organization from the existing workforce, new graduates and those aspiring to become leaders of Sipchem in the future.



Sipchem Successful Succession Program (SSSP)
Leadership Executives

Leadership Excellence Advancement Program (LEAP)
Managers and GM

Professional Development Plans (PDP)
All fresh graduates

Individual Development Plans (IDP)
All employees

The SSSP program has been developed in partnership with some of the most prestigious international institutions to ensure that we offer our employees the best career advancement possible.

Harvard Business School

International Institute for Management Development

London Business School

IBM & Kenexa

Individual Development Plan (IDP)

We manage our employees' short and long terms goals by developing their own Individual Development Plans (IDP). The IDP is created by the employee to identify personal and professional goals they want to achieve over their next five years with Sipchem. All employees have their IDP developed and approved by their managers. The Training and Career Development department helps employees to achieve their personal and professional goals by providing training interventions and work assignments. These training and work assignments impart competencies and qualifications needed for their goals achievement.

Professional Development Program (PDP)

In line with Sipchem Strategy to invest in Saudi nationals, we take care of all Saudi Fresh graduates who hold a bachelor degree and above. In order to achieve the best results for the recent graduate and Sipchem, we have established a special two year development program, namely Professional Development Program (PDP). The main purpose of PDP is to develop and prepare Saudi potentials to pursue vacant leadership positions in the long run.

Leadership Programs (LEAP)

Few years ago, SIPCHEM signed a contract with IBM to establish the LEAP program for developing and promoting managerial and leadership skills of its staff for driving long term success of the company. Since then, more than 102 employees have been trained and contributing to achieve long term organizational goals.

Sipchem Successful Succession Program (SSSP)

We believe that leading Sipchem for the next decade in the increasingly competitive and complex energy marketplace requires an ongoing enhancement of our leadership capacities and capabilities. We have therefore designed the Sipchem Successful Succession Program (SSSP). This program runs for an 18 month period which includes multiple development interventions and assessments that help our future leaders to enhance and advance their leadership skills and capabilities. After completing the SSSP we at Sipchem will benefit from having:

- Credible and capable executives with an enhanced capacity to lead Sipchem.
- A cohesive Senior Leadership Team demonstrating their shared values and behaviors: and
- A sustainable, ongoing senior leadership succession and development program.

In 2015, we identified six executives to embark on the SSSP program and we invested a total of 200 education training days. This initiative is fundamental to our investment in our people.

We conducted an online survey for employee engagement for these key objectives:

- Testing whether the internal set of practices, beliefs and systems are supporting the organization's internal branding and ensuring that it is aligned with the strategic directions;
- Creating a better understanding of the general level of employee satisfaction in the company
- Help identifying the positive elements in the current organization setting and to further build on them;
- Help identifying areas of high dissatisfaction to provide immediate attention and focus;
- Help understanding employees' expectations to take them into consideration in the future;
- Help setting new performance measures and modify existing policies to improve the level of satisfaction of the organization's employees.

78% Employees satisfied and motivated

EMPLOYEES SURVEY AND TURNOVER

At Sipchem, because we believe our employees are so fundamental to the achievement of our sustainable development and corporate strategy, we are dedicated to retaining our best and most talented employees. In 2015, our turnover rate was 4%, a decreasing trend compared to 2013 and 2014 results (9% and 6%, respectively) which indicates that turnover is continuing to improve over the years. We are continually working towards overall improvement by identifying key retention factors such as employee benefits and creating a rewarding work environment with a robust culture of people development and career advancement. Our benefits include educational assistance, comprehensive medical benefits, housing, generous leave, saving program, company stock plan, and home ownership schemes for Saudi Nationals. The opinions of our staff are important to us and as such we engage our staff in a targeted survey. Through the survey, we identified multiple areas for improvement from the employees' perspectives. We received responses from 598 employees covering 29 departments. The responses showed that overall, 78% of Sipchem's employees feel motivated and satisfied to be a part of the Sipchem family.

Based on the feedback we obtained from the anonymous survey, specific actions were identified and a roadmap for implementation was defined to ensure we address the concerns of the employees in a structured way.

