شركة البترول الوطنية الكويتية

إحدى شركات مؤسسة البترول الكويتية
A Subsidiary of Kuwait Petroleum Corporation

KNPC

Sustainability Report 18/19

شركة البترول الوطنية الكويتية

إحدى شركات مؤسسة البترول الكويتية
A Subsidiary of Kuwait Petroleum Corporation

KNPC

Sustainability Report 18/19

His Highness
Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
The Amir of the State of Kuwait

His Highness
Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah
Crown Prince of the State of Kuwait

Table of **CONTENTS**

GRI 102-1 GRI 102-14

CEO Statement

KNPC is proud to present its 5th Sustainability Report. This Report is the first publication of the Sustainability Report to be paper-less, from the data collection process, to the audit and verification check all the way through to production. This Report is 100% paperless. It is a testament to the commitment we still solidify with our Stakeholders that we are continuously looking for better opportunities to enhance our Sustainability initiative. As this Report was going to its final production, the world was effected with a global pandemic COVID 19. We, as a Company, came together and found new and improved ways to communicate with our Stakeholders while always continuing to uphold the urgency and importance of the safety and well-being of our employees, contractors, and staff as a whole.

Aside from the global pandemic, amidst these challenges and with the increasing pace of completion, the current oil market's climate made the Company exert the necessary efforts to increase the Company's profitability by improving KNPC's financial and commercial performance through maximized operation and production capacity. While insuring economic profitability and being able to contribute to Kuwait's economy, we hold the safety and well being of our staff as a top priority. With our safety initiatives being recognized and awarded from international organizations, we, at KNPC, strive to be the leaders in creating a safe working environment. We have had a wonderful safety record for this reporting period, however we acknowledge that there is still work to be done and we should continue with our due diligence.

Our emphasis remains through the investment into our main assets, being our employees through modern training and certification which is a key attribute to enhance the shared knowledge and betterment of our employees' contribution to their area of business.

Finally, the Company is proud to announce the near completion of KNPC's Clean Fuel Project (CFP). The main objective of CFP is to provide an economic feasibility element, through the project internal rate of return (IRR) expected at 11.5% which is considered a high return on a project of this scale and size. Instead of selling crude oil directly to the market, the project will add value to Kuwait's natural resources and increase the Country's share in the international arena. This will ultimately assist with the goal set by Kuwait Petroleum Corporation (KPC), being our mother Company, and KNPC in their strategy that aims at raising the refining capacity in Kuwait to 1.4 million barrels per day. As well as fulfilling the highest possible rate of energy manufacturing at local refineries to meet the local and international demand of high quality petroleum products.

This year also marks the first year that KPC produced their first Sustainability Report with the support and guidance from KNPC being pioneers in this field among the all sector.

As always reported, we are proud to present to you this Report, our most valued Stakeholders as our message of sustainable growth.

Waleed Khaled Al-Bader
Chief Executive Officer


البترول الوطنية
KNPC
المبنى الرئيسي
HEAD OFFIC

GRI 102-46 GRI 102-48 GRI 102-49 GRI 102-50
GRI 102-51 GRI 102-52 GRI 102-54 GRI 102-56

About the **REPORT**

This Biennial Report was prepared in accordance with the GRI Sustainability Reporting Standards. KNPC operates exclusively within the boundaries of Kuwait. All activities outside Kuwait are undertaken by other subsidiaries of Kuwait Petroleum Corporation. The reporting cycle covers the period of April 2018 till March 2019.

This Report was produced with the current stance of the data collection utilizing the currently trained Data Collectors from relevant Departments utilizing the Company's first data automation software for the collection of such data. The data collection process has evolved from manual entry of data to fulfill Key Performance Indicators (KPI's) to a more systematic environmental friendly approach, utilizing an already existing application software (PEARL). This data collection and data storage software is the contributing factor towards a paperless KNPC Sustainability Report.

This Report has been prepared in accordance with the GRI Standards: Core option. This Report was prepared utilizing the same methodology as the previous Reports. There was a brainstorming session to review the materiality chart as well as KPI selection. We have also conducted two workshops geared towards Stakeholder Engagement feedback. One workshop was for our internal stakeholders, employees from relevant Departments that provided insights into the materiality practice of brainstorming and prioritizing the Company's KPI's to best reflect the core business of the reporting year.

Since the last Report 2016/17, we have changed the manner in which we assure and certify this Report. Due to the circumstances the global pandemic COVID-19 has caused, we have opted for the safety and security of all parties involved for the 5th Report by not conducting a 3rd party audit. However rather have an internal audit conducted from Corporate Planning Department on the aspects and topics we have decided to report against for the 2018/2019 fiscal year.

GRI 102-47 GRI 103-1 GRI 103-3

MATERIALITY

During this 5th round of the Company's KPI sustainability materiality chart, we approached the brainstorming in a slightly different approach. With our newly developed companywide Stakeholder Engagement process, we were able to incorporate the risks that were identified by our Stakeholders as well as highlight the Management's strategic vision for the Company.

The selection of the KPI's were based on the GRI Sustainability Reporting Standards. Our priorities to focus on for this Report were Safety, Environmental Protection, Career and Training investment that we provide for our employees in addition to highlighting the progression of our national project: the Clean Fuel Project.

Materiality chart is not a permanent entity and is subject to change from one Report to the other. However, safety of our employees and environmental protection will continuously be of high priority to KNPC.

Materiality Chart
The KPI's Selection are as follows:

GRI 201-1 Economic value generated and distributed.

GRI 302-1 Energy Consumption within the organization.

GRI 303-1 Interactions with water as shared resources.

GRI 303-3 Total water withdrawal by source.

GRI 305-1 Direct greenhouse gas (GHG) emissions.

GRI 305-5 Reduction of greenhouse gas (GHG) emissions.

GRI 306-3 Significant spills.

GRI 307-1 Non-compliance with environmental laws and regulations.

GRI 308-1 New Suppliers that were screened using environmental criteria.

GRI 308-2 Negative environmental impacts in the supply chain and actions taken.

GRI 403-8 Workers covered by an occupational health and safety management system.

GRI 401-1 New employment hires and employment turnover.

GRI 404-1 Average hours of training per year per employee.

GRI 404-2 Programs for upgrading employee skills and transition assistance programs.

GRI 405-1 Diversity or governance bodies and employees.

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.

GRI 102-2 GRI 102-3 GRI 102-4 GRI 102-5 GRI 102-6

GRI 105-7 GRI 102-9 GRI 102-10 GRI 102-53 GRI 202-2

About the **COMPANY**

Kuwait National Petroleum Company (KNPC) is one of the leading energy companies in the State of Kuwait focusing on downstream oil and gas operations. Meeting the local and global energy needs in a sustainable manner has become the Company's strategic objective. We are a Company with a deep history rooted in Kuwaiti culture. We seek to enhance the growing energy needs, being fully committed to protecting the environment while remaining profitable and simultaneously not hindering the sustainability initiatives of future generations.

KNPC is a state owned oil refining and gas liquefaction company and a subsidiary of Kuwait Petroleum Corporation (KPC), operating within the State of Kuwait. Its main office is located in Ahmadi City, approximately 40KM South of the capital, Kuwait City. It is the sole supplier of all petroleum products, liquefied gas and bitumen to the local market in retail and wholesale amounts. By 2018/2019, KNPC owned and operated two Refineries Mina Al-Ahmadi as well as Mina Abdullah, (with the third Shuaibha Refinery being retired), a Gas Liquefaction plant as well as Petrol Stations serving different parts of the country. KNPC will continue with furthering the solar energy path. We have previously installed solar panels in two Filling Stations.

With over 6,000 strong workforce, KNPC rates as one of the largest companies in the State of Kuwait. We provide employment to over one third of the labor force in the Kuwait Oil Industry, 75% of our workforce are Engineers, Foremen and Technicians who are trained to master the refining technology and information know-how so as to carry out demand of the domestic oil refining and gas liquefaction industry.

With Kuwait National Petroleum Company being the heart that pumps Energy to fuel Kuwait's economy, provides progress for its people and drives future sustainable and innovative Energy solutions, the Company decided in the year 2020 to undertake a full Branding exercise to determine its powerful Brand Promise & Positioning for the years ahead that will unite all our Communication efforts under one “Core” thought: KNPC is at the Core of Kuwait. With our purpose to be the beating heart behind Kuwait’s future progress that runs on our Refineries to fuel its growth, this Workshop provided the perfect platform to develop the new Corporate Identity Manual that aligns, unifies and governs all branding initiatives across the Company. Such Brand Guidelines will enable KNPC to maintain consistency on all levels that will help elevate recognition within the industry and among Stakeholders. The year 2021 will be the one that the Corporate Communication Department team launches the new Identity Manual across all of its Businesses to be enforced on all Branding initiatives.

This year’s Sustainability Report and based on the new “Core” concept described above shall carry this creative direction as a design theme.

For clarifications or inquiries, please contact us through *www.knpc.com*

GRI 102-2 GRI 102-14 GRI 102-16 GRI 102-17 GRI 102-18 GRI 102-41

Corporate GOVERNANCE

One of the most successful lines of communication between our Management and every level of employees is known as our KNPC Regular Communication Meetings (KRCM).

These Meetings take place monthly in each Department and are inclusive of Management updates:

- Profit performance per month.
- Updates on the Company's mega projects.
- Updates on the oil sector.

In turn, the employee is allowed to register an inquiry or concern around his/her well-being, safety, or general feedback. The Meetings are minuted and each feedback is then sent to the concerned Department for response.

Collective Bargaining: Note for the FY 18/19, the Company did not have any signed Bargaining Agreements.

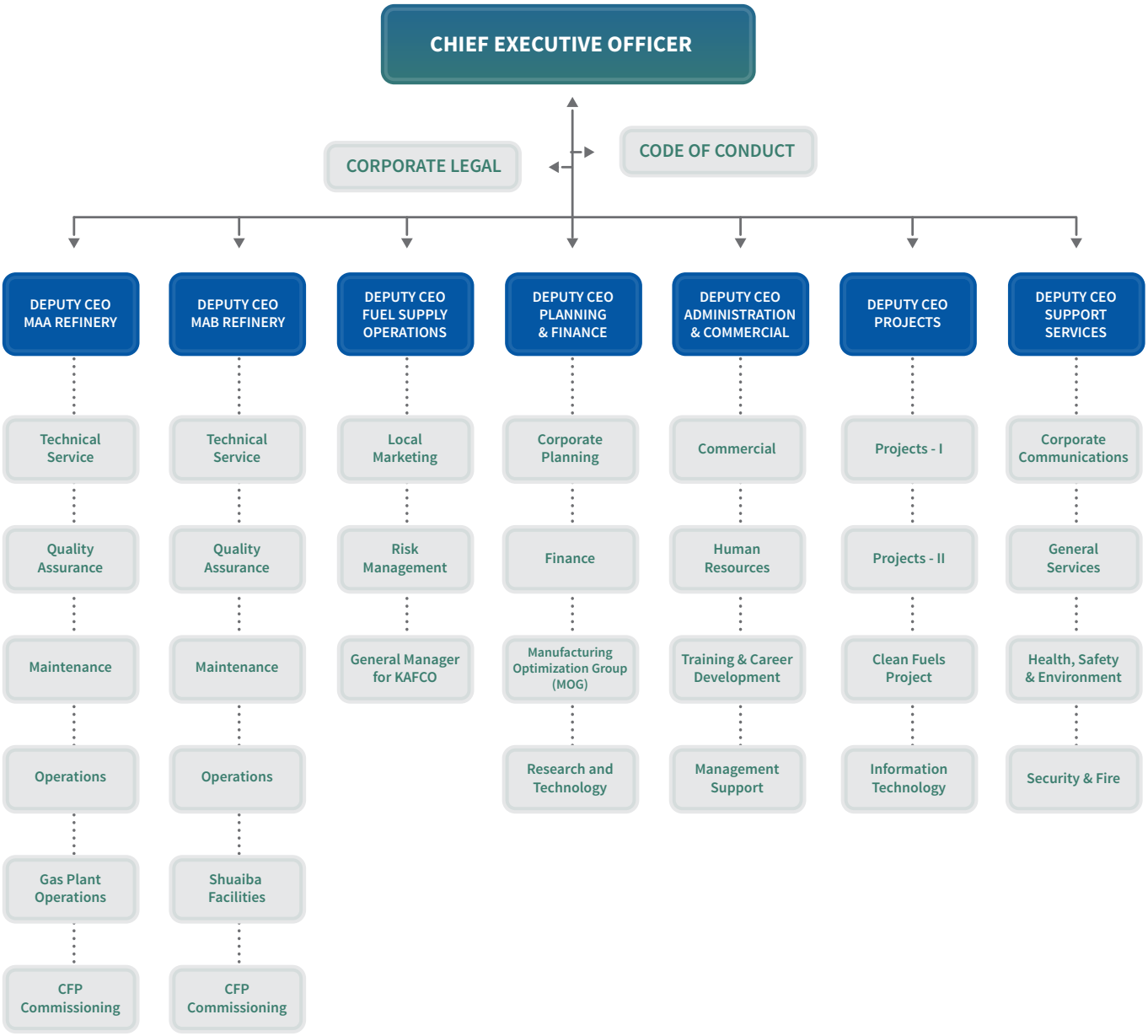
Code of Conduct: Code of Conduct is a set of rules, values, and principals affirmed by Kuwait Petroleum Corporation (KPC) as a guideline for all employees working for KPC and its subsidiaries. As one of its K-company, KNPC, seeks all of its employee's compliance with the Code of Conduct and undergoes annual training and awareness on KNPC's Code of Conduct methodology. There is a system that has been set up to reporting and monitoring breaches of the code of conduct, and an investigation through the proper protocols is set.

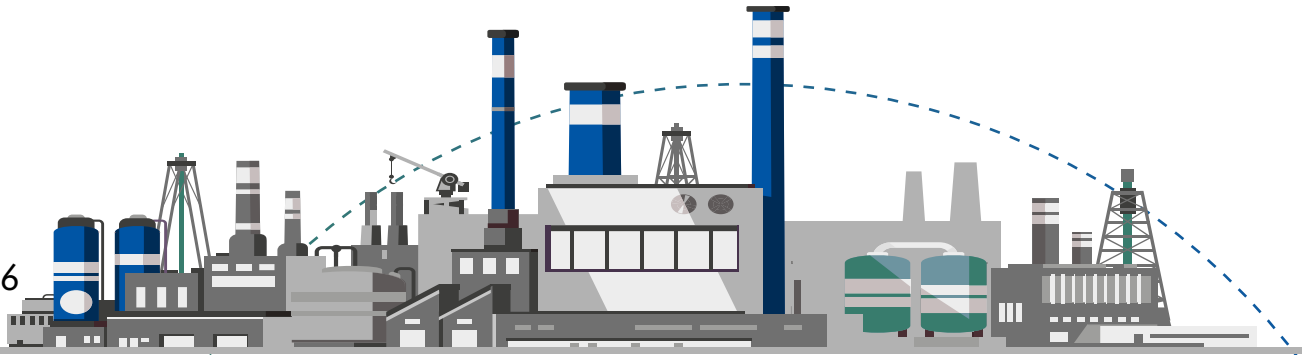
Production Data

Total Crude Capacity	692.4	MBPD
Total Crude Processed	35,055.90	KTPA
Production		
Naphtha/Cars Gasoline/Reformate	7,352.5	KTPA
Kerosene\ ATK	6,899.1	KTPA
Gas Oil / Diesel	8,750.1	KTPA
Fuel Oil/Residue	8,370.6	KTPA
Other Products (LPG, Bitumen, Sulfur, Coke, and Propylene)	3,097.7	KTPA
Propane*	3,074	KTPA
Butane*	2,409	KTPA
Natural Gasoline*	1,641	KTPA

*Gas Plant Products.

