

CONTROL YOUR NEEDS
SAVE YOUR FUTURE

Sustainability Quarterly Newsletter

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*Conservation doesn't cost anything,
but saves everything*



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Issued By: Sustainability Steering Committee, SSC



President Message

Clean Air, Clean Water and non-renewable energy sources which are the basic needs for ours and future generations survival are depleting due to fast changing socioeconomic conditions worldwide. Additional uncertainties are expected in future due to climate change as a result of the population increase and uncontrolled emission of different types of gases and chemicals in addition to the shift in the pattern of extreme events resulting in Global Warming. This matter is currently undergoing major transformation at a global scale by introducing the concept of Sustainability.

Being part of this integrated world, and petrochemical manufacture, it is our obligation to have a positive impact on the environment and our communities.

Farabi launched Sustainability as a target to reduce impact on environment, increase profitability and to be a preferred supplier. Our priorities include improving our environmental footprint and to operate services and processes that deliver better solutions and minimal impact on the environment.

Sustainability is a systematic long term approach to environmental protection and process improvements. Sustainable design prevents pollution from the start and calls for systems thinking, which acknowledges the connections between the economy, the environment and social responsibility.

Farabi Sustainability Foot Print includes:

Calculating and Reducing Green House Gases emanating from our site.

Quantifying and Reducing Energy intensity in terms of CO₂ emissions.

Reduction of Water intensity.

Material effectiveness by reducing/upgrading wastes and byproducts.

As a result of implementing this strategy, Farabi Green House Gases, Energy and Water intensity will reduce by 20% and subsequently, Financial Performance is expected to increase by 6.75 mSAR per annum on an average once we meet the target.

I believe your participation will be of a great importance in achieving our Sustainability goals and would show your spirit as a service to our community.

Thank you in advance for your commitment toward the environment protection!
God Bless You!

Mohammed Z. Al-Wadaey



Message – SSC Chairman

All of a sudden we start hearing the buzz word... “Sustainability”. Let us understand what Sustainability means. It is to “meet the needs of the present without compromising the ability of future generations to meet their own needs.”

Sounds great... So what are we going to do for this? We need to leave the natural resources to the future generations. It doesn't mean that we do not use it now. But... use it responsibly. Oh., Then who is going to determine that we are doing our business in a responsible way? It is no one else, other than us. If we claim that we care for sustainable development then what is the yardstick we will use? We need to adopt a standard framework and start disclosing the information that everyone understands. What is the frame work we are talking about? It is GRI (Global Reporting Initiative). So, how we are going to disclose? It is through Sustainability Reporting.

The Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. ‘Sustainability reporting’ is a broad term considered synonymous with others used to describe reporting on economic, environmental, and social impacts.

A sustainability report should provide a balanced and reasonable representation of the sustainability performance of a reporting organization – including both positive and negative contributions. Sustainability reports based on the GRI Reporting Framework, disclose outcomes and results that occurred within the reporting period in the context of the organization's commitments, strategy, and management approach. These reports can be used for the following purposes:

Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives;

Demonstrating how the organization influences and is influenced by expectations about sustainable development; and

Comparing performance within an organization and between different organizations over time.

All GRI Reporting Framework documents are developed using a process that seeks consensus through dialogue between stakeholders from business, the investor community, labor, civil society, accounting, academia, and others. All Reporting Framework documents are subject to testing and continuous improvement.

The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization's economic, environmental, and social performance. It is designed for use by organizations of any size, sector, or location. It takes into account the practical considerations faced by a diverse range of organizations – from small enterprises to those with extensive and geographically dispersed operations.