Turnover	2013	2014	2015
Employees	9 %	6%	4%
National	10%	5%	3%

Description		2014	2015
Employees Leaving Employment (No.)		64	36
Employees Leaving Employment by age group (No.)	Under 30 years	15	16
	30-50 years	46	20
	Over 50 years	3	0
Employees Leaving Employment by job level (No.)	Executive & Senior management	0	0
	Middle Management	8	1
	Staff (professional, Operational and Admin	56	35

Direct hire employees data

EMPLOYMENT AND BENEFITS

We provide all of our employees with comprehensive compensation and benefits programs. These programs are designed to be competitive and to ensure that key talent, the drivers of future growth, will remain within the company. In addition to the basic salary, we offer a comprehensive and attractive benefits package to our workforce. A housing allowance or accommodation is provided to employees in the Kingdom of Saudi Arabia. Transportation is also provided to and from work and this is extended to expatriate employees' school goingw children.

We do take care of health our employees and their dependent family members. They are covered under medical insurance with which they can avail all medical facilities within kingdom and overseas as well.

It is our policy to provide education assistance to expatriate employees' children within the Kingdom of Saudi Arabia. Education assistance is payable for a maximum of four children of the employee in any one academic year which covers tuition fees of the basic schooling levels or equivalent in the Kingdom of Saudi Arabia. We provide educational assistance. Expatriate employees and their residing families are eligible for return air ticket to home country every year and a ticket home on final departure. There is a provision for reimbursement of airfreight for the first arrival and final departure which extends to spouses and children if the employee is married.

We at Sipchem recognize the need for a healthy work life balance. There are times throughout the year that operations require additional effort and time from our employees and we look to balance that effort with days in lieu. This benefit allows our staff to take time off from the work life and spend it with families.

Outside of work, we are also involved in Employee Home Ownership program, providing 354 ready constructed interest free homes to its national employees on an instalment basis. The project is in full swing and progressing well. Additionally, over 1.8 million shares are held within the shares incentives program, available for eligible employees to participate in. All employees can benefit from the end of service award, linked and proportional to number of year service with Sipchem and is granted to employees for whenever they feel it is time to leave the organization.

End of Employment

At Sipchem, in addition to rewarding our employees that have shown loyalty to the company over many years, we also aim to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. This is achieved by evaluating an individual's specific skills and assessing if and how we can utilize this elsewhere in the business. At Sipchem, we have been focused on growth and have had limited redundancies.

Employee Performance Appraisals and Review

Employees benefit from annual formal performance appraisals to clarify expectations, align goals and appreciate their contributions. In 2015, 99.25% of our employees received formal performance appraisals and reviews.

Description	2013	2014	2015
Employees that received a formal performance appraisal and review	881	1,081	1,035
	98%	98%	99%

The remaining employees were not eligible for appraisal as they were new recruits joining after the appraisal period. The same pattern can be seen for 2014 and 2013.

Management, Succession Planning and Career Development

We recognize the importance of people development at all levels to ensure the growth of the Company and the success of the business. In 2015, we continued identifying our talent pipeline at different points of employees' careers for promotion or development. We are also developing several initiatives to support Sipchem's efforts to develop and engage employees as either technical experts and professionals or general managers and leaders, such as:

- Succession Planning for key positions to identify career development paths that ensure the continuity of our business. We need to make sure we have the right talent to lead critical tasks whatever the future may bring.
- A Talent and Competency Framework to set standards and assessment criteria for: Recruitment; Performance

Thus far, the Management, Succession Planning and Career Development project has installed our core and leadership competencies into HR policies, introduced development centers and leadership development workshops and developed functional competencies for Sipchem PDP and Sipchem' s complete job families.

We recognize the importance of people development at all levels to ensure the growth of the Company and the success of the business. We will continue to identify our talent pipeline at different points of employees' careers for promotion or development.

Our Employee Health & Safety Committee has designed a world class Employee Health and Safety (EHS) program focused on the prevention of any harm to our employees.

HUMAN RIGHTS

In 2015, we ensured that human rights criteria were included in all agreements with contractors and suppliers, and we checked that both national and international suppliers abided by the Kingdom of Saudi labor Arabia's laws and regulations. Building on this, we created a human rights policy for our employees that will also be the basis for contractor and supplier human rights standards. As of 2015, no incidents of child labor or compulsory labor were identified and all agreements included clauses incorporating human rights concerns.