Organizational **STRUCTURE**





GRI 102-15 GRI 103-1

Enterprise Risk MANAGEMENT

KNPC's Mission is to maximize the value of Kuwaiti Hydrocarbons, through domestic and international refining, petrochemical and marketing.

To achieve this, KNPC continues to be a leader in downstream activities and plays an active role in achieving KPC's overall objectives of being a prime, reliable and sustainable source of revenue and energy for the State of Kuwait by managing its risks from an oil sector perspective.

KNPC recognizes that uncertainties could hinder its efforts in achieving the set Mission, but efficient Enterprise Risk Management (ERM) decreases the impact of negative outcomes, and helps with identifying and seizing opportunities, which will enhance value for KNPC.

KNPC ERM Mission statement declares the need to integrate ERM into KNPC's daily activities and those of its business partners to ensure the optimal balance of risk and reward whilst pursuing our objectives.

KNPC ERM Vision statement declares the need to be recognized as a leading ERM practitioner amongst oil and gas companies. We will deliver our Vision through:

- Promoting a Risk Management culture where risk is everyone's business from the Board room to the Field and Plant.
- Applying leading ERM processes and systems across the business to manage our risks effectively, efficiently, and timely.
- Recruiting, developing, and deploying leading ERM practitioners.
- Deploying capital efficiently by leveraging natural risk offsets across the business using Integrated Risk Management methods and metrics across the Group.
- Balancing risk and reward consistent with KNPC strategic objectives and planning process through aligning the Company's risk by product and business unit in accordance to the capital project.

Customer Privacy

We firmly believe that it is our responsibility to ensure compliance with applicable national and international socio-economic and environmental regulations, as well as, industry standards on these aspects. Non-compliance with laws, regulations and standards can weigh heavily on our Group as violations that could lead to restrictions to our license to operate, sanctions, and substantial fines. We adhere to these regulations not only because it is a legal requirement, but also because we believe in their importance in creating a sustainable society and environment, and in ensuring Stakeholder satisfaction.

As a result, KNPC emphasizes on the importance of abiding with regulations through our Compliance Management framework. The framework helps us identify compliance requirements, set controls and policies, while periodically monitor our compliance performance.

GRI 102-40 GRI 102-42 GRI 102-44

Stakeholder ENGAGEMENT

Stakeholder Engagement Summary

MAA Refinery		
Technical Services	Engagement Update Frequency *	Daily/Weekly/Monthly
	Types of Communications	Fax, memos, calls, messages, emails
	Stakeholders	KNPC Departments, K-Companies, KPC, MEW
	Risk	-
	Stakeholder Engagement Frequency **	Continuously
Maintenance	Engagement Update Frequency	Daily/Monthly
	Types of Communications	One-to-one meetings, emails, memos
	Stakeholders	Jassim Transport & Stevedoring Co., Finesco International, Schneider Electric
	Risk	Equipment break down, absent operators, unavailable requirements. Maintain required workforce. Additional work force required for commissioning of CFP new Green and Brown Field units. Systems reliability
	Stakeholder Engagement Frequency	Continuously
Maintenance Zone I	Engagement Update Frequency	Undefined
	Types of Communications	Meetings, calls, emails
	Stakeholders	Al Khorayef, ARABI ENERTECH, TARIQ AL-GHANIM GEN. TRAD. & CONT. CO. (ALMEN), Al Arfaj Engineering, Yuhantech
	Risk	Execution delays. Delays in preventive maintenance activities. Delays in rubber and cement lining and other wrapping activities. Contractor is trying to become Local Agent for any company that KNPC needs a direct service from Vendors. Charging KNPC heavy prices for any jobs not included in the contract
	Stakeholder Engagement Frequency	Continuously

* Indicates how often Department's focal point submits the forms
** Indicates how frequent the Department engages with its Stakeholders

GRI 102-40 GRI 102-44

MAB Refinery		
Maintenance Planning II	Engagement Update Frequency	Weekly/Monthly
	Types of Communications	Emails, meetings, face-to-face, workshops
	Stakeholders	Shell, Heisco
	Risk	-
	Stakeholder Engagement Frequency	Frequently
Projects II	Engagement Update Frequency	Monthly
	Types of Communications	Letters, one-to-one meetings, visits
	Stakeholders	Public Authority of Industries (PAI)
	Risk	-
	Stakeholder Engagement Frequency	Continuously
Information Technology	Engagement Update Frequency	Quarterly
	Types of Communications	Meetings, Conferences, calls, Emails
	Stakeholders	IT-DBA (Direct Stakeholder)
	Risk	Application Performance, Availability and Security. Oracle Servers support Cost-Saving
	Stakeholder Engagement Frequency	Occasionally
Clean Fuels Project	Engagement Update Frequency	Undefined
	Types of Communications	-
	Stakeholders	ERM, Government Bodies, Civil Society, Labor Union, Media, Financial Institutions.
	Risk	Project Financing, Labor Rights, Hygiene
	Stakeholder Engagement Frequency	Occasionally

GRI 102-40 GRI 102-44

Finance		
Finance	Engagement Update Frequency	Undefined
	Types of Communications	Emails, memos, calls, DCM application, MASAAR, letters, meetings
	Stakeholders	KNPC Departments, KPC & Subsidiaries, KAFCO, Ernst & Young, KARO
	Risk	Unexpected delay in closing account. Incorrect amount of provision. Late submission. Delay or inaccurate date provided. Late changes to attachments made after submission. Inaccurate asset register. Delay in processing amortization calculation. Delay and mistakes in budget preparation. Continuous movement in Shuaiba warehouse accounts
	Stakeholder Engagement Frequency	Continuously

GRI 102-40 GRI 102-44

Support Services		
General Services	Engagement Update Frequency	Weekly
	Types of Communications	Meetings, Site Visits, Emails
	Stakeholders	Catering, Cleaning, Aviation, Janitorial Services, Car Rental
	Risk	Labor Uniforms, Employee Performance, Catering Services quality , Building Cleanings
	Stakeholder Engagement Frequency	Continuously
Health, Safety & Environment (HSE)	Engagement Update Frequency	Undefined
	Types of Communications	Meetings, Site Visits, Emails
	Stakeholders	KEPA, KPC & Subsidiaries
	Risk	Delay in Presenting CFP progress, Monitoring plan of CFP
	Stakeholder Engagement Frequency	Continuously
Corporate Communications	Engagement Update Frequency	Undefined
	Types of Communications	One-to-one meetings, emails, calls, deliveries, contract forms, site visits, memos
	Stakeholders	General Authority for Agriculture and Fisheries, MPW, Injaz, Municipality, Embassies, media , production, electronics & gifts companies, departments , Kuwait Radio Station, magazines, Kuwait Television, Schools, KNPC Employees, MAB Chalet owners, KPC & Subsidiaries
	Risk	Length of process time in requesting giveaways. Communication barrier; issues understanding KNPC event procedures. Impact on KNPC image. Delays in getting official request from Radio Station. Not meeting printing deadlines. Delay in issuing gate passes; un expected gate passes requests. Lack of attendance
	Stakeholder Engagement Frequency	Continuously

GRI 102-40 GRI 102-44

Admin & Commercial		
Human Resources	Engagement Update Frequency	Undefined
	Types of Communications	Meetings, Site Visits, Emails
	Stakeholders	KCB, KPC & Subsidiaries, Government Bodies, Recruitment Services, PADA
	Risk	Employee Medical Reports, Loans, Salaries, Recruitment
	Stakeholder Engagement Frequency	Frequently
Commercial	Engagement Update Frequency	Monthly
	Types of Communications	Meetings, Memos, Emails
	Stakeholders	Governmental Bodies, Suppliers & Contractors
	Risk	Delay of E-Signature to use in the Company, Customer Clearance
	Stakeholder Engagement Frequency	Continuously

GRI 102-40 GRI 102-43 GRI 102-44

Fuels & Supply		
Local Marketing	Engagement Update Frequency	Undefined
	Types of Communications	Emails
	Stakeholders	Governmental Bodies
	Risk	Delays in contracts Renewal
	Stakeholder Engagement Frequency	Occasionally
Enterprise Risk Management	Engagement Update Frequency	Weekly/Monthly
	Types of Communications	Memos, emails, calls
	Stakeholders	KPC Corporate Risk Management Department (CRMD)
	Risk	Software issues, requiring immediate service amendments, delays or complicates KNPC-ERM risk reporting
	Stakeholder Engagement Frequency	Continuously
Management Support	Engagement Update Frequency	Undefined
	Types of Communications	Workflow, DIMS, emails, memos, meetings, PSGS, faxes, messages through RFI calls, letters
	Stakeholders	Project Review Committee,, EPMC, Contractors & Manufacturers, KNA, SAB, GPF, KPC
	Risk	Non-availability of PRC Quorum. Nonoccurrence of meeting. Unable to submit mandatory documents in line with KNPC requirements. Unable to timely respond to parliamentary queries; inadequacy in some replies provided by departments. Time restriction. Difference in opinion. Inefficient information; inappropriate communication channels
	Stakeholder Engagement Frequency	Continuously

The Stakeholder Engagement team gathered all data related to Stakeholder Engagement process. The analysis included:

- Type of Engagements
- Department Focal Points
- Previous Minutes of Committee Meetings.

The purpose of this Data Analysis is to assess risks and opportunities towards improving the Engagement process with KNPC Stakeholders and accomplish the “One Voice, One Message” objective. In addition to presenting recommendations to enhance the Committee, purpose towards achieving the appropriate Engagement with KNPC Stakeholders.

This Report presents Departmental Engagement analysis. Focal Point update and findings from Stakeholder Engagement Committee’s previous Minutes of Meetings (MOM).

GRI 102-40

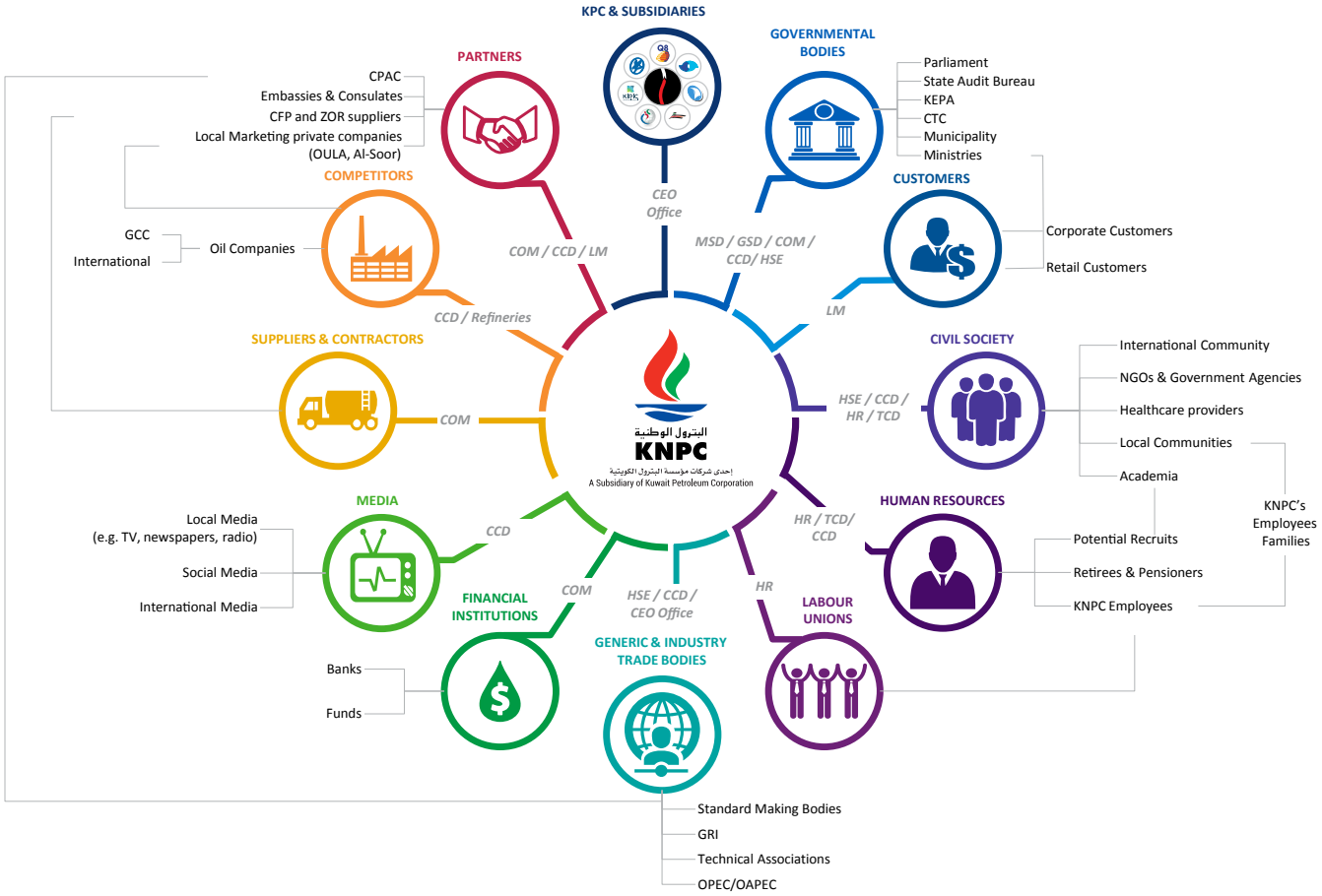
From this summary we conclude:

- Stakeholder Engagement Frequency: Varies from one Department to another. This could be due to the nature of work differences among Departments.
- Missing Engagements Activities: This could be the result of not assigning Focal Points or them not trained to fill out the form electronically or manually.
- Miss Engaging with Core Stakeholders: This could be due to the lack of a proper Engagement Plan or simply not filling the Engagements in the system.
- Lack of Communication Channels Utilization: This could be the result of missing data filled in the form or not knowing the proper communication channel to use with Stakeholders. It can also depends on work rhythms.

As a result we recommend the following:

- Conduct Workshops and evaluate the forms and way of improvements.
- Identify the Core Stakeholders of each Department and define the proper way of Communication and Engagement frequency.
- Set a proper Stakeholder Engagement Plan to maintain continuous Engagements.
- Record all Engagements and highlight risks and opportunities to enhance Stakeholder's Engagement.
- Follow through to ensure compliance of the above.

The below Stakeholder Engagement MAP is updated every three years to enhance our Stakeholder Engagement process as well as ensure we are aligned with AA1000 index. Our commitment to assure that international best practices are being implemented is the cornerstone to KNPC's strive towards continuously enhancing the relationship the Company has with our Stakeholders.



GRI 403-2 GRI 403-4

SAFETY

Ensuring the safety of all those on KNPC's work sites is of top priority for KNPC as a whole. All employees, contractors or visitors that will be on site have to be in correct Personal Protective Equipment (PPE) attire for their safety. ERP drills are held at each KNPC site as per schedule to ensure preparedness. Evacuation drills are conducted annually and internal safety audits are also being initiated as per schedule to ensure that all safety measures are being adhered to.

Workforce Site Wise

Site	KNPC	Contractor
MAA	2,835	4,810
MAB	2,237	2,436
LM	562	2,650
PD	217	51,885
KAFCO	115	139
HO	698	924
TOTAL	**6,664**	**62,844**

Incident Report for the Year 2018-19 (April 2018 to March 2019)

	FAC	MTC	RWC	LTI	Day Loss	Fatal	LTI FR	LTI SR
KNPC	12	6	0	4	77	0	0.062	1.193
Contractor	48	19	8	5	396	1	0.006	0.393
KNPC + Contractor	60	25	8	9	473	1	0.0093	0.441
Absenteeism Rate: 1.87								

Note:
1) KNPC does not classify incidents based on region and gender.
2) KNPC has its own reporting system for recording and reporting accident statistics.
3) LTI frequency Rate (LTIFR) = No of Lost time Incidents per 200x10^3 man-hours worked.
4) Days Lost Rate (LTISR) = No of Days lost due to Lost Time Incidents per 200x10^3 man-hours worked.

