



CORPORATE SUSTAINABILITY REPORT

2012





Kuwait Towers - Kuwait City



HIS HIGHNESS SHEIKH
SABAH AL-AHMAD AL-JABER AL-SABAH

Amir of the State of Kuwait



HIS HIGHNESS SHEIKH
NAWAF AL-AHMAD AL-JABER AL-SABAH

Crown Prince of the State of Kuwait



ABOUT THIS DOCUMENT

This is the first Annual Corporate Report for the Kuwait Petroleum International Organization, entitled "Q8 Corporate Sustainability Report"

This Report shows our corporate commitment towards a sustainable business. Although the report is intended to cover all the affiliates of Kuwait Petroleum International Ltd, some references and data apply to a specific Operating Units based on the data gathering system available for this year's reporting cycle. It is intended to broaden the reporting framework in the future reports.

This report covers the period from 1st April 2012 until 31st March 2013.

This report was prepared following an International Recognized Standard which is the Global Reporting Initiative's (GRI) international Guidelines, and based on the GRI 3.1 standards.

We self-declare this report to meet GRI application level C. An index listing the GRI indicators and standard disclosures that are included in this report can be found in Appendix A, page 38.

This is the first Kuwait Petroleum International Sustainability Report for the organization and was prepared completely in-house without the help of consultants, or external advisors. This report has used our corporate QMS procedures, code of ethics, and utilized internal corporate resources.

Information was collected and managed by our group of companies CSR focal points all over our global system. This self-reporting method has increased the learning knowledge of our CSR focal points and highlighted, to the management, many issues that need to be addressed in future reports.

For any comments or suggestions please don't hesitate to contact our CSR team at : sustainability@q8.com

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STATEMENT BY THE PRESIDENT



President's Statement

Welcome to Kuwait Petroleum International's first annual Corporate Sustainability Report.

Sustainable Future

Since its inception in 1983 KPI has always believed in sustainable business. The Company and its affiliates has expanded into almost all of the European Continent and has continued this global expansion ever since.

The company always seeks the right partnerships to have a long-term joint ventures such as our Italian and Swedish partners, as well as our new upcoming projects in the Far East with our multi-national partners.

Our Company's Sustainable Responsibility is evident in our commitment towards the environment, the society, as well as our economic measures of cutting cost and increasing profit, which will ensure the long term sustainable business that supports our staff and their communities.

As part of our mission and strategy, and our 2030 long term strategy goals we are happy to see the implementation of Project Oden, which merged our Swedish JV with our Danish Affiliate. We believe expanding OKQ8 into Denmark will grow our business into the long term Sustainable future we seek.

Project Core is on track with the establishment of our European Head Quarters in The Hague. With our management teams relocating to Europe, including VP-Europe who will support KPI's top Management in its European operations, to ensure an efficient and profitable business is sustained in the challenging European market.

Setbacks and delays in implementing our Far East projects will not divert our attention from the Far East Expansion, to ensure a sustainable growth for our employees & shareholders.

Future Challenges—Safety First

Facing the challenges of the future is a constant aspect of our business. One of the main challenges we

face is health and safety. KPI has placed the utmost importance on the safe operations of its systems and made sure that all employees are well versed and trained with safety procedures in their daily business. This includes the implementation of International SHE standards into our business. KPI remains an ISO-9001 certified company, and this year has won three awards in the Kuwait Petroleum CEO's HSE competition.

The awards won were in the Environmental, Social, & Safety categories. Our Netherlands Affiliate Kuwait Petroleum Europoort (KPE) won the Environmental award for its ISO 50001 Energy certificate. The Italian affiliate KUPIT won the social responsibility award for improving Haiti living conditions initiative, and again it won the safety award for the Pipeline Active Safety project implemented between Naples and our company's Depots.

Bio-Future

Keeping up with the new legislations such as bio-fuels is paramount to us. Our refineries and retail system has met all new environmental fuel qualities. And is currently Blending Bio-Fuels into both Diesel and Gasoline. Our system is meeting all Traceability requirements to insure fair and environmental sourcing of our blend stocks. Furthermore, we keep track of all future requirements, to meet and reduce all possible carbon emission from our fuels and operations.

Constantly Better

KPI has also set goals to ensure a constantly better performance for all our affiliates and staff. This is evident by introducing the PEP project, which has made notable improvements that can be felt on some of our affiliate's balance sheets, and will be part of our long term strategy into the future.

Sustainable growth is embedded in our commitment and we bring it to our workplace every day to make sure this company has a sustainable future.

This report is just the beginning of our new sustainability reporting journey. It is the beginning of something that every one of our many stakeholders can be proud to be associated with.



Bakheet S. Al-Rashidi
President of Kuwait Petroleum International

CONSTANTLY BETTER



As part of the long term 2030 Strategy, KPI undertook a fundamental review of how it conducts its business and how it is structured in order to meet the challenges faced in an increasingly competitive business environment & challenging financial world.

A new department was created named Stakeholders Management & Head Office Commercial, which included a CSR division handling sustainability reporting, as well as a media & communication section to handle the flow of information in the fast moving global system.

Since the early eighties, KPI has faced many challenges and sometimes indirect economic impacts on our business. For example, the situation our refinery faced in the 1990's during the Kuwait Invasion, which suddenly left our European Refineries without Kuwait Crude supplies. A war half way around the world impacted our operations in Europe and with it almost half of our operating system.

The challenge was to mitigate any technical problems from the loss of such crude quality which enhanced the experience of our management in such situations. This would be

evident more than 20 years later during the Arab Spring revolutions that affected our company.

Today with our Research & Technology Center we keep investigating to find alternative solutions to use different types of crudes that could complement our operating system in the event supplies are discontinued from any of our many suppliers in the future.

The building tension in the Middle East is a lingering reminder of how an event halfway across the world can indirectly affect our business and our employees and the communities we serve.

KPI developed a Risk Operating Committee, increased the frequency of both the Board meetings, and MD's meetings for more transparency and manage opportunities.

KPI has also established a European Head Office in The Hague, Netherlands to have a quick on site management team for faster decision making.

Our retail system has created an array of exchange deals, that reflects a win-win situation between buyers and sellers and create a fair

CSR Vision is:

To be a business leader through sustainable aspirations in support to KPC's corporate CSR vision by being economically environmentally & socially responsible.

business model for a long term sustainable future.

Today our multinational global management teams are in continues sync with the market to mitigate any indirect economic effect on our system. This was apparent lately with the Libyan crude shortage during the Libyan revolution. Our system managed to adapt to new crude

- Increase European performance.
- Expand to high growth Asian market.
- Talent engine for oil sector.
- Integration with oil sector in Kuwait.

supplies fast, and got back on track after the situation was resolved in Libya.