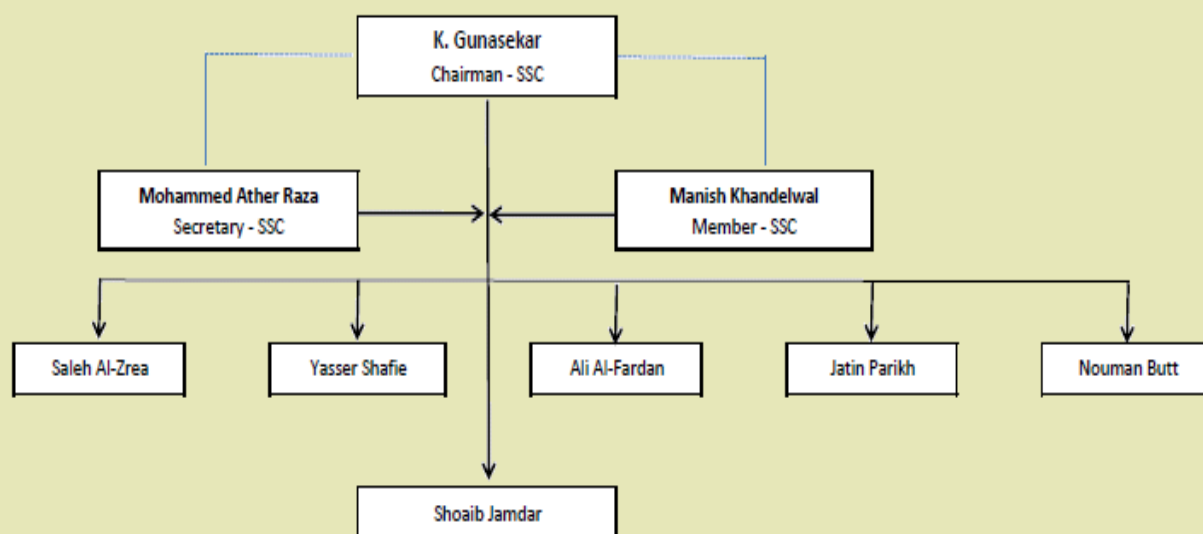
The GRI Reporting Framework contains general and sector-specific content that has been agreed by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

Sustainability Steering Committee is taking the required initiatives to bring out the Sustainability Report of Farabi for the year 2013. We are following a process approach in identifying the performance indicators that will speak our performance towards sustainable development. I'm sure all of you are excited about this and I request your active participation in this journey. Such a focused approach will change each and every one of us to become a responsible person with the care towards society and environment.

All the best to every one of you and wish all success in our efforts.

Kulandaivadivelu Gunasekar

Sustainability Steering Committee (SSC)– Organization & Roles



Area of focus for Steering Committee:

- Conduct **Awareness Programs** on Sustainability
- Develop long term plan for sustainability
- Define Sustainability Metrics
- Nurture Initiatives and steer for implementation
- Review and **adopt GRI frame work** for reporting
- Review and ensure timely CDP Reporting
- Promote **Environmental Care** aspects
- Ensure regulatory requirements are complied with.

Farabi's Sustainability Initiatives

FPC is now working towards sustainability with social, economic and environment responsibility. In addition to attaining excellence in our business, we are determined in benefiting all stakeholders with the policy of transparent disclosure towards sustainable development and demonstrate our care for the future generation.

FPC has considered the followings being a part & inline with international sustainability partners.

- FPC adopted the GRI framework for Sustainability reporting starting from 2013.
- CDP supply chain sustainability reporting since 2010.
- GPCA Sustainable Reporting.
- Participating in ACI's Sustainability Metrics Programs.

Farabi's Sustainability Goals

FPC is committed to reduce CO₂-equivalent emission intensity by 20% over the period of next 10 years by 2023. The sustainability program is strategized as under: **Operational Goals, Social Responsibilities, and Employee Health & Safety.**

We are committed to reduce CO₂-equivalent emission intensity under operational goals by measuring the performance and quantifying Scope-1, 2 & 3 emissions. Employee health & safety along with social responsibility have also been monitored and measured under FPC sustainability charter. Below table depicted the **YTD sustainability KPI** for company (CO₂e emission Intensity):

Benchmark	2013 Target	2013 Actual
0.876	0.858	0.840

Green Driving

How you drive and how well you maintain your car, van, or light truck will also make a difference.