GRI 403-1 GRI 403-3 GRI 403-5

OHS Management System

Workers Covered by an OHS Management System	
Total number of employees in the organization	6664
Total number of workers, who are not employees but whose work and/or workplace is controlled by the organization	62884
Total number of employees who are covered by OHS Management System	6664
Total number of workers, who are not employees but whose work and/or workplace is controlled by the organization, who are covered by OHS Management System	62884
The number of all employees who are covered by the internally audited OHS Management System	ALL*
The number of all employees who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the internally audited OHS Management System	ALL*
The number of all employees who are covered by the externally audited OHS Management System	ALL*
The number of all employees who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the externally audited OHS Management System	ALL*
Has any workers been excluded from being reported	NIL
Reason behind exclusion	N/A
Type of workers excluded	N/A

• All Company and Contractor employees are covered under OHS Management System and Audit is a sampling process that includes Contractor workforce.

OHS Training to Employees and Workers (contractors)

Approach to training needs assessments based on:

1) Actual risk at worksite, individual employee job assigned areas of work in either hazardous area or non-hazardous area and any additional responsibilities taken.
2) Control of hazards as training is one of control measure.
3) Competency requirement.
4) Incident Investigation recommendation.
5) Legal and other requirements.

6) Any new procedure developed/machinery brought to the worksite.
7) Job description.
8) International Standard requirement.
9) Management directives.
10) Audit recommendations.

Approach to the Design and Delivery of the Training

- Design and Development of Training Modules

1. Establishing course objective.
2. Preparing Lesson plan.
3. Defining course content.
4. Develop body of training (preparation of training presentation including case studies, quiz, pictures, video clips).
5. Evaluation of trainees.
6. Training feedback.

- Competency of Trainer

1. Minimum Educational Qualifications: Shall be full time degree in Bachelor of Engineering/Technology or Bachelor of Science in Engineering.
2. HSE Training Instructor at HSE Training Section shall have through knowledge and adequate experience as defined in HR procedure in training process.
3. For HSE Training Instructor at Site Safety Divisions: Shall have a minimum of three years' work experience (from the joining date) in the field of safety in Oil Fields/Oil Refineries/Petrochemical Plant and safety training is one of the activities of the employee.
4. For HSE Training Instructor in Projects Department: Shall have a minimum of three years' work experience in the field of safety in oil industry construction (Projects) OR having minimum three years working in the field of Safety in Oil Fields/Oil Refineries/Petrochemical Plant and safety training is one of the activities of the employee.
5. Engineers with the following additional qualifications/certifications will be preferred:
   - General "Train the Trainer" or Presentation skills qualifications.
   - Industrial Safety Diploma.

- Training is provided based on the pre-defined training Matrix for all level of employees.
- Frequency of training - as per training matrix.
- Training language is English and Arabic.

Approach to the Evaluation of Training Effectiveness

1. Participants' feedback form.
2. Evaluating knowledge by quiz/test.
3. Monitoroing changes in behaviour of employees at worksite by audits/visit/BBS/SPA.

GRI 403-5 GRI 403-6

List of Training Topics
HSE-101, HSE Induction
HSE-102, Emergency Management
HSE-102A, Emergency Response Plan For HO
HSE-102B, Emergency Response Plan For Sites
HSE-103, Area Class. Elec & Mobile Equip Safety
HSE-104, Work Permit And Confined Space Awareness
HSE-105, Hazards Of H2S And Pyrophoric Material
HSE-106, Consolidated Pre-Requisite Course For W/P
HSE-107, Occupational Health & Industrial Hygiene
HSE-108, PSM-Process Safety Management Awareness
HSE-109, Incident Reporting And Investigation- Awareness
HSE-110, PPE & Hearing Conservation Program
HSE-111, Chemical Hazard Management
HSE-112, Construction Hazards & Control
HSE-113, Leadership And Coaching For Safety Culture
HSE-114, KNPC Safe Work Practices, Standards And Guidelines
HSE-115, Radiation Safety
HSE-116, Lesson Learned From Incidents In KNPC
HSE-117, Health Awareness Training / Campaign
HSE-118, HSE Lessons Learned Seminar / Workshop
HSE-119, Oil Spill Response Plan
HSE-120, Awareness On KNPC QHSE Policy
HSE-121, How To Conduct Safety Audit
HSE-122, Excavation Safety
HSE-123, Hydro Testing Safety
HSE-124, Process Hazard Analysis
HSE-125, Management Of Change MOC
HSE-126, Pre Startup Safety Review PSSR
HSE-127, Heat Stress Prevention
HSE-128, IMS Awareness
HSE-129, Environmental Best Practices For Operators
HSE-130, Electronic Work Permit System
HSE-131, Management Of Climate Change Issues
HSE-132, Employee Insurance Awareness
HSE-133, Environmental Regulations
HSE-134, Energy Management System Awareness
HSE-201, Safety During Maint. & S/D Works
HSE-202, Emergency Management For Role Players
HSE-203, Area Classification & Elect. Safety
HSE-203, Area Classification & Elect. Safety

GRI 403-5 GRI 403-6

HSE-204, Hot Work Safety & Machinery Hazards
HSE-205, Traffic Safety & Defensive Driving
HSE-206, Hazard Identification Techniques & WPRA
HSE-207, Office Safety & Ergonomics
HSE-208, Refinery Operations Safety
HSE-210, Warehouse Safety
HSE-211, Laboratory Safety
HSE-212, Energy Management System Implementation
HSE-213, Workshop/Training On HSE Topic
HSE-217, Environment Management System- EMS ISO 14001
HSE-218, Basic IMS
HSE-219, IMS Training For Management: Sr. And Above
HSE-220, Workshop/Training On HSE Culture
HSE-221, Pre Requisite Course For Internal Auditors
HSE-222, Lifting Appliances Safety
HSE-223, General ERM Practices
HSE-224, Work Permit System Level II
HSE-301, Work Permit Authorization
HSE-301A, Work Permit Authorization-Conversion Course
HSE-302, Gas Testing Authorization
HSE-303, Confined Space Entrant
HSE-304, Confined Space Attendant
HSE-305, Solid Waste Manifest Authorization
HSE-307, Scaffolding Safety & Inspection
HSE-308, Respiratory Protection Authorization
HSE-309, IRIS Risk Assessment & Investigation Skills
HSE-311, IMS Training For Coordinators
HSE-312, HSE Supervision & Culture Improvement Skills
HSE-313, Fuel Road Tankers Safety
HSE-314, HSE Culture Improvement-Train The Trainer
HSE-401, IMS Internal Auditor's Training QHSE
HSE-402, QMS Lead Auditor Course
HSE-403, EMS Lead Auditor Course
HSE-404, OHSMS Lead Auditor Course
HSE-405, ISO 14001:2015 Transition Course For Lead Auditor
HSE-406, ISO 45001:2015 Migration Course For Lead Auditor
HSE-407, ISO 9001:2015 Transition Course For Lead Auditor
HSE-408, ISO 19011:2018 Auditing Management System
HSE-409, FSMS Lead Auditor
HSE-410, Lead Auditor-Energy Management System
HSE-411, Internal Auditor-Energy Management System

GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-6

Hazard Identification and Risk Assessment

Process to Identify Work-related Hazards

Use of OHS Hazard Identification Form (HSE-TSGE-10-1801F1) is mandatory by involving Managerial & Non-Managerial workers, worker's representative and interested parties such as contractors, whenever new OHS Risks & Opportunities Register is prepared or major changes are made in the processes / activities/ services as per Procedure on OHS Hazard Identification and Assessment of Risks & Opportunities, ref. no. HSE-TSHS-10-180, Rev-5.

Hazard Identification, Risk Assessment & Determining Controls (HIRA & DC Processes for non-routine tasks).

KNPC's Risk Management Tools for non-routine tasks include the following:

1. Safe Work Practices / Guidelines
2. Work Permit System
3. Critical Task Risk Assessment (CTRA)

As per KNPC Work Permit System, we have three categories of work: Low Risk works, Medium Risk works & Critical works. Critical Task Risk Assessment (CTRA) is a task risk assessment, which is specific to the third category of work 'Critical Works!.

Certain works which are pre-determined as Critical Works and those works with a potential risk ranking of 'High'{potential risk rank determined using a Risk Assessment Matrix} require CTRA.

A multidisciplinary team of experienced personnel carries out CTRA. They are also trained/retrained to become competent in the basic HIRA process and CTRA process.

Steps involved in CTRA:

1. Identification of hazards, associated with the critical work.
2. Evaluation of risk posed by the hazards.
3. Determination of precautions / mitigations (by following the hierarchy of controls) to bring the risk to an acceptable level.
4. Implementation of precautions / mitigations to ensure safe completion of critical work.

Process to Apply Hierarchy of Controls

Control measures, additional control measures are implemented eliminate/mitigate the hazards by applying hierarchy of control measures as per Procedure on OHS Hazard Identification and Assessment of Risks & Opportunities, ref.no. HSE - TSHS - 10-1801, Rev - 5.

Upon determination of root causes, corrective actions which are appropriate to root causes, are identified by complying with the hierarchy of controls detailed below:

1. Elimination.
2. Substitution.
3. Engineering control measures.
4. Administrative control measures.
5. Use of Personal Protective Equipment.

GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-6

Process to Assess Risks

A 'Procedure on OHS Hazard identification and Assessment of Risks & Opportunities' is implemented to comply with the requirements of ISO 45001: 2018 Standard and KPC HSSE Management System Standard requirements.

This procedure outlines the process for identifying OHS & Other risks/OHS & Other Opportunities from activities (routine and non-routine)/products/services of each division by consulting managerial/non-managerial workers, workers representative, interested parties. OHS risks are identified from legal & other requirements, internal/external issues, needs and expectations of interested parties and Management of Change.

Current control measures are applied in line with 'hierarchy of control measures' for all OHS risks. When the residual risk is high, jobs are stopped and Top Management's direction is sought. Hence, in principle, attempts are made to bring all OHS risks to Medium (tolerable if ALARP) and Low (Acceptable).

Additional control measures are applied for all High risks (mandatory), Medium & Low risks (where applicable). Other risks are identified from residual OHS risks, which are having the potential to affect the business.

After bringing the OHS Risks to Medium and Low, wherever possible, they shall be further brought down by applying hierarchy of control measures. These measures are called as OHS Opportunities, if they are improving OHS performance and Other Opportunities, if they are improving OHS Management System.

An Action Plan to implement the additional control measures, OHS Opportunities and Other Opportunities shall be considered as inputs for OHS Objectives, if the duration of the project is more than 3 months.

Process for Workers to Report Work-related Hazards and Hazardous Situations

Hazards due to change in operations procedure/equipment, new products or services, changes to applicable legal and other requirements are covered under Management of Change in line with Procedure on OHS Hazard Identification and Assessment of Risks & Opportunities, ref.no. HSE-TSHS-10-1801, Rev-5.

At KNPC, we realize that unsafe conditions and unsafe acts are precursors, which if not eliminated and controlled can result in incidents. Hence, a robust reporting system, to report unsafe condition and unsafe act is in place. All employees, including contractor employees, can report such hazards through an electronic application, as and when they observe the same. The concerned Asset Custodian Division Senior Engineer will review the report and implement the corrective actions required. Implementation of corrective actions are tracked to completion through Recommendation Tracking System of the subject electronic application. KNPC has a clear policy to encourage personnel to report unsafe conditions and unsafe acts, through HSE Promotion Programs. There is no culture of reprisals against personnel for such reporting.

GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-6

Processes Utilized to investigate work-related incidents

1. Prevention of incident recurrence is the main aim of an investigation process; to achieve this following actions are ensured:

a) All incidents are reported and immediate corrections required are implemented.

b) Reported incidents are investigated down to root causes within specified time.

c) Corrective actions appropriate to root causes are determined and tracked to completion.

d) Lessons learned from incidents are shared with all concerned.

2. Investigation Tools

Primary tools which help in achieving the 'Aims & Expectations' of element # 11 are detailed below:

a) KNPC HSE document, 'Incident Reporting and Investigation System' specifies a detailed procedure for investigation of all incidents (accidents, near misses).

b) An electronic application has been developed to facilitate the following:

- Quick and efficient reporting of incidents.
- Recording of all factual information related to the incidents.
- Documenting investigation details, findings (including immediate causes, underlying causes and organizational causes).
- Specifying investigation recommendations (i.e. corrective actions to prevent recurrence and time line for implementation).
- To track recommendations till their implementation.
- To communicate 'lessons learned' from the incident to similar processes-functions.
- To archive incident/investigation details for future reference.

3. Investigation process for work related incidents-Description

a) Any injury/ill health suffered as a consequence of the incident are immediately reported at refinery clinics, immediate medical assistance given and injury/illness details are logged.

b) Work related incidents are reported in the same shift or within 12 hours. of their occurrence by incident custodian division employee in the electronic application.

c) Reported incident is reviewed & approved by the incident custodian division head. Also, the Recordability of the incident is decided by the custodian division head in consultation with Engineers/ Doctors from HSE Department.

d) Risk Ranking (Actual and Potential) of incident is completed by HSE Department Potential risk of the incident determines the depth of investigation. Based on potential risk ranking of the incident, the organization level to own this incident and the composition of investigation team are decided.

e) Investigation team carries out the investigation using available RCA techniques. Investigation determines root causes of the incident.

f) Upon determination of root causes, corrective actions, which are appropriate to root causes, are identified by complying with the hierarchy of controls.

g) Preventive actions are also identified and action owners for both corrective & preventive actions are determined. Lesson learnt from the incident is developed.

h) Investigation team discusses the investigation outcome and required actions with action owners and incident owner.

i) After reviewing actions the investigation is approved and action marked to action owners.

GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-6

j) Lesson learned is shared with personnel of relevant & similar process / function to enable them check on the suitability of investigation findings in their relevant work activity at their facility.

k) All actions are tracked to closure and recorded in electronic application.

l) All the role players in investigation process are appropriately trained and made competent on the process.

m) Investigation progress status, recommendation tracking and incident statistics are regularly reviewed in HSE communication Meeting.

Rights of Workers to Refuse or Stop Unsafe or Unhealthy Work

'STOP WORK' is one of the 12 HSE Golden Rules of KNPC.
As per this rule, "All personnel are authorized to stop unsafe work".
This rule encourages employees to "Exercise their right to stop unsafe acts or conditions observed".
Description (policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health). It is a generally accepted principle at KNPC.
For example, the HSE document 'Safe Work Practices on Confined Space Entry', states the following:
"Executing authority of actual work shall witness or satisfy himself, that actual gas test has been done before accepting the permit. Executor has the right to refuse the permit if proper gas test was not done (e.g. Filling section 4A without testing)".