To maintain such experience in our management and pass the knowledge down to our staff and community, KPI has put a big emphasis on training and development.

Not only do we train our staff and mentor them, we also pass our knowledge into the societies that we work in. We hold training sessions and programs that involve different aspects of the communities, in hope that this experience will benefit everybody, everywhere and make this world a Constantly Better place to live in.



COMPANY PROFILE

US\$ 20B
Annual Turnover

US\$ 7.7B
Total Assets



KPI REFINED 18.97 MILLION
BARRELS OF CRUDE OIL



KPI SOLD 4529 MILLION
LITRES OF GASOLINE




KPI SOLD 5515 MILLION
LITRES OF AVIATION FUEL



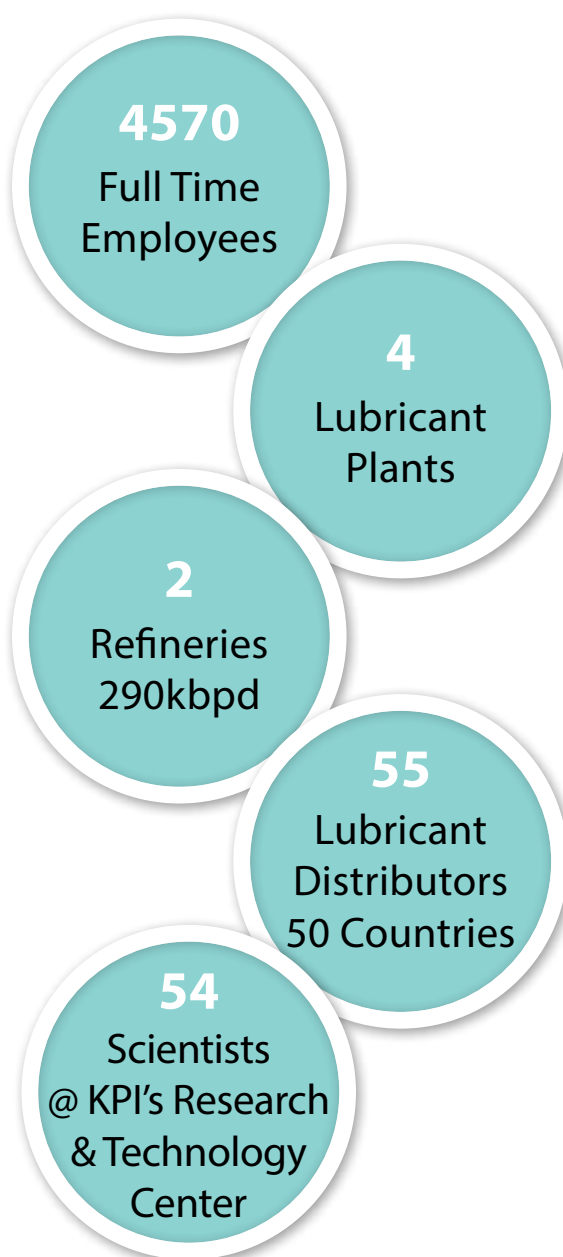
KPI SOLD 6494 MILLION
LITRES OF DIESEL FUEL

Kuwait Petroleum International (KPI) is a wholly owned subsidiary of the Kuwait Petroleum Corporation (KPC). We are a truly international company and have autonomous activities and Joint Ventures across the five continents. Formed in 1983, the Company's Head Office was traditionally in London until 2000 when it re-located back to Kuwait. Its European HQ is located in The Hague, Netherlands.

KPI's business activity can be split into two clearly defined areas of manufacturing and marketing. KPI was established to manage, on behalf of our parent company KPC, these two business activities and interests outside of Kuwait. Operating under the distinctive and immediately recognizable Q8 brand , which symbolizes the sails of a traditional Kuwaiti

dhaw, KPI has gone from strength to strength and is now an important player in the European hydrocarbons sector.

The growth of Q8's extensive network of service stations in Europe began in 1983 with the acquisition of Gulf Oil's operations in 6 European countries. This gave KPI an instant presence in Belgium, Netherlands, Luxembourg, Sweden, Denmark and Italy. This position was quickly consolidated by the acquisition in 1987 of BP's operations in Denmark and further expansion continued in the early 1990s with the purchase of Mobil's service stations in Italy and BP's assets in Luxembourg. In just 7 years the Q8 brand had established itself as an innovative and rapidly expanding competitor in the well-established European fuels market. The first decade closed



out with Q8 launching operations in Spain in 1992 while in Italy our already successful business was strengthened through a 50/50 joint venture with Italian oil company ENI at the Milazzo refinery in Sicily.

Following a period of consolidation, KPI's next expansion was a 50/50 joint venture with Sweden's OKF in 1998 that created the brand of OKQ8 which now has one of the leading networks of service stations in Sweden, while in Belgium, the acquisition of BP's and Aral's service stations resulted in Q8 Belgium becoming the country's second largest oil company. The acquisition of Tango automated service stations has given added market strength to Q8's business in the Netherlands.

Over the past three decades, Q8 has expanded rapidly through a series of carefully planned acquisitions selected for their strategic fit with the business. During this period, Q8 has developed several business units that operate in support of a regional customer base, and chief amongst these has been its International Diesel Services and Aviation fuels services, as well as an international Lubricants business.

Today, Q8's business is expanding into the Far East with plans for ambitious joint venture marketing and manufacturing projects, with the construction of a refinery and petrochemical complexes. A 35.1% share in a multi-national joint venture in Vietnam is leading the way, with Other Far East/Asian projects in the Pipeline for a target completion during this Decade.