FORCED AND COMPULSORY LABOUR

- GRI HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor
- No operation has risk of forced or compulsory labor. The Company strictly complies with the labor laws. The information of suppliers has not been included in this review. Moreover the Company respects the rights of all and is committed to the UN Global Compact principles on human rights.

REMEDIATION

- GRI HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.
- No grievance related to human rights filed during the year.

SECURITY PRACTICES

- GRI HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations
- Sipchem Code of Conduct covers these issues. The copy of the same is provided to each employee and each employee signs the code of conduct.

CHILD LABOR

- GRI HR6 Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor.
- No operation has risk of child labor. SIPCHEM strictly complies with labor laws. The information of suppliers has not been included in this review. Company respects the rights of all and is committed to the UN Global Compact principles on human rights which includes the abolition of child labor.

OCCUPATIONAL HEALTH & SAFETY

Our employees' health and safety are critical to the responsible delivery of our services and products. We develop and operate our facilities with the aim of preventing any incidents that may harm our employees, contractors or nearby communities.

Our Employee Health & Safety Committee has designed a world class Employee Health and Safety (EHS) program focused on the prevention of any harm to our employees. This is accomplished by establishing a commitment at all levels of the organization and ensuring that employees have an opportunity to participate in the development and implementation of EHS procedures and tools. A full time manager is assigned to health and safety committee issues and is responsible for reporting to the President - Corporate & shared services. The committee consists of 31 personnel at all levels of the business and 43 acting as part time support to the committee.

In 2013, following steady and significant improvements in our safety performance in recent years, we achieved our lowest ever number of injuries per million working hours – the total recordable case frequency (TRCF). We also achieved our lowest ever level of injuries that led to time off work in 2013, measured as lost time injury frequency (LTIF). Progressing into 2014 and 2015 we have seen a slight increase in Sipchem OSHA Recordable Incident Rate, due to ongoing projects and increase in Sipchem Production Facilities. Companywide our 2015 Recordable Incident Rate is 0.31.

2015 has been challenging in terms of safe and reliable operations, achieving more than 2.4 million man-hours with five Lost Time Accidents (LTA). Similarly, Sipchem achieved over 2.2 million man-hours with only two LTA during 2014. Considering the extremely challenging process of turnaround along with implementation of several complex large-scale projects, the target set at the beginning of 2015 seemed to be almost impossible to achieve.

Description		2015
Health and Safety		0
Recordable Incident Rate	No of incidents	11
	Lost Time Accidents (LTA)	5
	Direct hire rate	0.24
	Contractor rate	0.35
	Company rate (Direct & contractor)	0.31
Occupational Illness Rate		0
Significant process Safety Incident no		3
Distribution Incident		1

Our operations do not involve exposing employees and contractors to a high incidence or high risk of specific diseases.

Safety and Operations

Maintaining the target of ZERO LTA in 2015 was Sipchem's aim that we unfortunately did not achieve. This year was the most challenging turnaround in the company's history, which included several significant technological undertakings in process modernization. The methanol turnaround process required the full engagement of all employees and over 2,500 contractors. Sipchem Management kept a consistent discourse of the HSE figures by discussing HSE topics at all weekly safety meetings. This aided in maintaining high motivation, enthusiasm and focus on HSE for supervisors, in particular the HSE Department that played a key role in supporting implementation of health and safety practices.

The success of reaching outstanding results in health and safety can be credited to the full involvement of IS & HSE Department in supervising the work of employees and contractors in the most challenging parts of the operational process. A crucial

To date and with respect to incidents of non-compliance with regulations and voluntary codes concerning the health and safety of products and services, Sipchem has had:

ZERO

Incidents of non-compliance with regulations resulting in a fine or penalty

ZERO

Incidents of non-compliance with regulations resulting in a warning

ZERO

Incidents of non-compliance with voluntary codes.

part of ensuring adherence to safety practices was daily direct involvement with everyone engaged in the turnaround process. This included compulsory toolbox talks with workers before the start of activities to discuss particular safety issues, and safety walks to identify and correct unsafe acts and unsafe conditions in the process practice. The continuous safety practice education for personnel contributes to the establishment of a safety culture among the workforce.