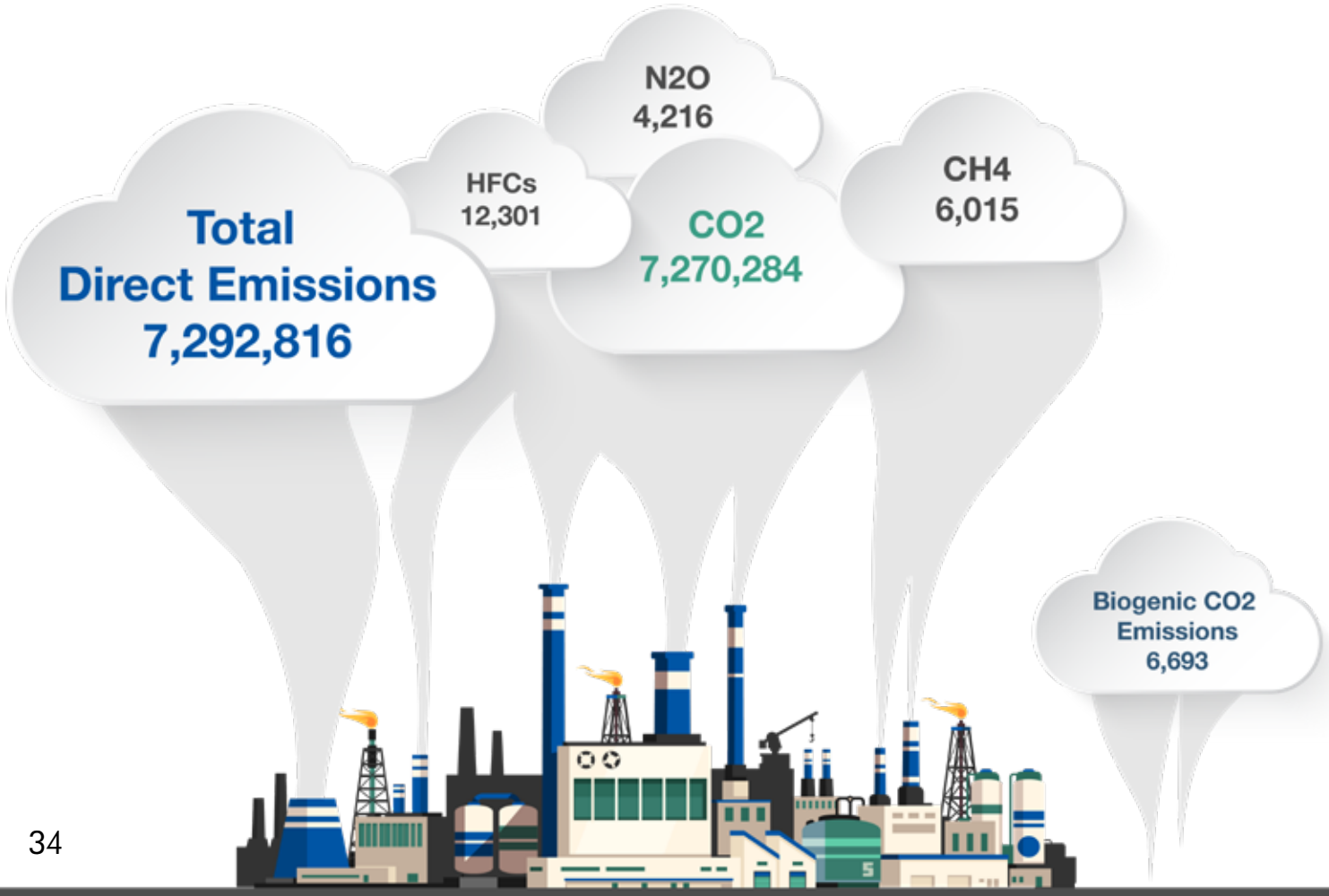
GRI 103-1 GRI 103-2 GRI 103-3 GRI 305-1

Environmental
PERFORMANCE

Emissions

Being an Oil and Gas Company, KNPC's operations are continuously affecting the environment. We have a commitment towards protecting and respecting the environment through minimizing negative effects of our line of operations.

Direct emissions of CO_2 released (metric tons of CO_2 equivalent) from fuel consumption and processes owned or controlled by the organization are as shown below. Estimated Biogenic emissions of CO_2 from sludge disposal at third party facility is also shown separately.



GRI 103-1 GRI 103-2 GRI 103-3 GRI 305-2

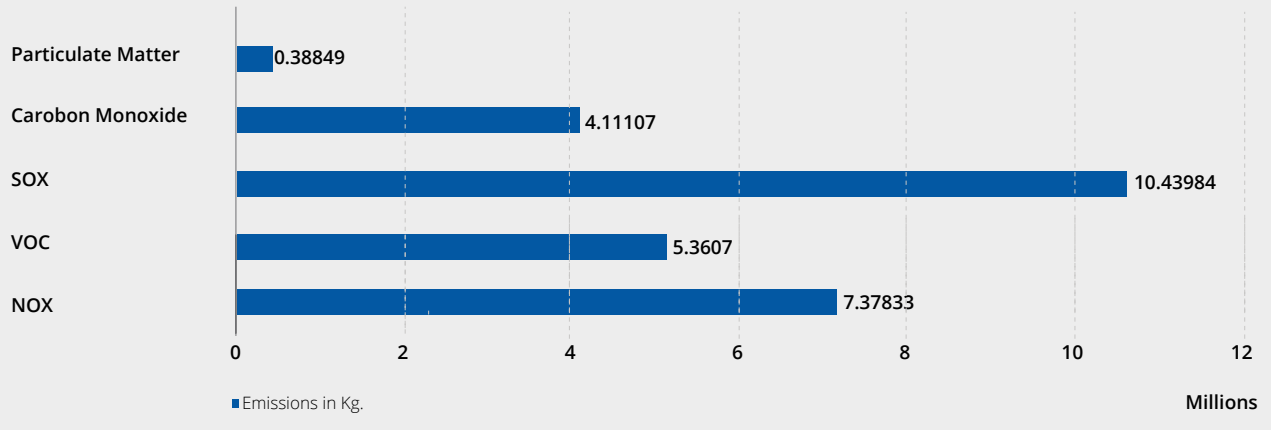
Direct Emissions of Greenhouse Gases

Sources of GHG Emissions	GHG emissions (tonnes CO_2-eq)				
	MAA	MAB/SHU	LM	HO + WC	Total
Direct emissions (Scope 1 emissions)	**4,827,529**	**2,464,669**	**618**	**0**	**7,292,816**
Total GHG emissions from fuel gas consumption	3,714,643	1,773,002	0	0	5,487,645
Total GHG emissions from gas flaring	211,834	24,889	0	0	236,723
Total GHG emissions from venting	882,703	628,171	0	0	1,510,874
Total GHG emissions from liquid fuel consumption	6,302	37,466	618	0	44,386
Total GHG emissions from HFCs consumption	11,416	885	0	0	12,301
Total GHG emissions from fugitive gas emissions	630	257	0	0	887

Indirect Emissions of Greenhouse Gases

Sources of GHG Emissions	GHG emissions (tonnes CO2-eq)				
	MAA	MAB/SHU	LM	HO + WC	Total
Indirect emissions (Scope 2 emissions)	**1,048,710**	**544,726**	**10,199**	**8,244**	**1,611,878**
Total GHG emissions from purchased electricity consumption	1,048,710	544,726	10,199	8,244	1,611,878

Significant Air Emissions



GRI 103-1 GRI 103-2 GRI 103-3

Reductions of Greenhouse Gas Emissions at MAA

Month	Total Flare Gas Recovered at MAA NFGRU (tonnes CO_2-eq)	Quantity Flared to Atmosphere from MAA Refinery (tonnes CO_2-eq)	Total Flare Gas from MAA Refinery (tonnes CO_2-eq)
Apr-18	2,962	15,086	18,048
May-18	10,118	16,792	26,910
Jun-18	11,184	16,542	27,726
Jul-18	16,283	17,640	33,923
Aug-18	2,180	11,596	13,776
Sep-18	4,736	26,921	31,657
Oct-18	2,795	11,867	14,662
Nov-18	15,115	37,680	52,796
Dec-18	3,827	10,618	14,446
Jan-19	18,309	28,726	47,035
Feb-19	2,865	8,875	11,740
Mar-19	2,879	9,564	12,443
TOTAL	**93,254**	**211,908**	**305,163**

Total Flare Gas at MAA (tonnes CO_2-eq)	305,163
Quantity Recovered at NFGRU-MAA (tonnes CO_2-eq)	93,254

GRI 103-1 GRI 103-2 GRI 103-3

Reductions of Greenhouse Gas Emissions at MAB

Month	Total Flare Gas Recovered at MAB FGRU (tonnes CO_2-eq)	Quantity Flared to Atmosphere from MAB Refinery (tonnes CO_2-eq)	Total Flare Gas from MAB Refinery (tonnes CO_2-eq)
Apr-18	5,235	3,101	8,336
May-18	5,164	16,792	26,910
May-18	5,164	1,948	7,112
Jun-18	4,813	1,569	6,382
Jul-18	5,422	2,072	7,494
Aug-18	6,356	2,077	8,433
Sep-18	3,302	1,575	4,878
Oct-18	6,359	2,938	9,297
Nov-18	5,379	2,550	7,930
Dec-18	6,951	2,050	9,001
Jan-19	8,157	1,700	9,858
Feb-19	10,270	1,598	11,867
Mar-19	9,747	1,710	11,457
TOTAL	**77,156**	**24,889**	**102,044**

Total Flare Gas at MAB (tonnes CO_2-eq)	102,044
Quantity Recovered at NFGRU (tonnes CO_2-eq)	77,156

GRI 103-1 GRI 302-1

Energy Consumption

Compilation

Total Fuel and Electricity Consumption and Renewable Electricity Generation in Giga Joule per year (GJ/year) by the following sources:

- Fuel Consumption for Heat Generation (GJ/Year) : 97,622,746
- Electricity Consumption (GJ/Year) : 7,437,444

Month	Fuel Consumption (GJ)			Electricity Consumption (GJ)			
	Fuel Gas Consumption (GJ)		Fuel Oil Consumption (GJ)				
	MAA	MAB	MAB	MAA	MAB/SHU	LM	HO+WC
Apr-18	-	2,155,552	44,872	409,162	197,902	3,456	3,074
May-18	-	2,426,866	79,278	440,870	204,581	3,985	3,561
Jun-18	-	2,373,347	27,629	417,679	222,162	4,669	3,529
Jul-18	-	2,367,702	27,469	435,539	230,617	5,364	3,962
Aug-18	-	2,414,226	17,965	436,566	239,690	5,206	3,891
Sep-18	-	2,339,144	14,155	366,874	203,620	4,918	3,638
Oct-18	-	2,477,764	18,687	404,316	210,547	3,373	3,282
Nov-18	-	2,436,107	68,531	390,716	210,166	3,470	2,727
Dec-18	-	2,660,962	10,466	431,414	202,647	2,830	2,683
Jan-19	-	2,652,419	29,754	377,349	202,461	2,567	2,711
Feb-19	-	2,306,918	32,842	358,805	180,075	2,488	2,431
Mar-19	-	2,636,562	3,529	370,909	209,650	2,754	2,558
TOTAL	68,000,000	29,247,570	375,176	4,840,199	2,514,118	45,079	38,048
	97,622,746			7,437,444			

Conversion Factors

- Actual monitored Gross Calorific values of the respective fuel is used to calculate MMBTU.
  Conversion factor used : 1 Million BTU [MMBtu] = 1.055 056 Gigajoule [GJ]
- Electrical consumption data monitored in MWH.
  Conversion factor used : 1 MWH = 3.6 Gigajoule [GJ]

GRI 102-13 GRI 103-2 GRI 103-3

Energy Efficiency Improvement and Emissions Reduction Initiatives at KNPC

KPC Subsidiaries are implementing many initiatives and programs at their sites to promote clean energy and reduce GHG emissions in line with the New Kuwait Vision 2035. KNPC initiated a strategic project to expand and upgrade its Mina Abdullah (MAB) and Mina Al- Ahmadi (MAA) Refineries to be an integrated refining complex with a total capacity of 800,000 barrels per day. In addition to advanced conversion capabilities, MAA and MAB operational excellence, reliability and safety performance will be greatly upgraded. Energy efficiency and environment protection will also be greatly enhanced, and clean products will conform to Euro-4 specifications to greatly reduce KNPC's environmental impacts.

KNPC is proactive in its role in energy efficiency improvement. It maintains a key focus on energy usage in its Operations, Maintenance, Projects and all other energy intensive activities. At Refineries, high importance is given to closely monitor and improve energy efficiency performance of heaters/boilers and steam distribution system, which alone consume major energy at Refineries. Other focus areas include overall fuel and electricity consumption, flare and hydrocarbon losses, motors and pumps efficiency performance monitoring and others. Necessary and timely actions are taken to ensure energy efficient operations.

KNPC has embarked to establish a robust and effective Energy Management System (EnMS), in line with the Global ISO 50001:2018 Standards to strengthen and support energy efficiency improvement initiatives and activities. KNPC looks back on its achievements in areas of energy efficiency improvement and emissions reduction with a sense of pride and strives for achieving future excellence.

Energy Intensity Data	Total Energy Consumption (GJ)	Total Production in Barrels
MAA Refinery	72,840,199	168,413,503
MAB Refinery	32,136,864	125,018,742
Total KNPC	104,977,063	293,432,246

GRI 103-1 GRI 303-1 GRI 303-3 GRI 303-4

Water Withdrawal and Discharge

Water Withdrawal by Source

The Water sources withdrawn by KNPC are:
- Public Authority for Industry (PAI) - Sea Water.
- Ministry of Electricity & Water (MEW) - Potable and Distilled Water.

Total volume of water withdrawn in cubic meters per year (m^3/year) by the following sources:

Site	PAI	MEW		TOTAL
	Sea Water	Potable/Fresh Water	Distilled Water	
MAA	2,201,699,697	1,132,481	8,003,473	2,210,835,651
MAB	161,391,190	5,098,248	1,362,388	167,851,826
SHU	0	110,984	664,129	775,113
LM	0	153,057	0	153,057
HO Bldg.	0	121,207	0	121,207
Wataniya Club	0	6,254	0	6,254
TOTAL	**2,363,090,887**	**6,622,230**	**10,029,990**	**2,379,743,107**
		16,652,220		

Water Treatment and Discharge by Destination and Quality

Sea Water

Sea Water is mainly used for cooling purposes at all three KNPC Refineries (MAA, MAB & SHU) and the same quantity is being returned to Sea after cooling.

Process Effluent

- All process effluent from SHU and LM are being treated at RETF-MAB along with MAB Refinery effluent during the reporting period. Treated effluent from RETF-MAB is being discharged to Sea after mixing with sea cooling water return. Effluent from LM Depots after primary treatment are being transferred through dedicated vacuum tanker to RETF-MAB for further treatment.
- Process Effluent Treatment method at RETF-MAA & MAB: Dedicated RETF-MAA is provided for treatment of process effluent from MAA Refinery & Gas Plant whereas Effluent streams from various units of MAB Refinery along with Combined effluent from SHU Refinery and LM Depot are treated at RETF-MAB Refinery to meet the KEPA (Kuwait Environment Protection Authority) norms for discharge of the treated effluent to Sea. Treatment Unit at RETF-MAA & MAB comprises Primary, Secondary and Tertiary treatment Units. Oil removal takes place at CPI & DAF. Subsequently it is treated at Secondary/ Biological treatment process Unit (Activated Sludge Process). Final polishing of the treated effluent from secondary treatment is being done at Tertiary Treatment Unit.
- Process Effluent after treatment at RETF-MAA & MAB is discharged to Sea.

GRI 303-4 GRI 303-5

Total Volume of Planned and Unplanned Water Discharges in Cubic Meters Per Year:

(A) Planned Water Discharges to Sea (m3/year) by Destination

Site	Sea Water Returned to Sea	Process Water
MAA	1,232,077,922	2,494,600
MAB	161,391,190	2,645,519
SHU	-	-
LM	-	-
TOTAL	**1,393,469,112**	**5,140,119**

(B) Planned Water Discharges to Sea (Tons/Year) by Quality of Effluent Discharged

Site	Sea Cooling Water			Process Water		
	Quality (Tons/Yr.)			Quantity (Tons/Yr.)		
	Hydrocarbon	TSS	BOD	Hydrocarbon	TSS	BOD
MAA	0	0	0	2.49	12.11	27.60
MAB	0	0	0	2.65	16.23	28.95
SHU	-	-	-	-	-	-
LM	-	-	-	-	-	-
TOTAL	**0**	**0**	**0**	**5.14**	**28.34**	**56.55**

(C) Unplanned Water Discharges

- Sea Water: Not applicable
- Process Effluent: No unplanned effluent (by passing ETF) discharged to sea during the reporting period.