4416
Retail Stations



570
IDS Stations



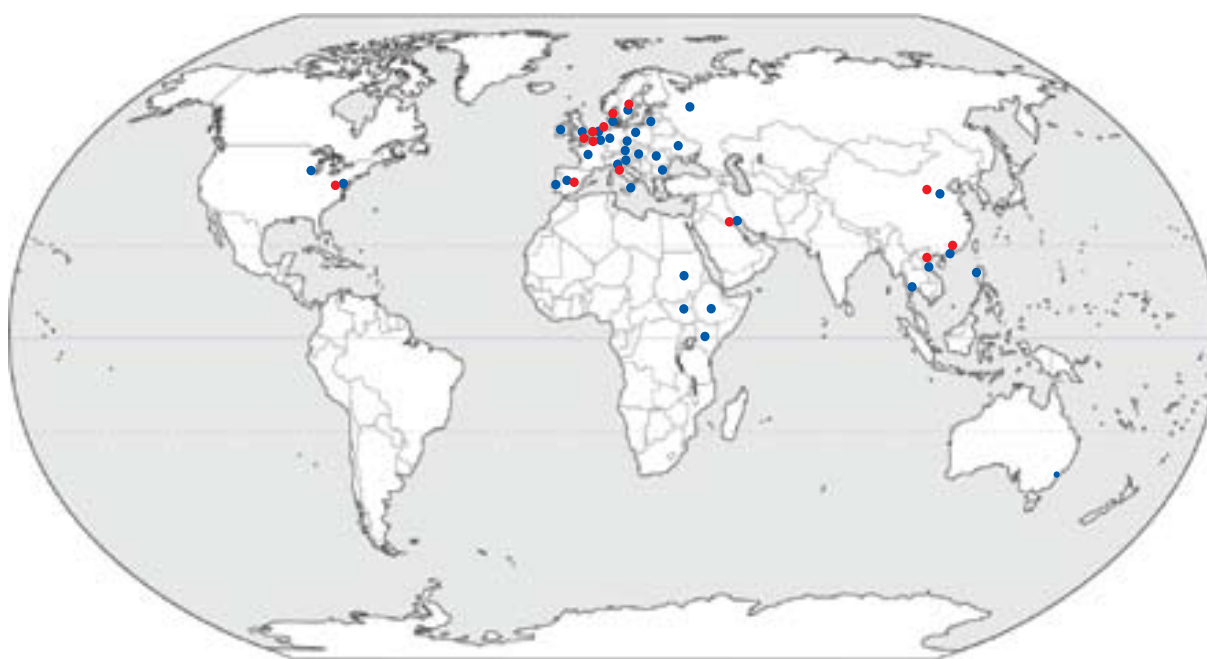
60
Airports

KPI GROUP OF COMPANIES

ORGANIZATIONAL PROFILE



This is a simplified organizational profile representing the operational sectors of the KPI's Group of Companies.



● KPI's Global Activities

● KPI's Regional Offices



★ KPI's Future Projects

CORPORATE GOVERNANCE



KPI is proud of its transparent corporate governance and is committed to being open and accountable for its actions. At KPI our approach to conducting business is defined by our commitment to transparency and accountability, & embedded within our code of ethics.

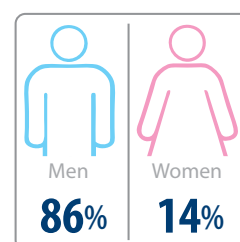
To ensure a sustainable business, KPI management has established several committees' that meet on regular basis, to ensure the smooth continuation of the business.

The ARUBA Board

- The Aruba Board is responsible for the overall management of KPI. The Aruba Board has one Executive member and six Non-Executives. The board members are drawn from high ranking Officers from across the Oil Sector. They ensure that KPI meets all its obligations to stakeholders, including customers, suppliers, employees and communities where KPI operates.
- The Board is the highest level of governance and meets to discuss the major issues confronting

the business. They discuss and approve all the projects put before them from the KPI Senior Management Team.

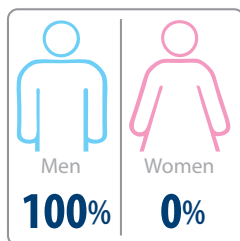
- The Board is responsible for setting the strategic direction of KPI and monitoring the implementation of that strategy by KPI management.
- They also approve and monitor all project Key Performance Indicators, which they implement as part of the internationally recognized Balanced Scorecard methodology.
- The Aruba Board meets 5 to 7 times a year and approves the annual operating budget and Major Capital expenditure. This is a strong



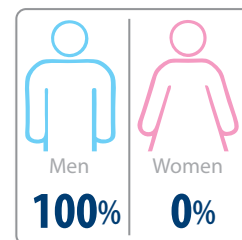
initiative that aims to improve communication across the organization.

The Operating Units Managing Directors Board Meetings

- The meeting is Chaired by the President of the Company with the following members:
 - VP Europe.
 - VP Asia.
 - VP Finance & Strategy.
 - Group Manager Stakeholder Management.
 - European Operations Director.
 - MD KP Italia.
 - MD Global Business.
 - MD KPNWE.
 - MD KP Denmark.
 - MD KP Europort.
 - Group Finance & IT Director.
 - Corporate HR Group Manager.
- The MD's meetings are held 4 times a year, two in Kuwait, and the other two are outside of Kuwait.
- The Committee is responsible for monitoring and supporting the implementation of the overall KPI Strategy.
- The Committee identifies and discusses management performance, Health and Safety Issues, Monitor & Review risk Mitigation actions and make decisions on Group Risk Exposure.
- The Committee also monitor, support and accelerate the deployment of Best practices across the affiliates. And also has the right to invite an External Speaker to present a topic of interest to the committee.



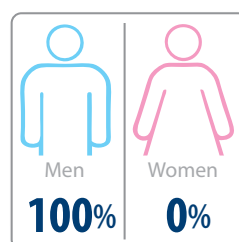
- The meeting is Chaired by the President of the Company with the following members:
 - VP Europe - As Deputy Chairman.
 - VP Asia.
 - VP Finance & Strategy.
 - Group Manager Stakeholder Management.
 - HSSE Group Manager.
 - Corporate HR Group Manager.
 - KPI General Counsel.
 - Group Manager Business Development.
- The VP Europe as Deputy chairman and sponsor of KPI Corporate HSSE Core Team, has the authority to address and communicate KPI CSHEL decisions on behalf of the committee to the operating Units MD's and the KPI Group manager.



- The Committee is responsible for approving the financial and manpower impact of the HSSE plans, making resources available to achieve Corporate Goals.

Risk Operating Committee (ROC)

- The committee consists of:
 - CFO
 - COO.
 - Group Finance & IT Director.
 - MD KP Aviation
 - European Operations Director.
 - Group Audit Manager.
- The Risk Group are responsible for keeping up to date with risk identification and mitigation strategies. Oversight and governance over the various KPI corporate level risks is provided by the Committee which is also responsible for ensuring the effectiveness of the risk management policies in general.



KPI Corporate SHE Leadership Team Charter (CSHEL) Meetings

- The CSHEL meetings establishes the strategies / leadership goals, approves and authorizes the next phases for the ongoing improvement of the SSHE management system.

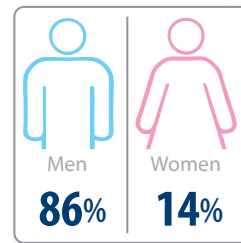
- The ROC meets roughly every three months and is responsible for exercising corporate oversight on the risk mitigation efforts undertaken either collectively via Head Office or individually by each OU.
- Although accreditation to ISO 31000 remains an aspiration, KPI manage their risk in accordance with the Australia New Zealand Standard which is the foundation of the ISO 31000 accreditation.

Succession Planning Committee

- The committee is Chaired by the President of the Company with the following members:
 - VP Finance & Strategy.
 - VP Asia.
 - VP Europe.
 - Corporate HR Group Manager.
 - European Operations Director.
 - Learning & Development Manager
- 100% of all full time employees receive an annual appraisal & Review from their corresponding

department managers where performance targets are set, & evaluations made to plan their career development.