- **Regular Servicing Is Important.** Keep your vehicle well-maintained with regular servicing to keep it operating at peak efficiency.
- **Don't forget little things like the air in your tires.** Having tires inflated to the automaker's maximum recommended pressure can improve gas mileage by as much as 6 percent,
- **Clean out that trunk, cargo area or pickup bed.** Take out unneeded items that only add weight to your vehicle. Extra weight decreases gas mileage.
- **Be a Different Driver** Change your driving style. Accelerate gradually, drive smoothly and with care and you could see as much as a 20 percent gain in fuel economy compared with what you'd get with an aggressive driving style
- **Don't speed.** A car or truck moving at 55 miles an hour can get about 15 percent better fuel economy than the same car going 65 mph.
- **Drive Smart** Don't be idle too long. Don't waste fuel by sitting in that drive-thru lane at McDonald's. Park and go inside instead. Don't let your vehicle idle as you wait outside the elementary school to pick up your children. Idling uses more fuel than turning the engine off, waiting for your youngsters and then restarting the engine.
- **Plan Ahead** Combine your errands into one trip, rather than taking multiple trips from home. Organize your stops so they're near each other and so you don't retrace your path.
- **When you shop for a new vehicle, compare fuel economy.** Bear in mind how bigger vehicles, bigger engines, four-wheel drive and lots of optional equipment can add to a vehicle's weight and, as a result, reduce its fuel efficiency.
- **An Eye to the Future** Think about how your fuel conservation efforts benefit the Earth and future generations. So, every gallon of gas you don't use can help ease global warming.

World Earth Day 2013 Celebration

As a part of environment & sustainability awareness, Farabi Petrochemicals Company (FPC) has celebrated "**World Earth Day 2013**" on 22 April 2013.



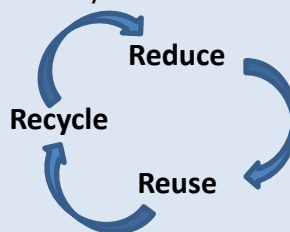
Sustainability Steering Committee (SSC) conducted an awareness session by exhibiting banners & posters with World Earth Day theme "The faces of climate change". This is to encourage people and promote to create a sustainable society.

Employee's Kid's Corner

Save Trees

The surroundings in which we live is known as environment. Day-by-day we are destroying it. We never think about our environment. We are just greedy for money. Trees are very useful as they give many things like paper, wood, medicines, fruits etc. One of the most important things around our environment are trees. If we cut all the trees then we will not get paper, wood etc. There is a sufficiency in the world for man's needs but not for man's greed. Only when the last tree has died, last river has been poisoned & the last fish has been caught we will realize that we cannot eat money.

So save your environment before it is too late.



Shreya & Ayushi Manish Khandelwal
Students, IIS Jubail

FPC Hand Hygiene Campaign

In line with company's commitment towards social responsibility, FPC President had approached American Cleaning Institute (ACI) by personally visiting their office in states and committed to be a part of ACI sustainability program. FPC launched a **"Hand Hygiene Campaign"** on 01-Mar-13 in Farabi Petrochemicals followed by ACI meeting.

The intent of the campaign was to create awareness among public particularly children about the benefits and importance of hand hygiene. Hand hygiene campaign was conducted in following major public events:

One of such events was the **"Al-Diffi - National Project for fifth scout Environmental Protection"** organized by the Royal Commission for 4 days starting from 13-Mar-13. During this campaign over 2000 children were educated about hand hygiene and proper way of hand washing.

During the campaign HH Prince Faisal bin Abdullah (Ministry of education) visited FPC stall and appreciated the participation. He gave a go ahead approval for participation for all levels of schools in Eastern Province as well.

Farabi also participated at **"SCITECH"** exhibition organized at Sultan Bin Abdul Aziz Science & Technology center (<http://scitech.sa/en/contactus.php>) for 5 days starting from 24-Mar-13. In addition to general awareness through brochures and delivering lectures, people were demonstrated on proper techniques of hand washing at our stall. Over 25000 visitors attended the campaign, majority of which were children.