The HSE Department paid particular attention to providing comfortable working conditions for all involved in the turnaround process, with an abundance of drinking water and quality food, limiting working hours to the productive optimum, and making sure that mandatory breaks and days off were respected. Proper technical safety precautions were undertaken in the most dangerous parts of the operation such as working from height locations, with safety focal points appointed at the most critical activities for constant safety surveillance.

We have developed a comprehensive procedure in order to make sure that contractors meet international standards and best industrial practices during the selection procedure. We also ensure our contractors keep up with Sipchem's health and safety standards during their involvement in the company's operations. The Supply Chain Department, Contracting Department and Technical Department are involved in the process of contractor selection and monitoring, with the IS&HSE Department playing the key role. Contractor adherence to Sipchem's HSE requirements is evaluated during the tender process, where each contractor is evaluated based on the self-assessment questionnaire, with a technical evaluation then applied to initially selected contracts.

Contractors are informed about our HSE practices before the commencement of work through pre-job safety meetings and site safety inductions. Contractual management for fulfilling our HSE requirements are performed by regular revision of contractor performance during operations in accordance with individual HSE Action Plans and key performance indicators specifically determined for each particular contractor in the contract. Only contractors that successfully pass the final evaluation of adherence to HSE requirements will be kept in the approved supplier list, with the potential for further cooperation with Sipchem.

CUSTOMER HEALTH AND SAFETY

Product Stewardship

In addition to our commitment to Responsible Care®, our implemented Product Stewardship strategies ensure that we maintain the proper use and handling of chemicals and safety information is always provided. This ensures the reliability of our products and the safety of our customers.

Our ever-increasing product range combined with growing global reach positions us to support tomorrow's consumer megatrends in a safe and reliable manner.

Labelling Requirements

The following product and service information is required as per Sipchem procedures.

- Sourcing components
- Content, with particular regard to those that may produce an environmental or social impact
- Safe use of product
- Disposal of product and environmental/social impacts

SIPCHEM'S BEHAVIORAL SAFETY PROGRAM- CAMEL

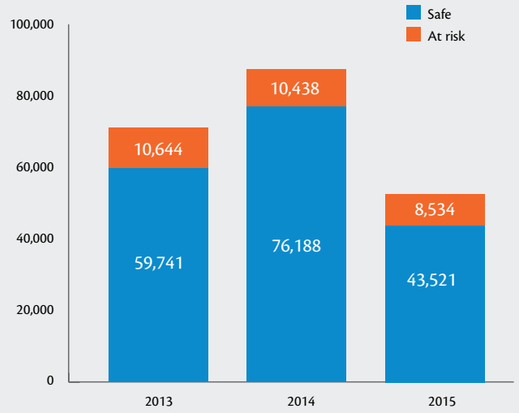
Sipchem behavioural safety observation program "CAMEL" - Continuous Awareness Must Eliminate Losses. The CAMEL observation process is a method that facilitates the alignment of occupational safety concerns with employees executing work (e.g. Line of fire, use of tool, Personal Protective Equipment, etc.). Through this observation method, employees have the opportunity to be in an immediate "face to face" dialogue with other employees or workgroups in the field with concerns related to at risk behaviours and other safety issues. In addition, to highlighting the at risk behaviour, the CAMEL program gives the opportunity to address the safe behaviours while observing your peers. For instance, if one of the employees is in compliance with the full personal protective equipment (PPE), it could be mentioned on the CAMEL observation sheet as a safe behaviour to encourage the behaviour and enhance the safety culture.

Sipchem's success is rooted in using the process for post observation analysis of at risk behaviour and in identifying and communicating which at risk behaviours are a concern across the organization. These at risk behaviours are then discussed during monthly reporting and a quarterly report is issued and communicated by line management throughout the organization outlining actions needed to reduce or prevent significant at risk behaviours identified during that period. But in the other hand, those who were observed as practicing a safe behaviour will be rewarded and recognized for their safety and setting up a good example to their peers.