- The committee is to respond to succession needs at senior management level.
- The committee key objective is to insure that KPI has potential successors for all important management positions in both the short and long terms.
- And To insure that all potential senior management go through a planned development program.



Transparent Framework for KUPIT Contractors and Suppliers

As part of its efforts under the contractors & suppliers aspect of its CSR policy, KUPIT has created three clear commitments that guide the way it engages with this set of important stakeholders :

Contractors & Suppliers

- *Guarantee transparent and ethical access to vendor list .*
- *Contribute to their professional growth and take care their safety and health.*
- *Promote a sustainable development culture.*

KUPIT has focused on the importance of transparency and has developed an online tendering process that enables vendors to register and apply for tenders and then track the progress of the tender and their performance within it. Such transparencies has greatly enhanced confidence for all parties and enabled KUPIT to fulfill the commitments listed above.

After registering online, all the companies invited to the tenders are able to log on and follow the process of their tender submission right the way through to award of contract. KUPIT firmly believes this open, transparent way of conducting business has enhanced the levels of confidence its suppliers have when contemplating doing business with KUPIT.

CSR is often most successful when it combines aspects from a range of independent policies and produces a powerful guideline on how to manage a stakeholder. This is exactly what KUPIT has done with its contractors and suppliers and has produced a win-win outcome for both KUPIT and its contractors and suppliers.

The KPI Mission and Vision, KUPIT's SSHE policy, Code of Ethics, and its purchasing manual have produced a Road to an Ethical Business model to contractors and suppliers dealing with KUPIT.



STAKEHOLDER ENGAGEMENT & MATERIALITY



At KPI we understand that we play an important role in the community and economy of not just Kuwait but in all the countries where we operate. We take our responsibilities to our multinational stakeholders very seriously.

KPI is currently developing a stakeholder engagement program that will provide a consistent approach across all our OUs in how they interact with their external stakeholders, both individually and as groups. Previously we were engaging different stakeholders at different times or similar stakeholders at different times and this has the potential to undermine the confidence in our transparency amongst some of our stakeholders. Proactive measures have been taken in order to ensure we meet our aspirations of consistency and transparency in the future.

As a very large, geographically dispersed and complex company with almost 5,000 employees, we believe we are in a unique position to positively engage a broad range of stakeholders, and demonstrate the benefits of genuine corporate citizenship. With operations spanning two European Refineries, a pan-European diesel distribution service, over 4000 retail stations, lubricants Business and a global aviation fuels business that reaches more than 50 Airports, and countries around the world, KPI has an important place and a highly visible presence in society as well as playing a role that is a key part of the fabric of everyday life for millions of people.

Our efforts to issue this report is to document our sustainability development not only to our employees, but to our partners, investors, banks,

governments, and many more stakeholders who deal with KPI and its affiliates.

We used the GRI guidance in determining the materiality of this report, keeping in mind the nature of our Joint ventures, and partnerships operating in the KPI system. Information used in this report is mainly of mutual reporting data base. Our joint ventures issue a separate CSR report detailing more specific information related to their commercial entity.

Being an international oil Company working in five continents it took our CSR team a lot of effort to cover multinational stakeholder's needs. With surveys and management meetings, we evaluated the most important issues our stakeholders have in common. This was done through ongoing focal points discussions, management committee's communications with customers, sellers, & buyers...etc. All this information was discussed in KPI's Stakeholders management department and the CSRTeam to compile with the information presented in this report.

EMPLOYEES

KPI realizes that our best ambassadors for our Company are our employees, and our Company's success is a product of our investment in our people. At KPI we firmly believe that our diverse work force, drawn from over 25 Countries who are posted around our OUs and not just employed in

their country of origin, gives us a cohesion and ability to share ideas and develop deep rooted team spirit across our OUs. It is our policy to be open and transparent with our employees and KPI has a program through which employee concerns can be raised to higher management and information flows from executives down to the front line. We make significant efforts to engage with our employees at all levels.

ENSURING AN OPEN FORUM

Throughout KPI and its OUs, KPI has sought to ensure open communication channels exist to enable the Company to obtain the maximum



benefits derived from engaging directly with its employees and some of its stakeholders.

A range of events and mediums have been developed and we are now examining, via our recently created Stakeholder Management Department, how a greater use of technology can facilitate this being expanded and rolled out across all the OUs. KPI have regular meetings throughout the company which ensures that communication throughout the entire organization is transparent and employees are encouraged and expected to suggest ways in which KPI can introduce changes. Known as **Talks to Staff**, the President gives an update on what is happening throughout the whole company so that our employees can be kept up to date. The format of Talks to Staff actively encourages audience participation and audiences have the opportunity to ask questions and put forward their opinions and their suggestions.

A forum for more senior staff to interact with their Senior Management is known as **Town Hall Meetings** which are scheduled at intervals throughout the year. At these meetings each department has the opportunity to update their colleagues on new initiatives and the progress made on existing projects. The Town Hall Meetings allow attendees to ask questions, identify cross departmental synergies or conflicts and to contribute to the overall success of the initiatives.

OIL & POLITICS

Even though KPI works in various countries, KPI does not participate in political campaigns or donate to any political party.



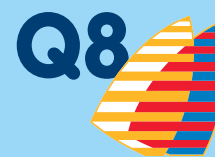
However KPI does support National Events in countries we operate in through support to Embassies held events. This year we sponsored one event in China, through the Kuwait Embassy in Beijing for the Kuwait National Day with a total amount of KWD 20K.

KPI also allows all employees the freedom of affiliation to any political party, as we believe this is a free choice of each individual.

Kuwait is one of the most developed democratic countries in the Middle East, which has an active Parliament, free elections and supports democratic participation of the people in the political process.

After all the policies established by the legislative sector will affect the communities we live & work in.

AWARDS & ACHIEVEMENTS



AWARDS & ACHIEVEMENTS

Company	Award	Awarding Body
Q8 AVIATION	Best Regional Marketers	Armbrust Annual Survey
KPI	ISO 9001 Recertification	Tuv Rheinland
Q8 ACADEMY	NSCU 2012	Dutch Society of Corporate Universities
KPI	ROSPA Gold Award	Royal Society for Prevention and Accidents
KPI	ISO 14001	TUV Rheinland
KP EUROPOORT	ISO 50001	TUV Rheinland
KUPIT	KPC CEO'S SOCIAL AWARD	KPC
KUPIT	KPC CEO'S SAFETY AWARD	KPC
KP EUROPOORT	KPC CEO'S ENVIRONMENTAL AWARD	KPC
KP EUROPOORT	OHSAS 18001	TUV RHEINLAND



Q8 AVIATION NAMED BEST REGIONAL MARKETER IN EUROPE FOR THE 7TH TIME!