Total Water Consumption: 11,512,101 (m^3)

GRI 306-3

Significant Spills

Recorded Volume of Hydrocarbon Spills: 267.88 BBL
Recorded Volume of Chemical Spills: NIL

Date	Refinery/ Location	IIRS No.	Type (Land/ Marine)	Approx Volume of Spill	Description of Incident
28 Apr 18	MAB Operations Area-6	MAB-OPR-INC-18-12165	Land Oil Spill	7.5	The roof seal of TK-52-160 started leaking while the roof drain was open which spilled on the dyke ground. Total spilled quantity was 7.5 BBL of which 6 BBL was recovered.
11 Sep 18	MAB Operations Area-5	MAB-OPR-INC-18-15279	Land Oil Spill	16	High level of Flare Knock out Drum of RMP Unit-49 (North Flare) resulted in Oily water carryover to water seal drum V-49-106 leading to over flow of Oily water mixed with Hydrocarbon from Siphon Loop of water seal drum.
09 Oct 18	MAA Operations Area-8	MAA-OPR-INC-18-17132	Land Oil Spill	15.44	While bunker loading from PLCR pump P-107A to SPM there was underground 20" pipeline HFO leak near north side of IBI camp outside the fence in NLTF laydown area.
14 Oct 18	LM LM-Depots (6th Ring Road across Agility Warehouse)	LMD-LMD-INC-18-18050	Land Oil Spill	150.94	Rehal Fuel Road Tanker #605, loaded with 24,000 liters of Premium Gasoline was driving on 6th Ring Road, heading to KNPC's PFS #100 (Al-Sabiya). It collided with a KGL Dump-Truck, resulting in complete damage of Fuel Tanker and crack in the Fuel Tank resulting in total fuel leakage of 24,000 Liters of Gasoline product. The accident took place due to sudden tire blast of the KGL truck bring it to a halt and the Rehal tanker directly behind it and did not have sufficient time to sway away from it. No product was recovered.
09 Nov 18	MAA Operations Area-8	MAA-OPR-INC-18-17307	Land Oil Spill	16	Over flow from drain pit inside bund wall of tanks TK-61-633/634, due to heavy rain. (Unit 9 Washery- Filling station 1).
27 Nov 18	MAB Operations Area-6	MAB-OPR-INC-18-18167	Land Oil Spill	50	Overfilling resulted overflow of Gas oil from TK-50-130 in unit 50.
06 Feb 19	MAA Operations Area-8	MAA-NIL-INC-19-21439	Land Oil Spill	3	Gas Oil Leak From Bottom of TK-61-667.
31 Mar 19	MAA Operations Area-8	MAA-OPR-INC-19-23499	Land Oil Spill	9	12"Wet Slop Line Developed Leak In The Pipe Sleeper Area.

GRI 103-1 GRI 103-2 GRI 103-3 GRI 306-3 GRI 102-13

KNPC's Oil Spill Response Planning & Activities Strategic and Tactical Initiatives

An oil spill is an intentional or accidental release of a liquid petroleum hydrocarbon into the environment, and can become a major form of soil/water pollution. The impact of spills can be minimized by proper response planning, having adequate resources and predetermined action plans and tools to assist in the effective response to an oil spill incident. KNPC's Oil Spill Response Plan (OSRP) ensures that all oil spills are managed in systematic, controllable and accountable manner in order to reduce associated environmental risks to an acceptable level and ensure compliance with applicable K-EPA/International regulations and guidelines and as per the requirements of KPC and KNPC Health, Safety & Environment Management System (HSEMS) and the Environment Management System (ISO-14001), including disposal of waste generated during the spill in an environment friendly manner.

KNPC Oil Spill Response Scope

The scope of KNPC activities includes oil spills on land or sea applicable to all KNPC sites in Kuwait and include spills originated from any KNPC site/facility, from unknown sources but impacting KNPC site facility and the spills where KNPC Oil Spill Response resources are deployed as per KNPC Management Directives.

KNPC is responsible for containment, recovery and disposal of any Marine and/or Land oil spills originating from its facility. In case of an oil spill, site Emergency Response Plan (ERP) is activated along with the Oil Spill Response Plan (OSRP). For Land and Shoreline oil spill response, KNPC has a running Integrated Oil Spill Response Contract (refer to the section below) to provide 24-hour response to Land and Shoreline oil spills. For Marine Oil Spill Response, KNPC seeks response from the Marine Oil Spill Management Team (MOSMT) of the KOC Marine Operations Group (MOG).

If the spill has potential to develop into a crisis, KNPC-CEO can request to initiate the KPC Crisis Management Center (KPC-CMC). KNPC may be required to respond and support other K-Company facilities and nearby beaches for the oil spills or whenever requested, subject to Management approval on a case to case basis.

The purpose of categorizing incidents is to ensure that sufficient and appropriate resources are immediately made available to bring the emergency under control as quickly and efficiently as possible. Oil spills are categorized based on response actions required to combat the spill as Incident Category. Minor, Tier-I, Tier-II and Tier-III as per their impact and resources.

Incident Command System (ICS)

The Incident Command System (ICS) provides a framework for establishing an Emergency Management Organization to bring the emergency under control at the earliest possible. Positions within the ICS are fixed and have specific functions, ensuring that all responders know what is expected to do and where they report in the response structure. ICS is designed to expand and contract whilst ensuring that critical incident management functions are addressed and an appropriate level of response can be provided to deal with the ever-changing requirements of the emergency incident. The Incident Command is established at two levels:

- On-Scene Command: A Tactical team that manages emergency control actions in the field with Incident Command Post (ICP) as the Coordination Center.
- Incident Command: A Strategic Team that provides strategic directions and support to the tactical group, and monitors actions to protect the people, environment, asset and the Company's reputation. The Strategic Team Functions from the Emergency Operation Centre (EOC).

GRI 103-1 GRI 103-2 GRI 103-3 GRI 306-2

Oil Spill Response Contract at KNPC

The Integrated Oil Spill Response Contract at KNPC is in service to provide 24-hour response to Land and Shoreline oil spills. The Contractor personnel are available at Oil Spill Resource Centers (OSRC) at MAA and MAB Refineries. The shift personnel at each OSRC and the On-Call personnel constitute the OSRT. As a part of Integrated Oil Spill Response Contract, the following resources are maintained at all sites:

1. Workforce: On-Call Personnel, Day Duty at OSRC-MAA, Contract Manager, Environment Engineer, Safety Supervisor and Technical Supervisor. A Team of about 14 shift personnel work, which includes shift supervisor, oil spill responders and heavy vehicle duty drivers are stationed at the oil spill Responce Centers at MAA and MAB Refineries.
2. Equipment and Consumables: KNPC, through its Integrated Oil Spill Response Contractor maintains adequate oil spill response resources (equipment & consumables) for containment, recovery and disposal of any oil spill up to Tier-II level.
3. Oil Spill Response Vehicle (OSRV): The OSRV will be equipped with oil spill response equipment and materials. One OSRV is located at each Oil Spill Response Centre at MAA and MAB Refineries. It is the responsibility of the Contractor to maintain and upkeep the equipment and replenish consumables/spares.

Waste Management

32,502 MT	20,028 MT	14,610 MT
of hazardous waste has been transported from KNPC to external source	portion of the total amount has been treated for Sludge Handling & Treatment Facility - MAB Refinery before transportation	of spent catalyst exported to Vietnam, Taiwan, India, and Lithuania

Solid Waste Management at KNPC

KNPC has developed and implemented the “Solid Waste Management Procedure” across all of its facilities to ensure that solid wastes generated from all KNPC are managed with systematic, controllable and accountable manner in order to reduce associated environmental risks to an acceptable level in compliance with applicable K-EPA/International regulations and guidelines.

Waste Manifest & Management System (WMMS) at KNPC

KNPC developed an Electronic Waste Manifest system at an in-house level and implemented across all KNPC sites, which improved Waste Management practices. The Waste Manifest and Management System (WMMS) is designed to provide an automated systematic mechanism for information management, generation and printing of the Waste Transport Manifest (WTM) forms and maintains workflow of the System. The new WMMS is allowing authorized KNPC users to fill and print WTMs through web application on KNPC Portal. Thus, WMMS has replaced manual filling of paper while Waste Transportation Manifest (WTM) forms to eliminate irregularities.

CFP and
CFP COMMISSIONING

Post Shuaiba Refinery retirement, MAA and MAB Refineries have now become the only operating Refineries within KNPC. The CFP Project will tie both of the Refineries enabling them to be one large Petroleum Refining Complex with a total production of 800,000 BPD, covering for the SHU Refinery closure and producing low sulfur products that will help the State of Kuwait gain a larger market share in the International Market. The production of low sulfur products will not only contribute to the economy, rather, it will also have great positive effects on the environment. The CFP's completion rate reached up to 97.8% as of March 31, 2019.

Key Strategic Objectives for CFP

1. Expanding MAA and MAB Refineries to boost production capacity (total of 800,000 BPD after project completion).
2. Integrate MAA and MAB Refineries to become one Refining Complex.
3. Modernize Refineries by replacing outdated units and the addition of newer, more reliable ones.
4. Production of higher quality petroleum products (low sulfur) meeting strict international standards and market requirements.
5. Supporting local economy through localization of employment.

Project Units Specifications and Timeline

Gas Train – 5 Project for Producing LPG

The scope of the project is the execution of a Gas Train-5 for producing LPG at MAA Refinery to accommodate and treat the surplus anticipated when producing gas and condensates from the Refineries and Kuwaiti oil fields. Production capacity of the Gas Train-5 Project will be 805 MMSCFD of gas and 106 MBPD of condensates. The project also includes the constructing of a new combined unit for treating fuel gas for both Gas Train Projects 4 and 5 at the Refinery. Upon completing the project, the total capacity for the five Gas Trains of KNPC will be 3.263 billion SCFD.

The project value is KD 428 million and is scheduled to be completed in March of 2021.

Constructing New and Upgrading Existing Facilities for Handling Sulfur in MAA

The project aims to upgrade the handling capacity of sulfur amounts projected to be produced from the present and future units by constructing new and upgrading existing facilities for handling sulfur in MAA Refinery in order to upgrade its capacity and loading average so as to be in line with the capacity of large vessels upon exporting. Added to that is the works pertinent to HSE as per the requirements of the Environment Public Authority (EPA). The project includes the construction of liquid sulfur tanks and units to convert sulfur into granules.

Carrying out the first part of the project, the construction of new facilities, has been completed and has commenced operation. While the work continues in the second part, namely revamping and upgrading of existing facilities, whereas the completion rate reached 94.52%.The current facilities are expected to be operational in December of 2019. The budget approved for the execution of the project is KD 210 million.

Liquid Sulfur Treating Facilities Project Produced by KOC

KNPC is executing this project as per KPC directives and in agreement with Kuwait Oil Company (KOC). It aims at constructing Liquid Sulfur Treating Facilities at MAA Refinery with a capacity totaling 1,000 tons of the liquid sulfur daily.

The project also includes procurement and the constructing of integrated facilities for receiving and storing the liquid sulfur, tanks and a special pit for sulfur storage as well as discharging equipment, transport pumps, weighbridges, other required works, such as piping, civil and electrical works, precision instruments and control systems in addition to constructing a unit for producing sulfur granules. The project planned target budget is estimated at KD 30.9 million and scheduled to be completed in January of 2020.

Expansion and Upgrade of Al-Ahmadi Depot at LM

This project, while being the first of many phases, comes into effect based on the recommendations of the study on the future expectations of the strategic demand for products in the local market until 2030 and meeting those needs. The project includes the construction of tanks for oil derivatives, loading arms and support services facilities at a cost of KD 75.670 million. All mechanical works have been completed, and the new facilities are being prepared for commissioning.

Upgrading Delayed Coker Unit (DCU) No 20 at MAB Refinery

This project aims to maintain the current operational average of the Delayed Coker Unit (DCU) by eliminating the constraints which encounter operating the unit in a capacity of 40 MBPD for each production line. This includes addressing any deficiencies in maintenance cycles, reliability and mechanical availability of equipment, as well as the application of certain industrial criteria pertaining to safety and operations.

The project value is KD 28.7 million and scheduled to be completed in March of 2020.

Study for Constructing Crude Oil Distillation Unit (CDU) and Bitumen Production Unit

The implementation of this project is part of the 2040 strategic directions for the refining, marketing and petrochemical sector in KPC, to ensure meeting the future bitumen needs of the domestic market.

The project aims to enhance the ability to produce more than one type of bitumen that conforms to the needs and specifications of the Ministry of Public Works in addition to increasing the reliability and reducing the interruption of the necessary production, in order to supply the local market continuously and steadily, and advance the standards of operational safety and quality control.

This project includes the construction of a crude oil distillation unit with a capacity of 55,000 barrels per day, capable of processing three different types of crude oil, namely Kuwait Export Crude "KEC", West Kuwait Oil and Kuwait Heavy Crude Oil. The new unit will produce two grades of bitumen (PEN 60/70 and MC-70) to meet the different asphalt paving requirements, and a new self-filling station with larger capacity will be built.

After reviewing and updating the study of the demand forecast for bitumen in the local market, preliminary engineering designs are currently being studied for the project.

Enhancing Availability of Northern Pier to Facilitate Oil Export Operations at MAA Refinery

The project scope of work includes the necessary repairs and renovations of the oil pier, main bridge and auxiliary facilities at MAA Refinery, to rehabilitate the northern pier to ensure the continuation of export of crude oil and petroleum products until December of 2030. Engineering, procurement and construction contract has been signed and scheduled to commence in June of 2019. The estimated budget for this project is KD 7.3 million.

Replacing Old Substations at MAA Refinery

The project aims to replace nine of the old substations at MAA Refinery with new ones with higher capacity and high-tech, inside new explosion-proof buildings, and to improve the safety and operational efficiency of electrical stations, and enhance the degree of equipment availability, through the installation of equipment, protection systems and electrical control with modern technology to enhance the efficiency of the electrical system. These plants will contribute to enhancing the operations and distribution of loads during emergencies in the event of a power outage, in line with the safety conditions of the Refinery, according to the latest quantitative risk assessment report.

The estimated budget for the project being KD 88.7 million is approved in addition to preparing the tender documents which are currently in the process of obtaining the approvals of the relevant Committees. The tender is expected to be floated in May of 2019, whereas the project is to be launched in January of 2024.

Key Specification and Sulphur Reduction of Petroleum Products after the Project Implementation

Sulphur - ppm (max)		
Product	Current	After Operation
Full Range Naphtha	700	500
Lead-free Gasoline (92, 95 & 98 UL grades)	500	10
Jet Fuel (ATK/JP5 DPK)	25	25
Gas Oil	(Local /DESC / MEW) 2000/5000/5000	(Local /DESC / MEW) 10/10/500
Gas Oil (East 3)	500-5000	10
Gas Oil (West, KPI)	Not produced	10
Bunker Fuel Oil	4.5	1

GRI 103-1 GRI 103-2 GRI 416-1

KNPC Community Commitment

The Clean Fuels Project (CFP) at KNPC is one of the most important projects and crucial to the future of the State of Kuwait and holds a significant economic and environmental impacts on an international, national, and local level on the community surrounding the Project. Part of the Social aspect within the Project that the Company is responsible for is to visit Mina Abdullah Chalets area, the residential area adjacent to CFP at Mina Abdullah Refinery, and communicate those impacts to residents of the area by conducting awareness surveys and relevant project status updates.