There will be immediate alignment on corrective action by the employee or workgroup in the field and there are several methods in order to measure effectiveness of communication in the CAMEL process:

1. Interviewing the employee after the observation and feedback on alignment
2. Observable reductions in at-risk behaviours after implementing roadblock removal actions
3. Presentation to Employees about facts, technique applied, dramatic reduction in "At risk" behaviors and improvement in select indicator
4. Reward and recognize active CAMEL observers and employees who were observed in a safe condition or safe act

2013-2015 CAMEL Observation (Safe/At risk)



Contributing to the needs of a society is a growth driver for business

It is about balancing the three dimensions in business decisions

It is a journey requiring dialogue and partnership with stakeholders

It is about weighing options and finding the best available solutions

SUPPORTING OUR COMMUNITY

Sipchem is only as strong as the foundation the company is built upon. Not only is it our intrinsic nature to give back to the communities we work within, but also we understand that these communities are at the center of our company's foundation making community engagement additionally valuable for Sipchem's growth.

Since the beginning, we have strived for the betterment of our community. Through direct and indirect job creation, supporting local charitable organizations and providing care for those in need we have established ourselves as a leader in social responsibility. Through our close partnership and participation with our community, we have continued to improve the lives of hundreds.

Local Community Engagement

We implement local community engagement through impact assessments and development programs through the use of:

- Social impact assessments based on participatory processes;
- Environmental impact assessments and ongoing monitoring;
- Public disclosure of results of environmental and social impact assessments;
- Stakeholder engagement plans based on stakeholder mapping;
- Broad-based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes.

As a company, Sipchem considers social programs as part of its national duty. Thus, social responsibility has always been a priority for us in fulfillment of our obligations towards our country and community.

Sipchem's CSR Journey

2006
Listed on Saudi Stock Market. Current capitalization is SR 3.6 billion

2007
The Community Services Committee (CSC) is formed

2010
- Board allocates 1% of Sipchem net profits to CSC
- Winner of Best Working Environment Company in the Kingdom

2011
Winning Best CSR Organization in Arab world

2014
Winning Best CSR Organization in Arab world

2015
- Signing of seven JV contracts with Best Charity organizations in Eastern province
- Spending of approximately SAR 9 Million in CSR programs

CSR Vision

To be the leaders in social responsibility.

CSR Mission

We seek to develop a relationship, based on sustainability, between the company and the community by creating and promoting the culture and social responsibility in all aspects of its activities.

Our goals and objectives:

- Establish a clear approach for social responsibility and develop it on a local, regional and international level;
- Strive to enhance the value of social responsibility among others and provide a good model through achieving excellence in our practices according to the company's standards;
- Cooperate with partners in social responsibility; supporting their programs in all cultural, rehabilitational, social, health and environmental protection;
- To be pioneers through presenting innovative ideas with social responsibility partners; and
- Partner with donors to develop the standards and rules of supporting civil organizations and intellectual activities such as conferences and forums.

2015 Community Service Highlights

22 Community service events

9 Volunteering program events

Event suggestions by employees collected through internal survey

83 registered volunteers (42 active members)

500+ hours of service to the community

30 residential units to Syrian refugee families in Jordan (at a total cost of 488,000 SAR)

8.6 Million SAR invested in Community

KEY CSR INITIATIVES:

MAJOR EVENTS

Sipchem signed six contracts with various charity organizations in order to invest a total of SAR 2.8 million to women in need in the Eastern province of the Kingdom

Sipchem initiated the construction of the Landmark Project at Khobar – Al-Hada District with total amount of SAR 1.9 Million

In cooperation with 'Women Charity' Sipchem donated full kitchens to widows in the Eastern province, worth more than a million SAR

Sipchem donated six modern devices to the Kidney Center in Al Qassioumah General Hospital for a total of SAR 488,000

Sipchem organized a sports tournament with 350 athletes in attendance.

Sipchem spends over SAR 1.88 million annually to sponsor various programs for orphans in Jubail, Khobar and Hail.

Sipchem sponsored a Breast Cancer Campaign in 20 cities across KSA.