Q8 Aviation has been voted Best Regional Marketer in Europe in the 2011 Armbrust Annual Survey, a highly respected independent survey which is unique in directly reflecting the views of airline customers on fuel operators' performance. In the 16 years of the awards, Q8 Aviation has won this prestigious title seven times.

The award was presented to Mark Welch, supply and logistics manager for Q8 Aviation, at the first China International Aviation Fuel Conference & Exhibition in Beijing on 5th April 2012.



Mark Welch receiving the Award on behalf of Q8 Aviation, 5th April, 2012.

Fadel Al-Faraj, General Manager of Q8 Aviation, comments: 'We are delighted to win this award again. It is a clear vote of confidence in our service by our customers and we greatly value this recognition. We're not complacent and will continue to listen to our customers and find ways to do things even better in future.'

Armbrust's International Director, Keith Carter, says: 'I am delighted that Q8 Aviation has won the Award for the Best Regional Marketer in Europe, for the second year running, and for the seventh time since the Awards were first launched 16 years ago by the Armbrust Aviation Group. This consistent performance in a highly competitive environment is a tribute to the quality and commitment of Q8 Aviation and its professional staff to the aviation jet fuel business.'

The sixteenth Armbrust Survey attracted more than 100 responses, representing 70 per cent of the jet fuel bought and sold worldwide. Respondent airlines particularly praised Q8 Aviation for its efforts and quality in operational and technical areas, particularly in 'difficult' locations.

Q8 Aviation is one of the world's leading marketers of aviation fuel, providing a service to around 200 airlines at more than 60 international and regional airports across Europe, Africa, the Middle East, Far East and Australia.

The Armbrust Aviation Group acts as a consultant to airlines, airports, fuel producers and distributors, and government agencies; it publishes the monthly Jet Fuel Report.

KUWAIT PETROLEUM INTERNATIONAL CELEBRATES GOLD IN THE ROSPA AWARDS 2012

KPI has had its approach to the prevention of accidents and ill health recognized in the ROSPA Occupational Health and Safety Awards 2012. The ROSPA Gold award was presented to the KPI Regional SHE Manager, John Briggs at a ceremony in the UK on Tuesday May 15th, 2012. ROSPA stands for the Royal Society for Prevention of Accidents.

The ROSPA Occupational Health and Safety Awards scheme is the largest and longest running program of its kind in the UK. It recognizes commitment to accident and ill health prevention and is open to UK and international businesses of all types and sizes.

The ROSPA Award scheme looks at entrants accident records and their overall health & safety management systems, including important aspects such as strong leadership and workforce involvement. ROSPA was impressed by KPI's Safety, Security, Health and Environmental Management System (SSHEMS) and its design to drive a continuous improvement in SSHE performance and to ensure consistent safe working practices throughout the organization.

The KPI President said "This award celebrates the dedication and commitment of our employees and contractors at all levels, to implement and embed the current Safety, Security, Health and Environmental Management System, which we started to develop back in 2007. With the ongoing support of our operating unit management and workforce, we continually identify opportunities where we can enhance and improve our systems and processes, to prevent potential accidents and incidents".

Q8 ACADEMY WINS NSCU 2012 AWARD!



Q8 Academy was nominated and won because of its convincing alignment with the business, the ownership and commitment of all Directors and senior Management, as well as Q8 Academy's very powerful mission, the Structured On The Job Training programme (SOJT) (a new form of training in a Marketing organization), the very efficient budget and, last but not least, buckets of personal enthusiasm.

Margreet Boeren with some members of the judging panel

From left to right: Dr. Martijn Rademakers; Director of Center for Strategy and Leadership; Dr. Philip Melkman, Human Capital Networks; Sebastiaan Tampinonkol, Learning & Development Manager of Achmea Academy and winner of the award in 2011.

Over 100 (international) companies, profit and non-profit, are members. 12 companies were

registered and 4 nominated, more specifically Canon, the Albert Schweitzer Hospital, Q8 and the Dutch Ministry of Waterways and Public Works (the Rijkswaterstaat) which has more than 17,500 employees!

Q8 Academy is not an institute but a fully integrated part of our business. Its mission is "to create a learning environment and provide development tools and training programmes which enable employees to fulfil their highest potential in line with the goals of the business".

In other words, it supports and strengthens our approach to meet the organization's strategic challenges coherently and effectively. It comprises a comprehensive portfolio of learning activities which are relevant to all our employees' day-to-day work in an international business and supports managers to achieve the organization's strategic objectives. Obviously

our customers are key in this approach!

Q8 Academy listens to the business and helps to identify the needs by organizing regular Supervisory Board meetings. The Supervisory groups are responsible for making sure 'the right things are done' and are 'done properly'. A Supervisory group operates as a 'think tank' to identify what knowledge, skills and conduct in the relevant areas are important for various target groups across the organization. These Supervisory groups comprise field experts, and are supported by a representative of HR Learning & Development.

The results of these meetings are business related learning activities. When necessary, the help of senior management is called in. Within and through the learning activities, knowledge is passed, shared and created which not only results in individual growth, but is also an important contribution to the organization's development. The approach underscores the business reality that learning goes far beyond the walls of the classroom and extends to the workplace. Current business priorities demand

that we combine different ways of learning.

The Academy's aim is to facilitate a 'Mind Lab' centre, where people from different disciplines can meet and contribute to strategic issues at an early stage. With the help of a trained facilitator they can discuss innovation and share knowledge. The target group includes current managers, organizational talents and experts. Next year, we hope to help Kuwait Petroleum Corporation in Kuwait with their no. 1 strategic priority, the development of Kuwaiti nationals in the form of a Q8 Business School. Q8 Academy can provide certain training activities, as well as knowledge on 'how to operate a business'.

The actual prize consisted of the Award, flowers, a one page advertisement on 15 December 2012 in the daily Financial Telegraph and the use of the special NSCU Award winner logo for one year.

The Award is a big pat on the back to everyone who contributed to the success of the Q8 Academy!

KP EUROPOORT 3RD REFINERY IN THE WORLD TO BE ISO 50001 CERTIFIED

After obtaining the ISO 9001 certification for Quality Management System and ISO 14001 certification for Environmental Management System, KP Europoort during 2012, has obtained the ISO 50001 certificate for the Energy Management System.

KPE Shows that in addition to safety and quality, Environmental Energy is also very important for the refinery. Since energy is one of the biggest expenses of the refinery, energy consumption also has a direct impact on the profitability of the operating unit and the overall company P/L.

The total energy consumption of the refinery is influenced by numerous factors. Not only the design and technology of the equipment to determine the energy consumption, but also our own actions, such as the fine-tuning of the operating conditions, to properly maintain the

equipment, measuring correctly, monitoring and analyzing energy consumption.