First Visit :	September 2018
Departments Involved :	CFP, HSE, CCD
Subject :	Survey/Feedback
Chalets Covered :	49

The surveying group split into two teams managed to cover a total of 49 Chalets. The purpose of the visit was to communicate the completed stages and the status of the Project, and most importantly to hear back from the residents by reporting their feedback. The teams reported the following comments from the residents:

1. Very strong odors and smoke coming from the Refinery
2. Oily water and oil spills spotted in the sea
3. Inquiries on land and soil rehabilitation and planting the layout area
4. General positive feedback (minimal noise/odors have been reduced overtime)
5. Some Chalet owners have contacted the Company

During the visit, the teams have noted the languages spoken by the Chalet gatekeepers for future communications. In addition to Arabic and English, the languages recorded are Bengali, Hindi, Punjabi, Tamil, and Sri Lankan.

Second Visit :	February 2019
Departments Involved :	CFP, HSE, CCD
Subject :	Emergency Response Plan
Chalets Covered :	66

The second visit to the Chalet covered 66 properties along the area adjacent to Mina Abdullah Refinery. The target of the visit was to share plan and procedures in case of any emergency that take place in the area. The information was shared in three languages, Arabic, English, and Urdu and it included the following points:

1. What to take notice of during an emergency
2. Action to be taken during an emergency
3. Evacuation route and assembly point location
4. Emergency siren post location and meanings of the different siren system tones
5. KNPC hotline call center

In all visits, contact information (names and phone numbers) of both Chalet owners and gatekeepers were noted for reference and any necessary future communication needed.

GRI 103-1 GRI 103-2 GRI 103-3

EMPLOYEES

Training and Career Development

"Employee Training and Development" refers to our Company's continuous efforts to boost the employee's productivity. It pertains to pushing an employee to learn new skills and develop them for better roles within our organization. Furthermore, employee training is very different from employee development wherby it focuces on helping the employee do the current job better and as for development we focus on the entirety of an individual, his/her skills to be able to help grow as a person.

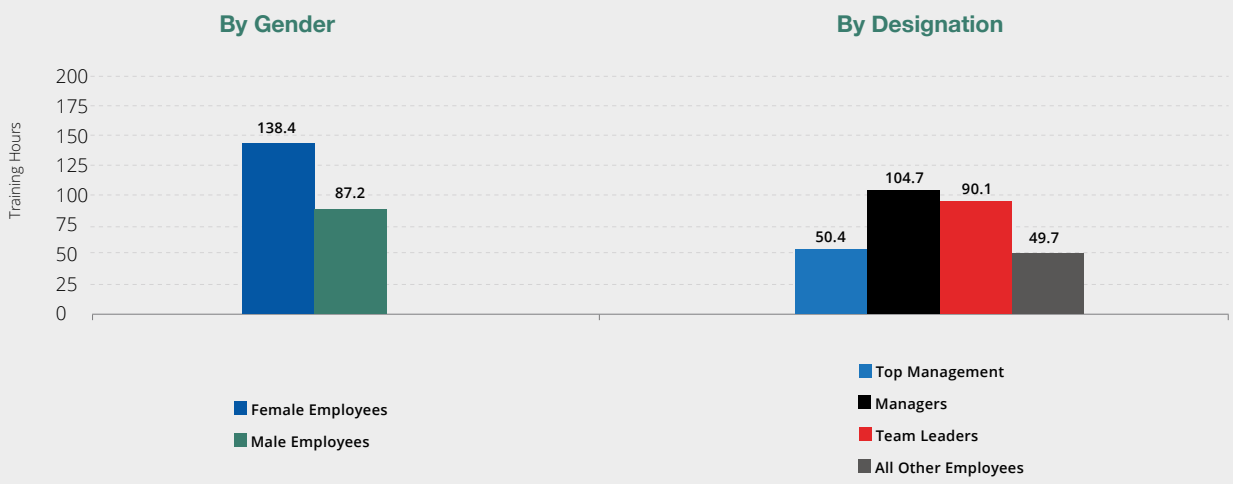
In our efforts to ensure that, our people are happy and motivated, wherby we retain our best talent. Training and Development guide all our practices with our employees through the Personal Development Plan (PDP) approach. Training and Development needs together with delivery methods are assisted though discussions between the employees and the direct supervisors. We then use the Qayyem System to evaluate the employees that receive the training programs that where address in the PDP.

Total Cost of Training During Reporting Year: 10,569,534 (KWD)

GRI 102-8 GRI 103-3 GRI 404-1 GRI 404-2

Average Hours of Training per Year per Employee

Average Hours of Training per Employee During the Reporting Period



Programs for Upgrading Employee Skills and Transition Assistance Programs

Programs may include: internal training courses, funding support for external training or education, provision of sabbatical periods with a guaranteed return to employment.

Generic Courses

Contains the only generic/ soft skills competencies in the Oil Sector and all employees need them. They are six Generic (HSSE & Sustainability, Performance Drive, Ownership, Adaptability & Learning, Teamwork, Communication) also, two Business Fundamentals (English Language Skills, IT Fundamentals)

Professional Courses

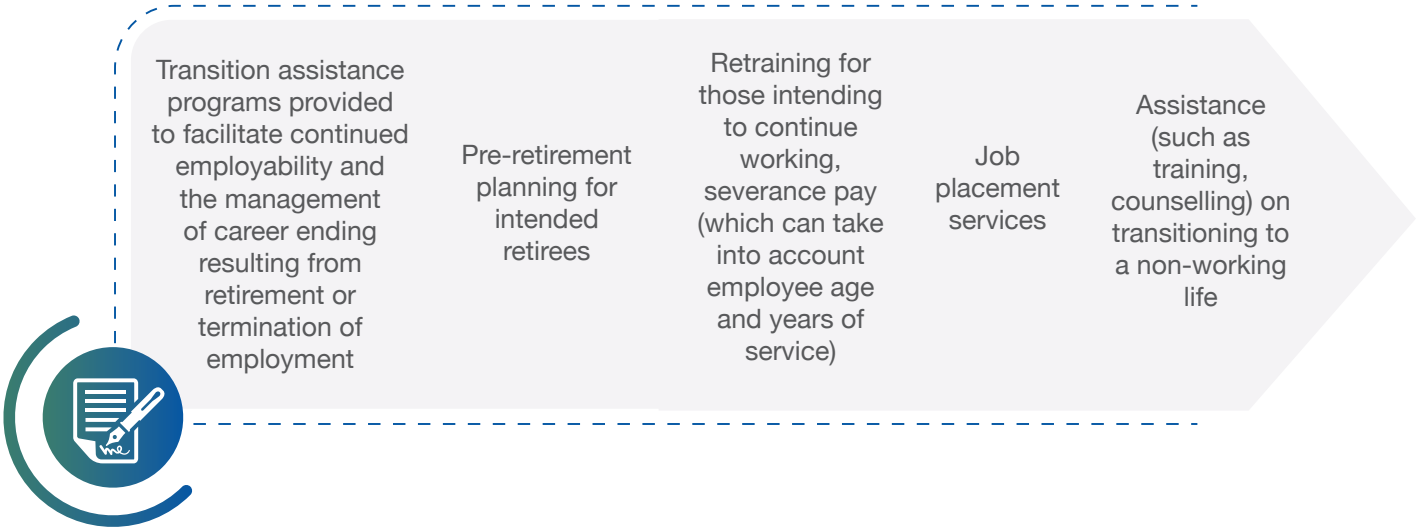
It Unified Technical competencies, contains 11frameworks (HR, HSSE, Finance, Risk Management, IT Planning, Legal, Commercial, Communication, General Services, and Quality Assurance)

Technical Courses

Technical skills related to specific area, it contains 70+ frameworks, e.g. subsurface, marketing, operations, maintenance, etc

GRI 102-8 GRI 103-1 GRI 103-2 GRI 404-2

Transition Assistance Programs Provided to Facilitate Continued Employability



At KNPC, we believe that our employees are our greatest asset and align our human capital practices with two of our core Values of caring our people and instilling pride. In parallel, we also govern our Group's employee practices by principles of our KNPC code of Conduct and our KNPC HR 2040 Strategic Directions as part of our direction to create a culture of continuous human capital development, global mobility, enhanced recruiting, retention and HR digital transformation.

The most important element in the success of any organization are the employees. Employers are realizing the profound consequences of maintaining employee performance to remain competitive and are recognizing the influence of organizational health and employee performance. Organizational health enhances employee health and satisfaction and subsequently employee performance. Furthermore, international Labor Organization are emphasizing the importance of treating employees fairly and respectfully to drive sustainable business, maximize talent acquisition and minimize turnovers. Many organizations are utilizing new and innovative technologies to incentivize and help in enhancing employee morale and subsequently augment employment and retention of the best talent.

KNPC carried out few activates including our Department Day Out, which entail that each Department Manager takes all his/her employees for an out of work activity such as bowling or movies at least once a year. Moreover, KNPC organized departmental activities for all levels of employees to enhance the culture and communication. KNPC also instigated an HR Policy "Did you know" email campaign that publishes at least three email messages per quarter about HR policy.

In addition to activities, KNPC formed an Employee Engagement Working Team and conducted focus groups across all our locations with employees of all levels in order to understand factors affecting employee engagement within KNPC and introduce recommendations to be included in the Employee Engagement activates for the next fiscal year.

Furthermore, to ensure employees well-being, KNPC created a Worker Welfare Committee with over 50 members from different disciplines such as HSE, Legal, HR, Projects and Medical. This team overseas

all worker rights from national and international regulations in terms of payments, working hours, accommodation, passport retention, travel home, and the grievance reporting mechanism.

Moreover, KNPC also hired an Industrial Psychologist focusing on worker mental well-being. Several mental well-being awareness training sessions were conducted to all Contractors in KNPC. Psychological surveys are also conducted annually assessing workers mental conditions on site and in accommodations. Individual counselling sessions are also provided to employees who are in need.

KNPC also launched several new programs such as worker welfare audits which are conducted as IFC PS2 standards. This includes comprehensive audits of all Contractors regarding employment contracts, as well as worker hours, overtime premiums being paid as per Kuwait Labor Law, living conditions, and many other aspects of national and international legislations concerning employees. Grievance hotline has been established to accept toll-free calls and communicated heavily to all Contractors to ensure all their complaints are heard and investigated.

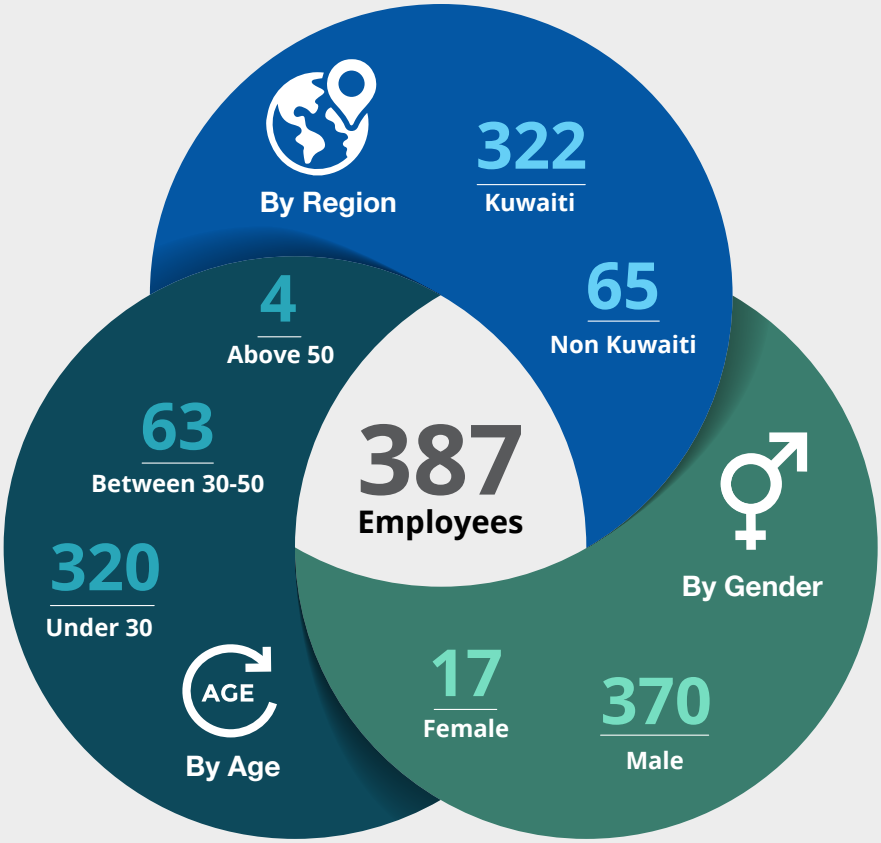
The "Know your rights" campaign launched in 2018, is a widely communicated campaign throughout, all operations of KNPC, where all Contractors rights as per national regulations are printed in 11 different languages across all sites and worker accommodations.

GRI 102-8 GRI 103-3 GRI 401-1 GRI 401-2

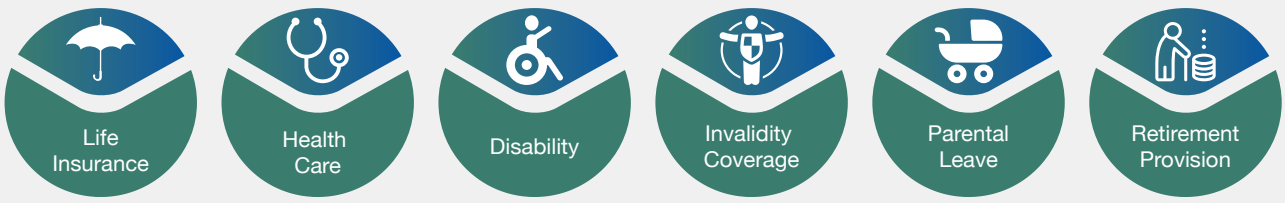
New Employment Hires

KNPC aims to fill all available vacancies with Kuwaiti nationals provided in local market. The Public Authority for Applied Education and Training (PAAET) is a program to recruit all Operators for the Refineries.

Total Number of Employees Hired During the Reporting Period by Region, Gender, and Age

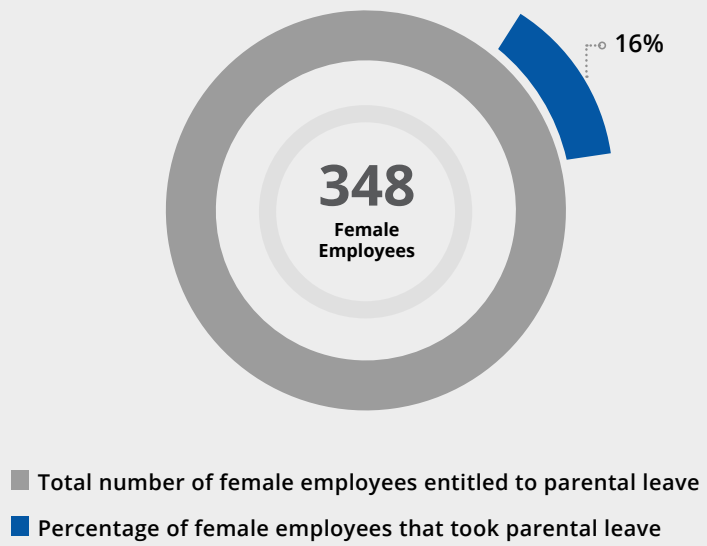


Full-Time Employee Benefits



GRI 102-8 GRI 401-3

Parental Leave



We invest in policies and programs that support man and woman in the workforce at KNPC and provide flexible working and childcare facilities creating a gender-sensitive work environment. Currently, Governance Bodies comprise of around 90% males and 10% females. In a male dominated industry, our Group is slowly but steadily increasing females at all levels and striving to advance females representation in the coming years through various initiatives.