Over 250 Sipchem employees participated in the blood donation campaign in cooperation with Ministry of Health

The Sipchem Volunteers Team visited the patients in an Eastern province Hospital to celebrate Eid al-Fitr and Eid al-Adha .

Sipchem Volunteers Team distributed 800 food baskets to those in need in the Eastern province and Hail, totaling SAR 263,000

Sipchem Volunteers Team organized Iftar of 7,500 for those in need in the Eastern province.

Sipchem Volunteers Team organized a community clean-up event in corporation with GPCA association.

Sipchem Sustainability Report 2015

GRI G4 Content Index – In accordance 'Core'

Indicator	Description	Comments	Page
General Standard Disclosures			
Strategy and Analysis			
G4-1	Statement from the most senior decision maker	Covered	2-3
Organisational Profile			
G4-3	Name of the Organisation	Covered	5
G4-4	Brands, products and services	Covered	8 – 13
G4-5	Location of the organisation's headquarters	Covered	5
G4-6	Countries in which the organisation operates	Covered	6-7
G4-7	Nature of ownership and legal form	Covered	19
G4-8	Markets served	Covered	6-7
G4-9	Scale of the organisation	Covered	5, 49
G4-10	Total workforce by employment type, employment contract and region, broken down by gender	Covered	49 – 50
G4-11	Percentage of employees covered by collective bargaining agreements	Collective bargaining agreements are not included in Saudi labour law	-
G4-12	Organisation's supply chain	Covered	22
G4-13	Significant changes since previous report	Not Applicable. This is Sipchem's first report	-
G4-14	Whether precautionary approach has been used	Sipchem endeavours to use the precautionary principles in all its operations and activities (as applicable)	-
G4-15	Externally developed charters the organisation is signatory to	Covered (Responsible Care, GPCA)	-
G4-16	Memberships of associations	Covered (GPCA)	-
Identified Material Aspects and Boundaries			
G4-17	Entities included in the consolidated financial statements		
G4-18	Process for defining report content and boundary	Covered	25-29
G4-19	List material aspects	Covered	27
G4-20	Internal boundary for material aspects	Covered	29
G4-21	External boundary for material aspects	Covered	29
G4-22	Effect of any reinstatements in the previous report	Not Applicable. This is Sipchem's first report	-
G4-23	Any significant changes from previous reporting period in terms of scope and boundary	Not Applicable. This is Sipchem's first report	-
Stakeholder Engagement			
G4-24	List of stakeholder groups	Covered	28
G4-25	Basis for selection of stakeholders	Covered	27-28
G4-26	Approach to stakeholder engagement	Covered	28
G4-27	Topics of concerns of stakeholders	Covered	28
Report Profile			
G4-28	Reporting period	Covered (1st January to 31st December 2015)	-
G4-29	Date of most recent report	Not Applicable. This is Sipchem's first report	-
G4-30	Reporting cycle	Covered (annual)	-
G4-31	Contact point	Covered	29
G4-32	GRI Content and "in accordance" option and external assurance	Covered	25, 29
G4-33	Policies regarding external assurance	Covered	29
Governance			
G4-34	Governance structure of the organisation	Covered	20-21
Ethics and Integrity			
G4-56	Organisation's values, principles, standards and norms of behaviour	Covered	22
Category: Economic			
G4-DMA		Covered	31
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Currently, Sipchem has not undertaken any analysis of the risks and opportunities posed by climate change.	-
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	Not Applicable; There are currently no women employed within Sipchem operations in the Kingdom of Saudi Arabia	-
Process Safety			
G4-OG13	Number of process safety events by business activity	Covered	39,57
Product Quality			
This has been captured under G4-PR5		Covered	38
Growth			
GRI does not provide a specific indicator for this aspect		Covered	32-35
This is Sipchem's first sustainability report. We will endeavour to provide information on other identified material topics - customer and supplier relationships and physical and cyber security in our subsequent reports.			
Category: Environmental			
G4-DMA		Covered	41-47
Environmental Regulatory Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Covered	47
Air emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Covered	42
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Covered	42
G4-EN18	Greenhouse gas (GHG) intensity	Covered	42
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Covered	43
G4-EN20	Emissions of ozone-depleting substances (ODS)	Covered	42
G4-EN21	NOx, SOx, and other significant air emissions	Covered	42-43
Water Management			
G4-EN8	Total water withdrawal by source	Covered	44-45
G4-EN9	Water sources significantly affected by withdrawal of water	Covered	44-45
G4-EN10	Percentage and total volume of water recycled and reused	Covered	44-45
Energy Management			
G4-EN3	Energy consumption within the organisation	Covered	41
G4-EN4	Energy consumption outside of the organisation	Covered	41
G4-EN5	Energy intensity	Covered	41
G4-EN6	Reduction of energy consumption	Covered	41
Effluents and Waste Management			
G4-EN22	Total water discharge by quality and destination	Covered	44-45
G4-EN23	Total weight of waste by type and disposal method	Covered	46
G4-EN24	Total number and volume of significant spills	Covered	46
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Covered	46