To manage all these aspects, we needed a managed structured approach, more specifically: an Energy Management System. The idea to set up this system started last year through the Energy Six Sigma team.

In our way of working, there is a constant focus on energy efficiency, the competitiveness and profitability of the refinery improvements. The ISO 50001 certification ensures that the effectiveness of the work remains secured. It is also recognized that KPE is only the 3rd Refinery in the world to receive the ISO 50001 certificate.

Through this report, KPI Management would like to thank all KPE staff for the efforts done to achieve and be constantly better.

KPI AVIATION COMPANY (KPIAC) HELPING TO SET INDUSTRY STANDARDS

The Joint Inspection Group (JIG) was originally set up in the 1970's, with KPIAC becoming a member in the mid 1980's when KPI entered the aviation fuels market. Today, JIG comprises 8 of the world's largest oil companies with the current Guarantor Members being KPIAC, BP, ExxonMobil, Shell, Statoil, Eni, Total and Chevron.

One of JIG's core responsibilities is to develop JIG Standards to be used as common procedures for the minimum operational standards within Joint Venture operations where two or more of the Guarantor Members work together.

KPI's corporate commitment to HSE is illustrated in the fact that KPIAC is an active participant in the work of JIG, with representation on each of the JIG Committees and working groups at which KPIAC provide an extensive contribution to the work of JIG.

KPI's reputation for industry leading HSE standards have been recognized by the appointment of KPIAC's SSHE Manager, Robert Finch, as the Chairman of the JIG Health and Safety Committee. This Committee has developed a guidance document based on the KPI SSHE Management System, which provides a clear expectation of the minimum standards of HSSE for all JIG and KPIAC Joint Venture operations.

KPI is very proud of the work of KPIAC and that the JIG Committee adopted an HSSE MS based largely upon KPIAC's SSHEMS.



ENVIRONMENTAL PERFORMANCE



At KPI and its Affiliates Health and Safety is our Top Priority.

Being one of the Major players in the Oil Industry, it is also our responsibility to run an environmentally safe operation.

Historically, oil has always been related to pollution, however, with modern science and research, technologies has been developed to reduce such pollutants. Waste is reused, and energy saved.

Our research and technology center is one of the leading institutions in Europe that helps develop and study clean fuels projects, and participates in Non-Governmental bodies to discuss and develop future fuel specifications.

We want to be recognized as a company that takes its environmental responsibility seriously.

In this report we have reported our NO_x, SO₂, CO₂ emissions. As well as our water treatment volumes and paper usage in our office.

KPI is actively engaged in Reducing Green House Gases (GHG). And we believe that we should do this in both the manufacturing and marketing sectors.

It is also our initiative for the coming years to educate our employees and communities on how to help reduce GHG each on their own way.

MINIMIZING THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITY

By stringent enforcement of routine maintenance, monitoring, inspections and audits, combined with the adoption of best practice and leading technologies, KPI takes every reasonable precaution to mitigate risks from arising at its operations.

We maintain a Register of Environmental Impacts. Crucially, we undertake rigorous measures to alert our SHE teams us at the earliest possible opportunity of any potential reduction in the effectiveness of our risk mitigation strategies.

This demonstrates that at KPI we do not simply rely upon self-regulation but have a long established practice of calling upon industry leading companies to undertake compliance audits.

As an example of this, our Europoort Refinery operates to the following standards and certified systems:

- ISO 9001 for quality (more than 15 years).
- ISO 14001 for Environment.
- ISO 50001 for Energy.
- ISPS for security.
- ISRS 6 level 8 for Safety.
- IVG for inspection.

REDUCING EMISSIONS

As part of the extensive monitoring programme undertaken by KPI's control rooms it has been possible to maximize the effectiveness of the Tail gas Clean-up Units that are fitted to our Sulphur Recovery Units (SRUs). By utilizing this technology and working on the Super Claus principle it has been possible to reduce the levels of SO₂ emissions. Another example of the intensive control room monitoring programme is the use of cameras as part of the Leak Detection And Rectification (LDAR) programme. We have an ongoing programme of replacing our old boilers with 'low NO_x' models, and this initiative has already resulted in our largest furnaces and boilers operating low NO_x burners which are installed according to best available technology. This, combined with the fact that KPI is an all gas Energy System, has resulted in reduced levels of both SO_x and NO_x emissions.

THE MONTREAL PROTOCOL

The Montreal Protocol requires the phase-out and replacement of environmentally damaging

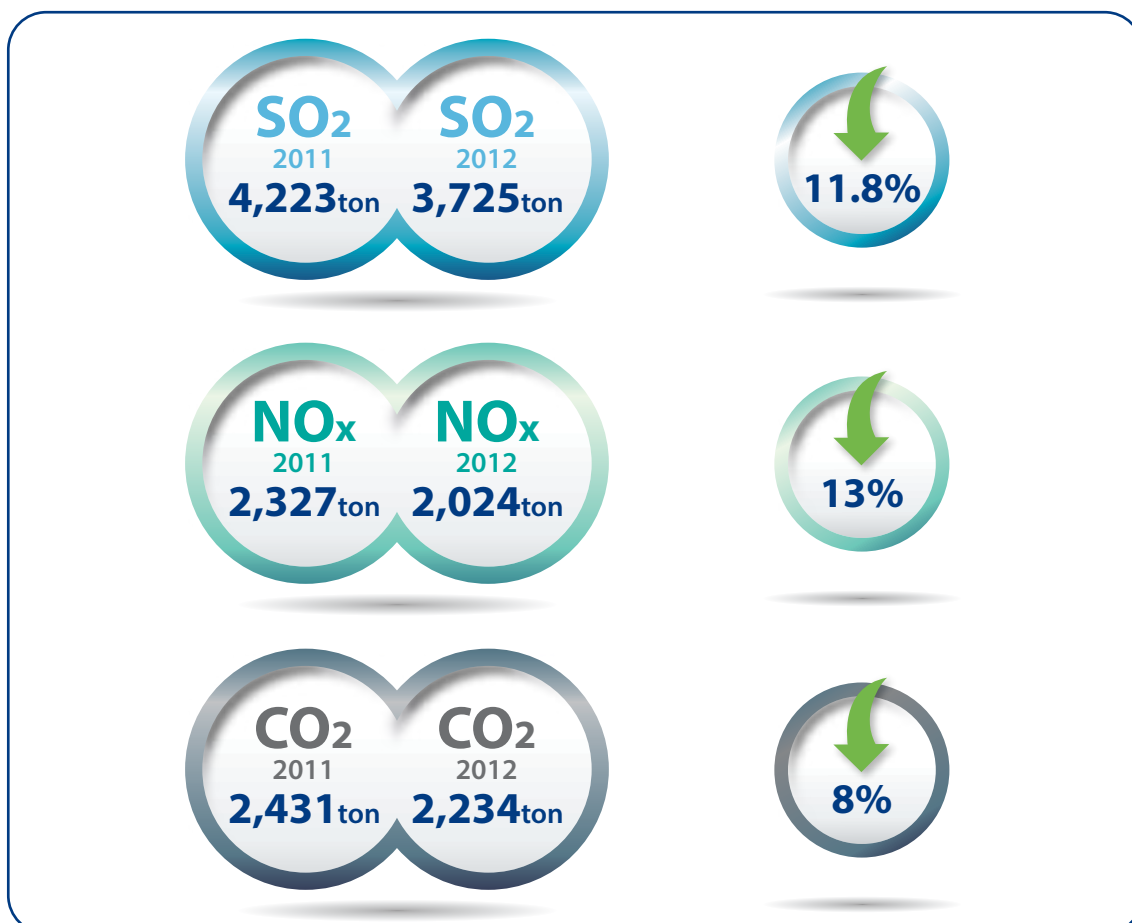
refrigerants such as Halon gas. As a signatory to this protocol Kuwait is committed to this important measure aimed at limiting ozone depleting substances and KPI along with the other subsidiaries of the Kuwait Petroleum Corporation, is continuing its planned phase – out and replacement of environmentally damaging refrigerants and has already removed all Halons.