Organizations around the world are under continued pressure to diversify their workforce and bolster inclusion among people irrespective of there race, gender, ethnic group, age education, background and more. International agencies are becoming more vocal about human rights, gender equality, pay gaps, discrimination at work, and the benefits of having a diverse workforce. The United Nations (UN) drove forward several initiatives to promote diversity including the Woman Empowerment Principles (WEP) as part of the UN Global Compact – the principles highlight the reason for corporate action to encourage gender equality. The UN sustainability development goals on gender equality, decent work and economic growth, and reduced inequalities is another UN initiative that stresses on the importance of diversity and equal opportunity. In addition, the international Labor Organization (ILO) published guidelines on promoting diversity and inclusion through the workplace, as one of the core principles of ILO is equality of opportunity and treatment.

In the wake of rising attention to the issue of diversity, equality and inclusion and as a progressive role model and leading organization in Kuwait, we set detailed specifications on equal job opportunities and fair treatment under valuing our people principle as part of our KNPC Code of Conduct.

KNPC provides all the support for Engineers to progress and develop in the Company towards achieving the integration of all work force with abilities of both men and women. The opportunity is available for Engineers to acquire the necessary skills to manage the various fields of work in Refineries and the oil sector and to prove their ability to face all difficulties and challenges.

GRI 102-8 GRI 404-3

Employee Engagement (EE) - KNPC

Initiatives

In 2018, KNPC fully implemented all activities as per the Employee Engagement Action Plan for 2018/19. Details of the activities covered are provided below:

1. Department Day Out: Every Department Manager takes his employees for an out of work activity (bowling, park, movie, meal etc.) at least once a year.
2. Department Activities: Every Department Manager conducts an internal activity within the Department for all levels of employees to enhance the culture and communication (eg: Game Day – have 30 to 60 minutes to play documentary, challenging , focusing games, Stretch with a Smile – 10 minute walk 1 to 2 times etc.)
3. Department Targets: Every Department Manager discusses with his employees the Department's target, how to achieve them, how they affect the performance of the organization, and everyone's role in achieving them, at least once in the financial year.
4. Team Briefing: Monthly Team Briefing Meetings whereby messages from the CEO regarding latest/up to date news are cascaded down the Organization to all employees and provide opportunities for a 2 way feedback.
5. Town Hall/Open Day: Top Management to organize a Town Hall Meeting or an annual Open Day with their employees which will provide the opportunity for the employees to meet their Senior Management.
6. Job Advertising: To advertise at least 2 job vacancies during the year to be filled Internally through transfer, in case of non availability of a suitable candidate, this job should be advertised within the oil sector.
7. Create/Implement Formal Induction Plans for new joiners (Including Career Opportunities): Each Company to create/implement an Induction Plan for new employees who join the Company.
8. Promotion Transparency: Conduct 1 on 1 meeting with candidates regarding the promotion results and why a candidate was promoted over the others (TL Promotions = DMD/DCEO/Sr. Promotion = Manager).
9. Walk the Floor: Senior Leadership to walk around the Departments and Plants, greet employees (All Levels) so that they are made visible and close to employees.
10. Host/Attend Corporate Social Events: Organize and encourage employees to participate in Oil Sector/ Company Social activities and competitions in which Senior Leadership also actively participate in, such as: (Oil-Sector/Company Sports tournaments, Ghabga, Guraish, Dewaniya, Eid Celebration, etc.)
11. Partake in Work Social Occasions: Top Management to partake in employees work related occasions such as Promotions, End of Service, New Hire, Transfer Celebration and others. (Minimum 1 event per quarter for each Senior Leader).
12. Cup of Coffee with Staff: Cup of Coffee with Top Management to increase interaction & casual chats between employees and Senior Leadership
13. CEO Social Media Interaction: CEO to create Social Media Messages to announce information real time once it occurs and respond to rumors.
14. CEO End of Year Message: CEO to create a message at the end of the financial year for all employees highlighting future initiatives as well as achievements which were accomplished during the year.
15. Publish HR Policy: Ensure that a complete and informative HR Policy document is published in portal.
16. HR Policy “Did You Know” Email Campaign: Publish at least 3 different email messages per quarter about HR Policies.

GRI 102-8 GRI 404-3 GRI 405-1

17. HR Workshops/Awareness Sessions: Conduct at least 2 HR Workshops/Awareness Sessions during the year related to various HR Policies (Promotion, Performance Appraisal, Attendance, etc).
18. Performance Evaluation (Performance & Rewards Initiative): DMD/DCEO to support KNPC in the implementation of the initiative, and conduct Awareness Sessions.
19. Mid-Year Employee Performance Review: Conduct a mid-year review of Employee performance in addition to the end-of-year performance appraisal review along with consistent informal feedback throughout the year.

Survey Results

The participation rate and engagement rate for KNPC from the KPC Employee Engagement Survey conducted in 2018 are as follows:

- EE Participation rate – KNPC 2018: 57%.
- EE Engagement rate – KNPC 2018: 54%.

Topics Discussed

KNPC formed an Employee Engagement Working Team and conducted focus groups across all our locations with employees of all levels in order to understand the factors affecting EE in KNPC. The topics discussed included factors impacting engagement positively and negatively, as well as recommendations to be included in the EE activities for the next fiscal year. These recommendations were reviewed by our Top Management and the approved activities were implemented during FY 2019/20.

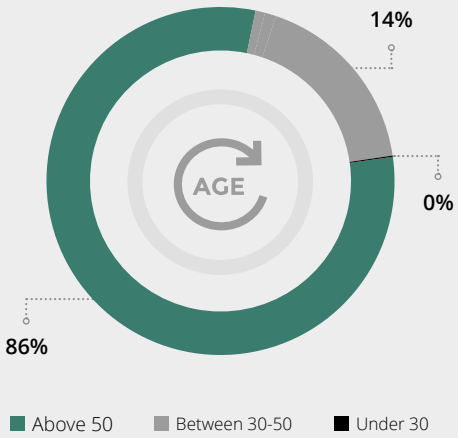
Way Forward

EE action plans are updated every year and fully implemented. KNPC continues to be fully committed to improving the engagement level of its employees.

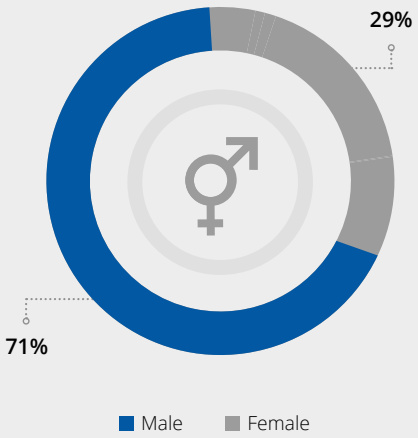
Diversity of Governance Bodies and Employees

Board of Directors

Percentage of Board of Directors by Age



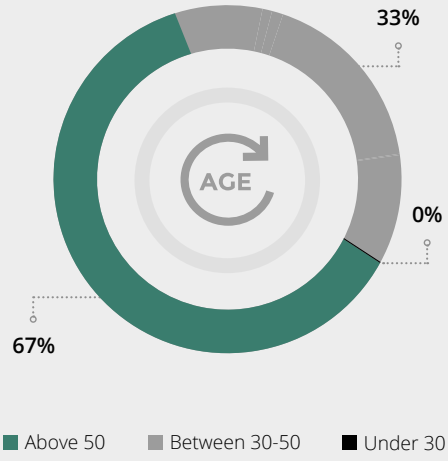
Percentage of Board of Directors by Gender



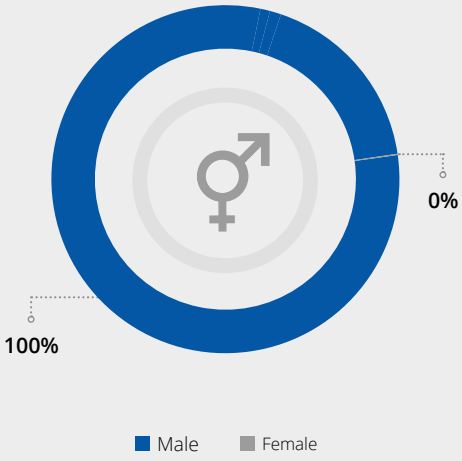
GRI 102-8 GRI 405-1

Top Management

Percentage of Top Management by Age

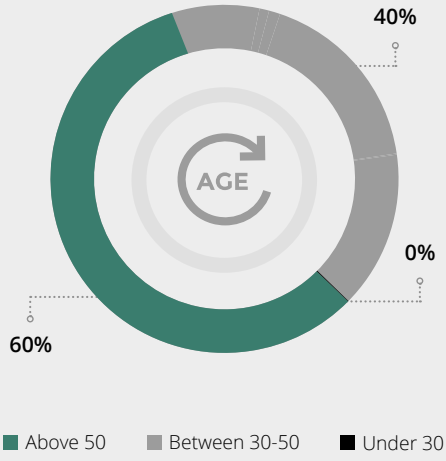


Percentage of Top Management by Gender

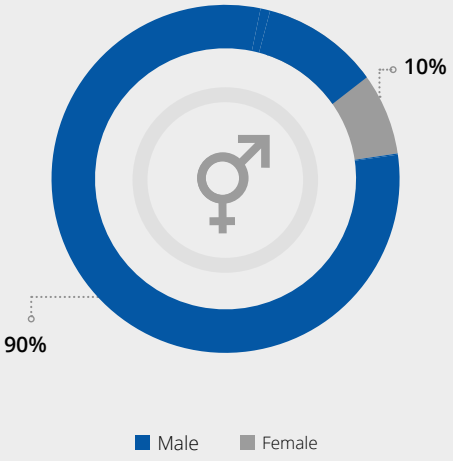


Managers

Percentage of Managers by Age



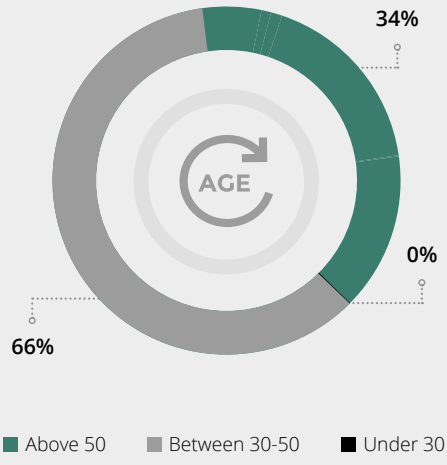
Percentage of Managers by Gender



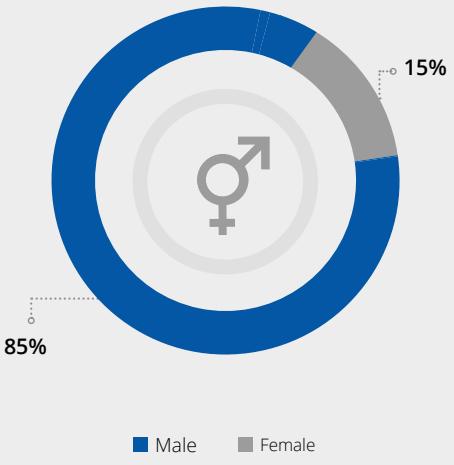
GRI 102-8 GRI 405-1

Team Leaders

Percentage of Team Leaders by Age

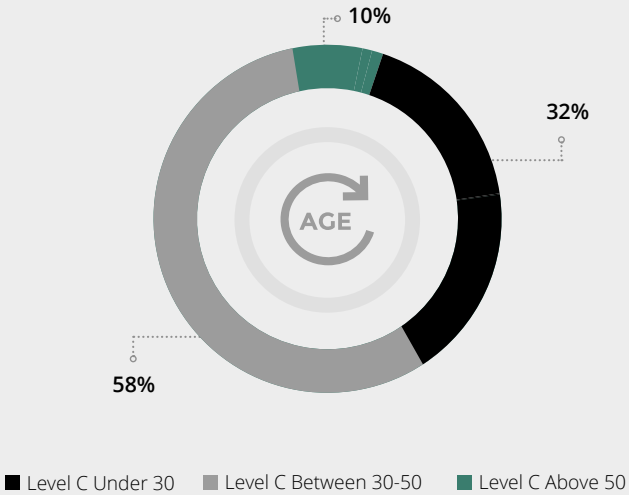


Percentage of Team Leaders by Gender

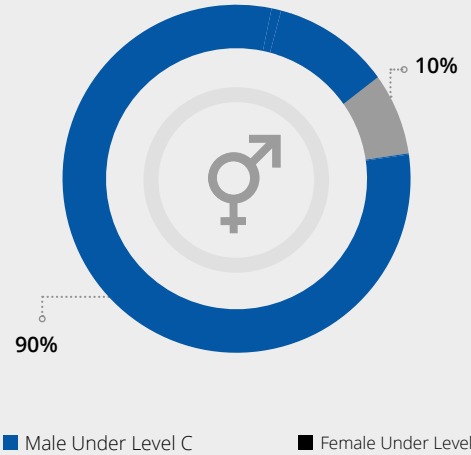


All Other Employees

Percentage of Other Employees by Age



Percentage of Other Employees by Gender



GRI 102-45 GRI 103-1 GRI 103-2 GRI 103-3

ECONOMIC

How KNPC Generate and Distribute Economic Value

1. Petroleum Refining
2. Petrol Stations
3. Petrochemicals Manufacturing
4. Global Marketing, Retail and Distribution
5. Operating LNG Import Facility

The Oil and Gas sector continues to face a number of economic disruptions owing to several factors, including sustainability-related risks. However, climate-change and resource-availability related risks have been emerging as one of the top risks being faced by the sector – with increasing financial and cost implications on the business operations.

Examples of such risks and their impacts include:

1. Extreme weather events to infrastructure damage, supply chain and operational disruptions, and construction and decommissioning delays.
2. Shortage of raw materials and changing regulatory environment in the markets we operate in, leading to higher costs of supplies, transportation and marketing of products and services.
3. Significant costs in research and development (R&D) to identify alternative technology and innovative products.
4. Write-off of existing technology and infrastructure.
5. Potential risk of significant fines or penalties in case of any possible non-compliance with rapidly evolving regulatory requirements in the geographies we operate in.
6. Significant increase in costs and investment requirements to meet the global market demand of transitioning from conventional products and services to those with more sustainable and renewable energy-use focus.

We believe it is imperative to be resilient to these rapid disruptions by continuously identifying and improving our processes and technology infrastructure to remain profitable in the market and to meet Stakeholder expectations.

KNPC Initiatives:

1. Enhancing energy efficiency and environment protection by upgrading our existing facilities (Clean Fuels Project).
2. Commissioning the development of Kuwait's largest solar power project plant (Dibdibah project) worth more than 1.2 billion KD. The project is expected to replace equivalent of 5.2 million barrels of oil per year and produce 15% of the local power requirements using renewable energy by 2030.
3. Identifying multiple sources for producing raw materials, to avoid delays in meeting customer demands in case of any unexpected disruptions with our supplier countries or businesses.
4. Updating our existing policies and procedures by taking into consideration changing environmental, health and safety aspects.

Even with these financial implications, we strive to continuously create and distribute economic value in our value chain as it is an important indicator of our organizational performance and signifies our economic sustainability, potential for growth and impact on the socio-economic environment in which we operate.