Do You Know "Facts & Figures"

- **One ton of paper from recycled pulp** saves 17 trees, 3 cubic yards of landfill space, 7000 gallons of water, 4200 kWh (enough to heat your home for half a year), 390 gallons of oil, and prevents 60 pounds of air pollution.
- **One recycled bottle** saves enough energy to run a 100-watt bulb for 4 hours. It also causes 20% less air pollution and 50% less water pollution than does making a new bottle.
- The amount of wood and paper we throw away each year is enough to heat 50,000,000 homes for 20 years.
- Worldwide almost two million deaths annually from pneumonia, chronic lung disease, and lung cancer are associated with exposure to indoor **air pollution** resulting from cooking with solid fuels
- **43 per cent** of the global population still relies on solid fuels for household use.
- Of the **2 million people** who die each year from smoke from inefficient cook stoves, more than 85 per cent are women and children
- Today 1.7 billion people have gained access to safe drinking water since 1990, but **884 million people** are still without clean drinking water
- The **world's population** stands at 7 billion and is likely to rise to 9 billion by 2050
- It is estimated that **by 2050**, adverse effects associated with global climate change will result in the displacement of between 50 and 200 million people globally.
- Globally, we use as many as **1 million new plastic bags every minute**, at a cost of 2.2 billion gallons of oil a year.

“Think-Eat-Save”

World Environment Day-13 Theme

The theme for this year's World Environment Day celebrations is **“Think.Eat.Save”**. Think.Eat.Save is an anti-food waste and food loss campaign that encourages us to reduce our *footprint*. According to the UN Food and Agriculture Organization (FAO), every year 1.3 billion tones of food is wasted. This is equivalent to the same amount produced in the whole of sub-Saharan Africa. At the same time, 1 in every 7 people in the world go to bed hungry and more than 20,000 children under the age of 5 die daily from hunger. Think.Eat.Save encourages you to become more aware of the environmental impact of the food choices you make and empowers you to make informed decisions.



While the planet is struggling to provide us with enough resources to sustain its 7 billion people (growing to 9 billion by 2050), FAO estimates that a third of global food production is either wasted or lost. Food waste is an enormous drain on natural resources and a contributor to negative environmental impacts.

This year's campaign rallies you to take action from your home and then witness the power of collective decisions you and others have made to reduce food waste, save money, minimize the environmental impact of food production and force food production processes to become more efficient.

If food is wasted, it means that all the resources and inputs used in the production of all the food are also lost. For example, it takes about 1,000 liters of water to produce 1 liter of milk and about 16,000 liters goes into a cow's food to make a hamburger. The resulting greenhouse gas emissions from the cows themselves, and throughout the food supply chain, all end up in vain when we waste food.

In fact, the global food production occupies 25% of all habitable land and is responsible for 70% of fresh water consumption, 80% of deforestation, and 30% of greenhouse gas emissions. It is the largest single driver of biodiversity loss and land-use change.

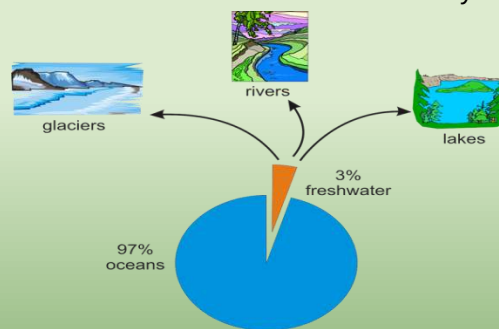
Making informed decision therefore means, for example, that you purposefully select foods that have less of an environmental impact, such as organic foods that do not use chemicals in the production process. Choosing to buy locally can also mean that foods are not flown halfway across the world and therefore limit emissions.

So think before you eat and help save our environment!