EFFLUENT

Our effluent treatment plants enhance the quality of treated effluent ensuring we meet or exceed the standards set by the relevant European Union legislation. Data on this performance is overseen by KPI's corporate HSE department, as is the OUs' performance on emissions to air, waste and soil contamination.

Our efforts to limit water pollution has reached a level whereby the only water emitted is Tested and Cleaned water; also reusing more than 20% of cleaned water has the added benefit of Reducing the cost levels of water consumption.

We recognize the serious environmental impact



* Emissions & water report is for combined refining data

that a major leak would cause and our tank dyke system ensures that each dyke is capable of withholding a volume that is at least 110% of the volume of the corresponding tank. The Dyke System is part of our environmental inspection programme.

CONTINGENCIES

KPI's Major Incident Procedure Plan is part of our management system across all our OUs. We perceive the plan as a 'living' document that is continually being evaluated. This evaluation can be stimulated in various ways, for example following an internal drill, a Government inspection and a review is always carried out after an incident. We also act proactively and evaluate the plan in light of incidents outside of KPI and in response to changes in technology, best practice and impending changes to legislation.

KPI's specialized oil spill teams are tasked with cleaning up any spills around the coasts of Milazzo and Europoort refineries. We are extremely proud to have not had a major oil spill at either of our refineries, but KPI considers it a moral responsibility to clean up any oil that comes onto our coast line regardless of its source, but thankfully that too has seldom occurred.

LIVE LINK INITIATIVE & PAPER CONSUMPTION

KPI head office uses paper produced from the trees of KHAN-NA, a sustainable and environmentally friendly source of wood produced in the Kingdom of Thailand. The KHAN-NA, are trees farmed from the

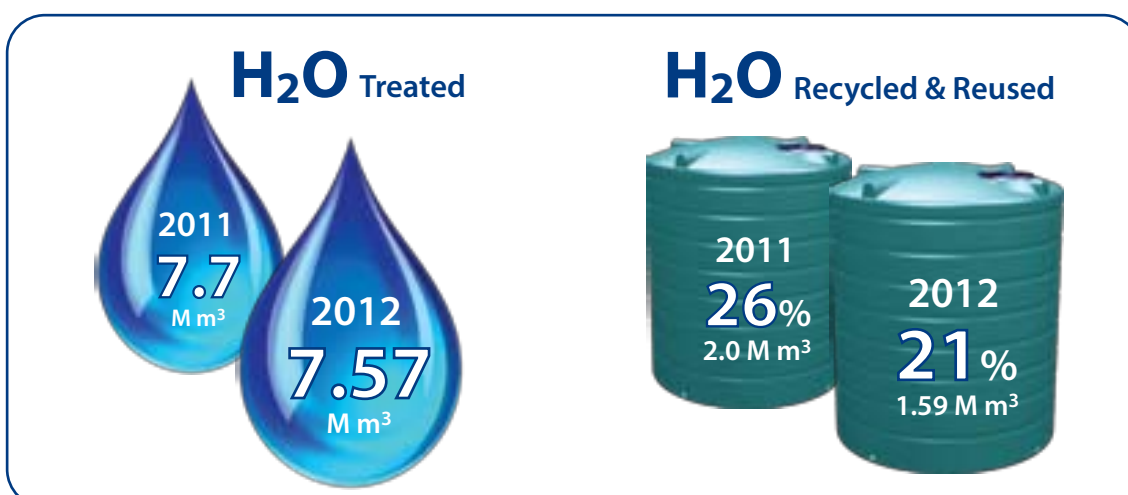
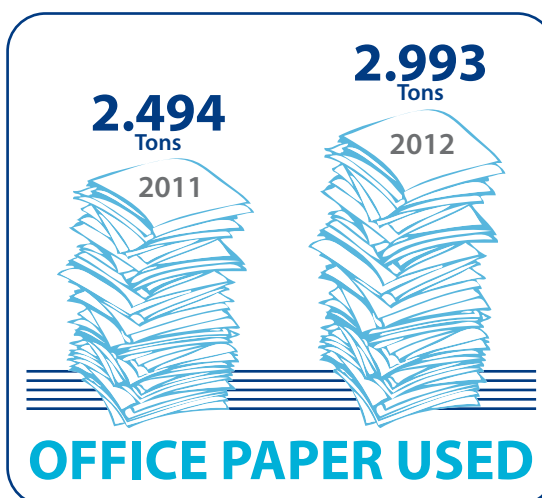
unused land between Rice paddies, It absorbs carbon Dioxide and Reduces GHG. It also help employ more people within the farming communities, without affecting the Food planting land.

Each Reem of paper manufactured Reduces 12.5Kg of CO₂. For 2012 our purchases have helped reduce 15 Tons of CO₂ vs. 12 Tons last year. Further, production of our office paper is used to generate Renewable Bio-Mass electricity and Steam for use in the Thai paper Mill.

At KPI head office to reduce the paper waste we have introduced the "Live Link system" where some paperwork is done electronically.

Consequently we have also followed the paper consumption which has increased in 2012 by 20% or 499 Kg compared to 2011.

We will present to the management an initiative for our future reports to follow the paper consumption all over our Global affiliates and set an annual reduction target to be achieved.



* All Cleaned and Treated water is discharged into surface water

ALTERNATIVE ENERGY

Our mother company KPC is investigating various forms of low carbon energy production. A new committee focused on investigating long-term involvement in renewable energy is currently being formed, and will be led by some of the most senior staff within the organization. This is a new priority for KPI and we expect the progress in this area to be rapid.