Sipchem Sustainability Report 2015

GRI G4 Content Index – In accordance 'Core'

Indicator	Description	Comments	Page
Category: Social			
Well-being, Health and Safety			
G4-LA5	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs	Covered	56
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Covered	56-58
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Covered	57
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Not Applicable	-
Ethics and Corporate Governance			
This has already been covered under G4-56			
Talent Management			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Covered	51-53
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Covered	50-55
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Covered	55
Human Capital Development			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Covered	49-51
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Covered	55
Corporate Social Responsibility			
GRI does not provide a specific indicator for this aspect		Covered	60-63
Product Stewardship			
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and service categories subject to such information requirements	Covered	58
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Covered	58
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Covered	58
G4-PR5	Results of surveys measuring customer satisfaction	Covered	38
G4-PR6	Sale of banned or disputed products	Covered (none)	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcome	Covered (zero)	-
G4-PR8	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Covered (zero)	-

ABBREVATION LIST

AA	Acetic Acid
AAn	Acetic Anhydride
ALARP	As Low As Reasonably Practicable
BDO	1,4-Butanediol
CBS	Corporate Balanced Scorecards
CEMS	Continuous Emissions Monitoring System
CEO	Chief Executive Officer
CO_2	Carbon Monoxide
CSC	Community Services Committee
CSR	Corporate Social Responsibility
EA	Ethyl Acetate
EDCO	Environment Development Company
EHS	Environment Health and Safety
EVA	Ethylene Vinyl Acetate
GACI	Gulf Advanced Cable Insulation Company
GBL	Gamma-ButyroLactone
GHG	Greenhouse Gas
GPCA	Gulf Petrochemicals and Chemicals Association
GRI	Global Reporting Initiative
HCIS	Higher Commission Of Industrial Security
IDP	Individual Development Plans
IAC	International Acetyl Company
IGC	International Gases Company
IMC	International Methanol Company
IPC	International Polymers Company
ITB	Invitation To Bid
IVC	International Vinyl Acetate Company
KPI	Key Performance Indicator
LDPE	Low Density Poly Ethylene
LEAP	Leadership Excellence Advanced Program
LTA	Lost Time Accidents
LTIF	Lost Time Injury Frequency
MAn	Maleic Anhydride
MBR	Membrane Bioreactor
MeOH	Methanol
MMTPA	Million Metric Tons Per Annum
MT	Metric Tons
ODS	Ozone Depleting Substances
OSHA	Occupational Safety And Health Administration
PBT	Polybutylene Terephthalate
PDP	Professional Development Program
PO	Purchase Order
PPE	Personal Protective Equipment
PSM	Process Safety Management
RAGAGEPs	Recognized And Generally Accepted Good Engineering Practices
RC	Royal Commission
RFP	Request For Proposal
RFQ	Request For Quotations
SCC	Sipchem Chemical Company
Sipchem	Saudi International Petrochemical Company
SMARTO	Sipchem Maintenance and Reliability Transformation of Operations
SMC	Sipchem Marketing Company
SOI	Solicitation Of Interest
SQAS	Safety and Quality Assessment System
SSPC	Saudi Specialized Products Company
SSSP	Sipchem Successful Succession Program
THF	Tetrahydrofuran
TMF	Tools Manufacturing Facility
TRCF	Total Recordable Case Frequency
VAM	Vinyl Acetate Monomer

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