Water - The Most Important Liquid on Earth

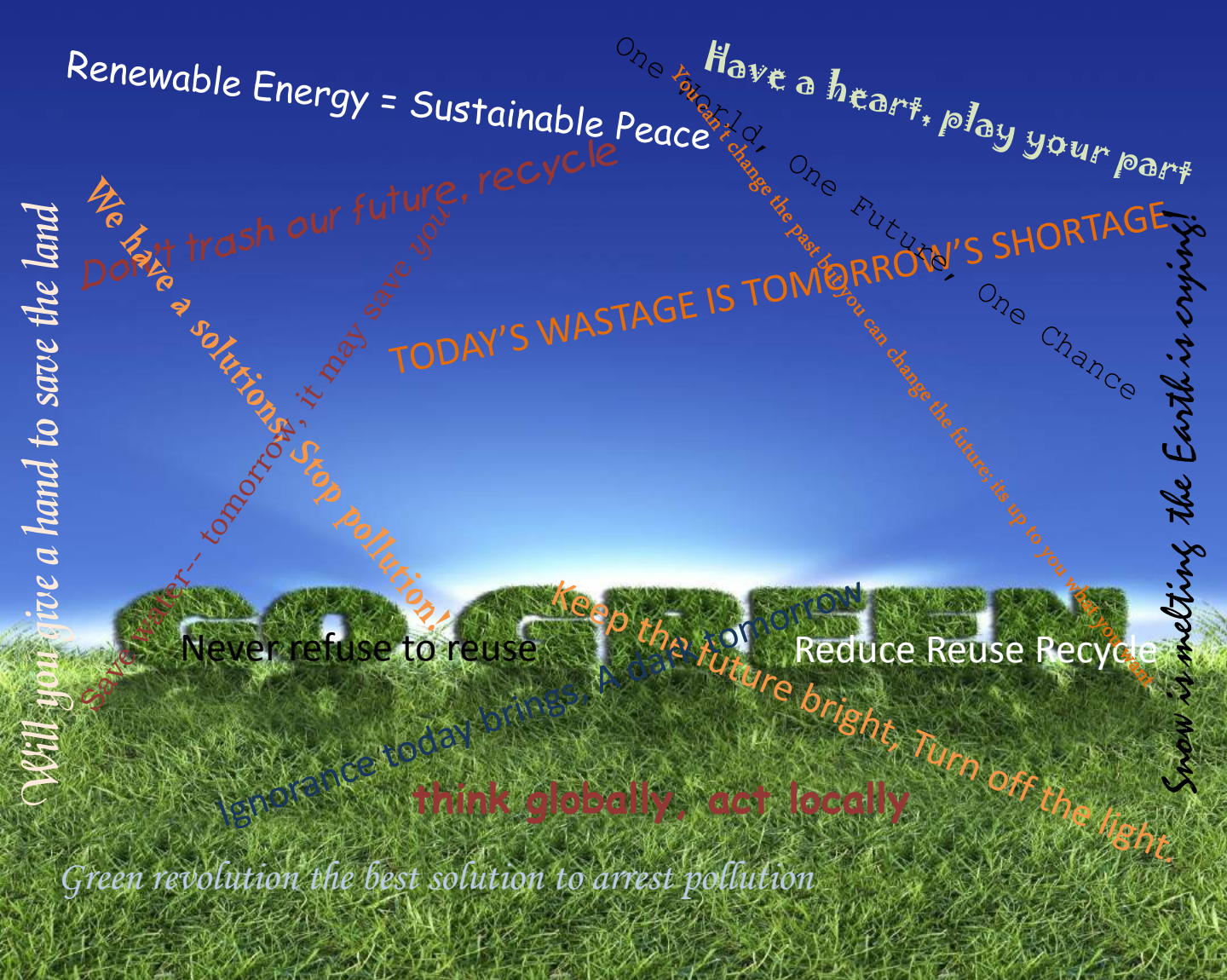
The human body is made up largely of water. Up to 75% of our body is water. Water helps us digest food. Chemical reactions in our body would not be possible without water. It also needs water to help carry away the substances that we do not need any more. Water regulates our body temperature so that it always stays the same. Although we can live without food for a few weeks without water we would die within a few days. A normal human needs about 2 to 3 liters of water a day to survive.

The amount of water we have on earth is always the same. However, clean water, is getting rarer because of pollution. Most of the world's water, about 97% is in the oceans. Only 3% is the freshwater in lakes, rivers. Less than 1% of all freshwater is readily accessible for human use. That means less than 0.007% of all the water on earth is available to drink.



Our water sources are under pressure. With increasing population, the demand of water is increasing. Many regions in the world have water scarcity and many other are water stressed (i.e. will soon develop water scarcity). If not controlled, water shortage will develop into food shortage also.

It's time to change our lives. Think beyond the present. Care for our future generations. Use less, save more.



Farabi Petrochemicals Company
Phone 00966 (3) 356 5000
Fax 00966 (3) 356 5006
www.farabipc.com