GRI 102-45 GRI 201-1 GRI 201-2

Economic Performance

Total Direct Economic Value Generated

KWD

9,237,637,451

Total Direct Economic Value Distributed

KWD

1,416,809,205

Description	Amount (KD)	Amount (KD)
	FY 2016/17	FY 2018/19
Total Revenue	6,574,907	9,317,049
Operating Cost	658,409,805	882,677,000
Employee Wages and Benefits	399,875,000	568,202,000
Sponsorship and Donations	199,875	165,048
CAPEX	2,100,324,000	4,668,225,308
ROACE Percentage	3.24%	-2.54%
Contribution to Economy	6,598	9,344

G4 OG3

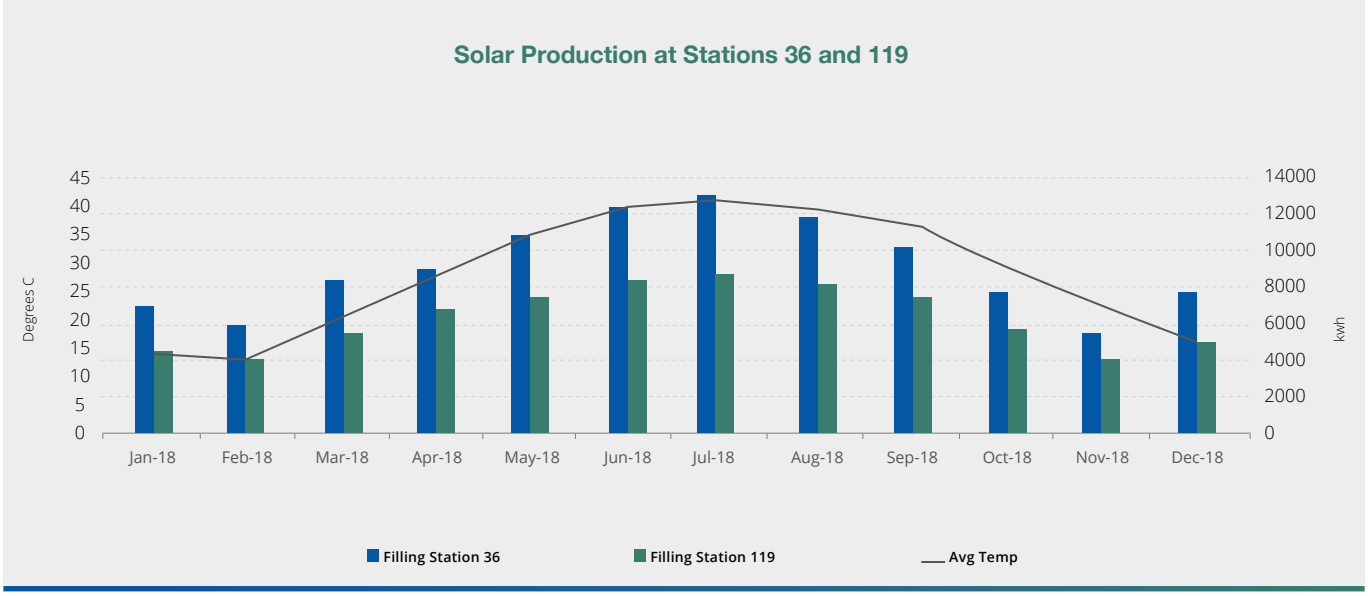
Local MARKETING

Solar Energy

After the successful solar installations at Filling Stations 36 and 119, the actual performance in relation to the average temperature of the panels are shown in the graph below. Both vary in installations sizes of 50 kWp and 70 kWp for Station 36 and Station 119 respectively, hence the difference in production.

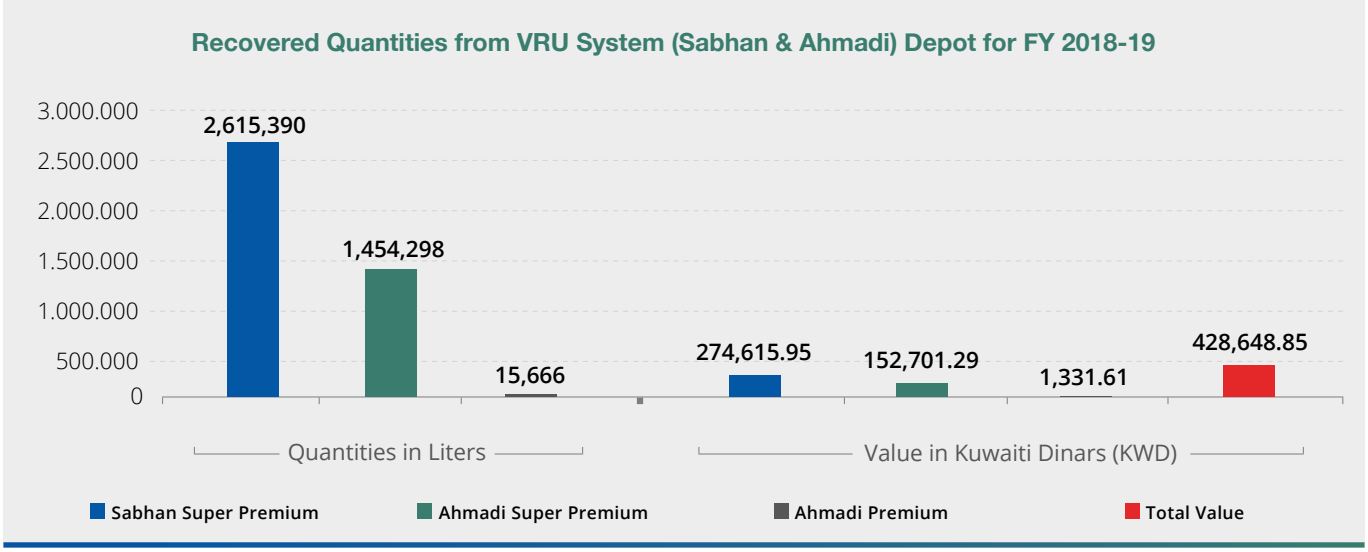
Looking at the installations from an environmental perspective, both Filling Stations can account for saving around 160 metric tons of CO2 per year.

To further relate, that is equivalent of removing 35 cars from the road or 638,945 km driven. The expansion of the project and applying it to other Filling Stations (10 further Stations with solar installations) will only further enhance the environmental savings.



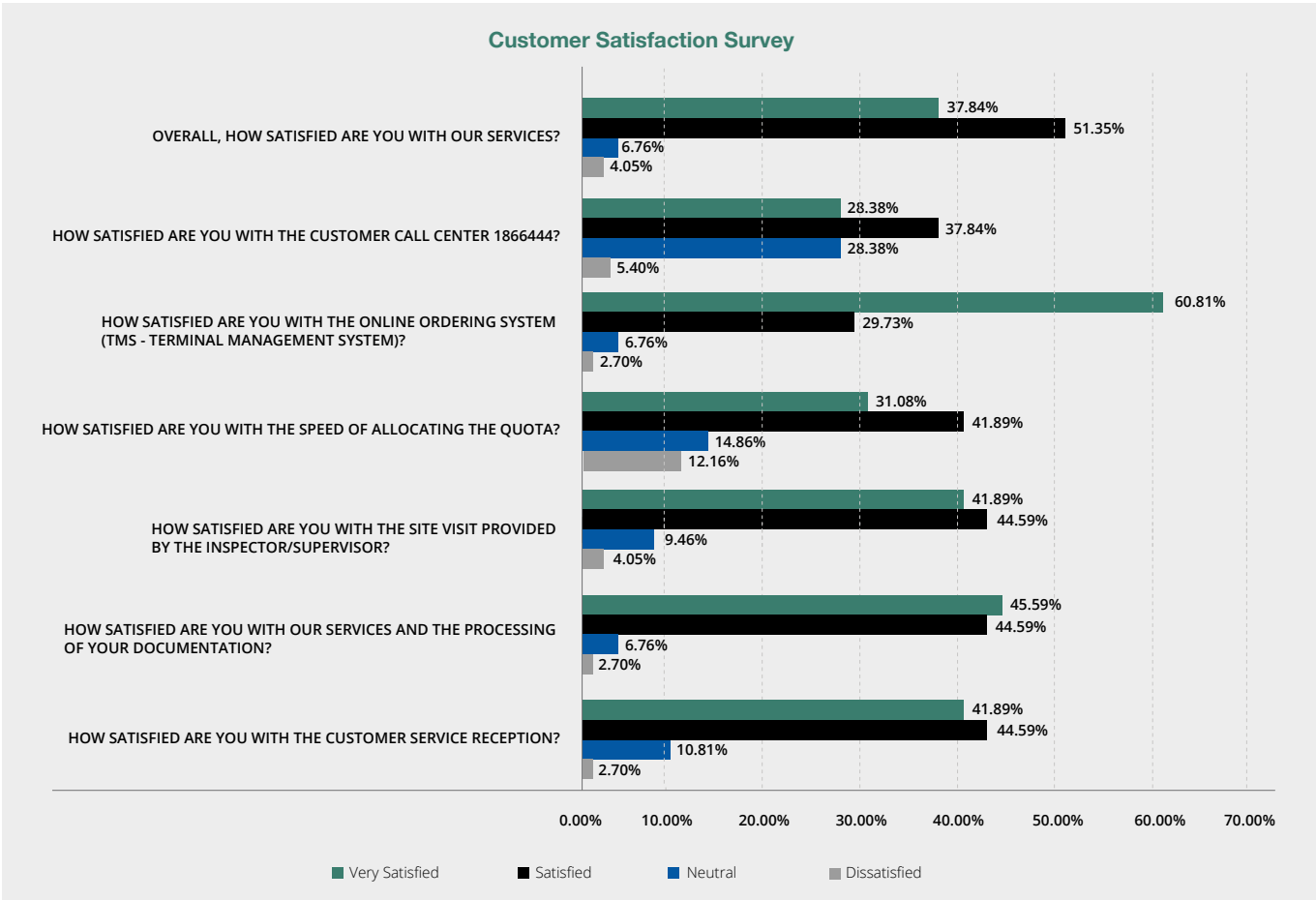
Vapor Recovery Unit (VRU)

The VRU at Sabhan and Ahmadi Depots have been in operation since 2008. The VRU ensures that the Hydrocarbon Vapors are not discharged to the environment; rather it is recovered and recycled. The graph below features the amount of fuel recovered from both the Depots in liters, thereby avoiding the Hydrocarbon release to the atmosphere.



Customer Satisfaction

KNPC Local Marketing team carried out a customer satisfaction survey targeting a sample of 10% of customers services Division on procedures and processes designed to improve quality of the services they provide.



GRI 102-12

Social
AWARENESS

Social Engagements: About the Bond and Love

Here is one of the most fun parts of KNPC responsibilities. We are always (or daily) excited to checking out our calendars full of activities and events with some extra ideas that we try to achieve. We feel so proud of the bond that we achieved with our internal and external Stakeholders (with our partners or with the society). We capture any opportunity made available and possible to be anytime and anywhere our people are. KNPC loves people, environment, success, happiness and challenges. Therefore, we are always there. Our aim is to put smiles everywhere our KNPC logo is. Putting a smile on everyone's face is what we work for all the time and continuously. We hope the pictures explains it all.

Case Studies on Initiatives KNPC has Undertaken Throughout Kuwait: Celebrating Friendship and Health

Celebrating Ability is an annual Event whereby we celebrate with one of our dear and close to our heart Stakeholders: those with Special Needs. We celebrate the growth of skills, talents and health. This Event has become a yearly tradition for KNPC as it enables us to gather and exchange ideas while showing care and love. Together, we enjoy great performances and shows, competitions, art and hand works, exchange gifts and offer prizes.

KNPC SOCIAL ACTIVITIES (FY 2018/2019)

2018 APR

FARAH SENIORS CENTER

2018 MAY

QUERISH COMPETITION

RAMADAN FOOTBALL COMPETITION

GERGEAN AT WATANIYA CLUB

2018 JUN

2018 JUL

GRADUATION PROJECTS EXHIBITION

2018 AUG

VISIT OF SOCIAL CARE HOUSE

2018 SEP

BLOOD DONATI

2018 OCT

ON AT MAB

2018 NOV

SCHOOL VISIT

PRIME ACHIEVEMENTS

DIABETES DAY

2018 DEC

HYGIENE DAY

2019 JAN

2019 FEB

NATIONAL DAY CELEBRATION

PLANTING 5000 SEEDLINGS

CHALET CLEANING CAMPAIGN

2019 MAR

GRI

CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Disclosure	Page
General Disclosures		
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016	102-1 Name of the Organization	10
	102-2 Activities, Brands, Products and Services	14 and 15
	102-3 Location of headquarters	14
	102-4 Location of operations	14
	102-5 Ownership and legal form	14
	102-6 Markets served	14
	102-7 Scale of organization	14
	102-8 Information on employees and other workers	50, 51, 52, 53, 54, 55, 56, 57 and 58
	102-9 Supply chain	14
	102-10 Significant changes to the organization and its supply chain	14
	102-12 External initiatives	63
	102-13 Memberships of associations	39 and 43
	102-14 Statement from senior decision-maker	10 and 15
	102-15 Key impacts, risks and opportunities	17
	102-16 Values, principles, standards, and norms of behavior	15
	102-17 Mechanism for advice and concerns about ethics	15
	102-18 Governance structure	15
	102-40 List of stakeholder groups	18, 19, 20, 21, 22, 23 and 24
	102-41 Collective bargaining agreements	15
	102-42 Identifying and selecting stakeholders	18
	102-43 Approach to stakeholder engagement	23

GRI

CONTENT INDEX

	102-44 Key topics and concerns raised	18, 19, 20, 21, 22 and 23
	102-45 Entities included in the consolidated financial statements	59 and 60
	102-46 Defining report content and topic boundaries	12
	102-47 List of material topics	13
	102-48 Restatements of information	12
	102-49 Changes in reporting	12
	102-50 Reporting period	12
	102-51 Date of most recent report	12
	102-52 Reporting cycle	12
	102-53 Contact point for questions regarding report	14
	102-54 Claims of reporting in accordance with GRI Standards	12
	102-55 GRI content index	66, 67, 68, and 69
	102-56 External assurance	12
Material Topics		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	59
	103-2 The management approach and its components	59
	103-3 Evaluation of the management approach	59
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	60
	201-2 Financial implications, other risks and opportunities	60
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	13
	103-3 Evaluation of the management approach	13
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	14
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	38
	103-2 The management approach and its components	39
	103-3 Evaluation of the management approach	39

GRI

CONTENT INDEX

GRI 302: Energy 2016	302-1 Energy consumption within the organization	38
GRI Oil and Gas Sector Disclosure: Energy	G4-OG3 Total amount of renewable energy generated by source	61
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	40
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	40
	303-3 Water Withdrawal	40
	303-4 Water discharge	40 and 41
	303-5 Water consumption	41
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	34, 35, 36 and 37
	103-2 The management approach and its components	34, 35, 36 and 37
	103-3 Evaluation of the management approach	34, 35, 36 and 37
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	35
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	43 and 44
	103-2 The management approach and its components	43 and 44
	103-3 Evaluation of the management approach	43 and 44
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	44
	306-3 Significant spills	42 and 43
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	51
	103-2 The management approach and its components	51
	103-3 Evaluation of the management approach	53
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	53
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	53
	401-3 Parental leave	54

GRI

CONTENT INDEX

Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	30, 31, 32 and 33
	103-2 The management approach and its components	30, 31, 32 and 33
	103-3 Evaluation of the management approach	30, 31, 32 and 33
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	26
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	25
	403-3 Occupational health services	26
	403-4 Worker participation, consultation and communication on occupational health and safety	25
	403-5 Worker training on occupational health and safety	26, 27, 28 and 29
	403-6 Promotion of worker health	28, 29, 30, 31, 32 and 33
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	49
	103-2 The management approach and its components	49
	103-3 Evaluation of the management approach	49 and 50
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	50
	404-2 Programs for upgrading employee skills and transition assistance programs	50 and 51
	404-3 Percentage of employees receiving regular performance and career development reviews	55 and 56
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	56, 57 and 58
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	17 and 48
	103-2 The management approach and its components	48
	103-3 Evaluation of the management approach	62
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	48

البترول الوطنية
KNPC
إحدى شركات مؤسسة البترول الكويتية
A Subsidiary of Kuwait Petroleum Corporation