KPI's Italian marketing subsidiary KUPIT has been in the vanguard of efforts to develop CO₂ free service stations and demonstrate that adopting sustainable business practices can make sound business sense.

The pioneering work is aptly known as Project ZERO (Zero Emission Retail Outlet) within Q8Italy. Q8 Italy considers its environmental initiatives valuable in their own right as well as a strong visible demonstration of its corporate social responsibility towards the communities it serves.

Project ZERO aims to develop a network of service stations that operate with zero carbon emissions. Started with a pilot of 20 Q8Easy unmanned stations, the current target is to achieve 110 sites that are independently certified as being CO₂ emission free, but the project can also be extended to any manned site. The 110 sites are the equivalent of 2.5% of our total retail system.

KEY POINTS OF PROJECT ZERO ARE:

- A key factor in the success of the project was for Q8 Italy to be confident of securing official formal independent certification to confirm that each outlet was CO₂ free.
- Every aspect of site operations was assessed in terms of CO₂ emissions generated over its life cycle, using the Global Warming Potential measure, as defined by the Intergovernmental Panel on Climate Change.
- Project ZERO addressed two aspects of site operation:
 - Energy consumed in operating the sites.
 - The CO₂ emissions resulting from the fuel consumed by delivery trucks.
- Q8 Italy introduced a series of innovative initiatives to save energy and reduce emissions which achieved a 13% reduction in site electricity

consumption. These measures included:

- Installing solar panels on the canopy and buildings,
- LED lighting on the canopy fascia and buildings.
- Asymmetric lights beneath the canopy.
- However, the core activity of the project was the design and installation of photo voltaic plants connected to the public electricity grid providing about 30% of each site's entire electricity consumption.
- Where CO₂ cannot be fully eliminated by Project ZERO, the residual CO₂ is offset by the purchase of environmental credits, typically associated with creating and expanding permanent forests of carbon absorbing trees.
- Credits represent Verified Emissions Reductions and are verified by a recognized certifying authority in accordance with the Kyoto Protocol and United Nations Framework Convention on Climate Change.
- At present CO₂ emissions have been reduced by approximately 1700 tones.
- It is estimated that when all 110 Project ZERO sites are finalized, CO₂ emissions will be reduced. By around 7,600 tons per annum—equivalent to the amount of CO₂ emissions generated in a year by the energy consumption of a community of 1,500 people in Italy and will involve planting 55,000 new trees in National, Regional and urban parks throughout Italy as part of the carbon offset.

BIO-FUELS

KPI as part of its Environmental initiative has met all Bio-Fuels and Traceability Requirements. Our Fuels are blended with Max 7% FAME into Diesel, Max 5% Ethanol into Gasoline, and Max. 14% ETBE into Unleaded Gasoline.

We are also extremely proud of our OKQ8 environmental Fuels which are more stringent than the remaining European specifications.

During 2012/13 KPI system managed to blend more than 300K m³ of Bio-Fuels. With all sources traced and registered with the appropriate governmental agencies.

MILAZZO MARINE AUDIT

Q8 refinery's high environmental performance

Across all its operations, KPI endeavours to not only meet statutory environmental standards, but where feasible, to exceed them. We take great pride in this ethos and high amongst our achievements has been the recent independent assessment of our environmental performance at our Milazzo Refinery. It is a great credit to everyone involved that our operations are being conducted to the very highest standards of sustainability.

The Gulf of Milazzo has a strong tourism industry that is an important activity within the local economy. The Gulf also hosts not only the refinery but other large heavy industrial complexes.

Research has confirmed that Q8's operations at the Milazzo refinery have minimal environmental impact on its surroundings in the Gulf of Milazzo, which is one of Italy's most beautiful coastal regions.

As part of its corporate social responsibility programme, the refinery's management company (RAM) supported the Ministry for the Environment's Institute for Environmental Protection and Research (ISPRA) to conduct a scientific research to assess the quality of the water in the Gulf of Milazzo, in particular around the refinery.

The objective of the research was to reassure the citizens and general public that the refinery operations although significant have virtually no negative impact on the Gulf of Milazzo waters.

The independent research was conducted using state of the art research techniques, which included measuring pollution levels by assessing the biodiversity of fish and health of other aquatic species as a proxy to measure pollution and the general the health of the sea.

The results of the research turned out to be extremely encouraging and testimony to the positive effects of our operations at sea, with marine biodiversity exceeding the Scientists' expectations in terms of variety, quantity and the lower than anticipate levels of pollution within the water and tissue samples.

Results were presented at a meeting hosted by a leading Italian journalist and attended by the Mayor of Milazzo, together with representatives of the National Centre for Research, universities of Messina and Sienna, the Environment town Assessor and RAM.

Our Milazzo refinery is one of Europe's most sophisticated refineries and is ISO 14001 certified signifying the highest standards of environmental management, something that has been validate by the findings of this independent survey Furthermore, the research enabled RAM to showcase its commitment to HSE and emphatically demonstrated the benefits for the local community arising from KPI's high level of investment in environmental protection made over the past ten years.



Alessandro Gilotti
Chairman of RAM and Managing Director
of Kuwait Petroleum Italia

"We have made a substantial investment over the past decade in environmental protection at the refinery. We are delighted that these positive research results confirm the success of our efforts and provide valuable reassurance to the local community and authorities."

OPERATIONAL HSE RECORD

Our refinery in Rotterdam's Europoort District has been operating for over 50 years yet through comprehensive adoption of best safety practices we have maintained the very highest standards of HSE.

Europoort has an outstanding safety record which includes a period of 4.5 years without a single day being lost by an employee as the result of an accident at work.

KPI's Major Incident Procedure Plan (MIPP), and the MIPPs for each OU, underpin the company's response to any emergency and provides the framework for our initial response to a crisis situation. As a result of longevity, and because of repeated drills with different scenarios and complexities (different tiers according to severity) there is a familiarity with the documents across KPI that ensures key personnel are comfortable using it in all circumstances. The MIPP covers notification and call out procedures, roles and responsibilities, coordination within emergency centres and evacuation planning. It is activated in the event of injuries to personnel, process incidents such as explosion or a release of toxic material, or a security incident such as a perimeter breach or a bomb threat. Incidents are according to the following categories:

- A Minor incident is one that can be dealt with effectively by the site personnel and the refinery fire crew responding to the incident, using the equipment and resources that are readily available.
- A Category I incident is one that requires more than one fire crew to bring it under control, but which can still be dealt with effectively by the resources of the refinery concerned.
- A category II incident is one that requires a response beyond the scope of the resources of the refinery and hence requires assistance from outside agencies for effective containment.
- A category III incident is one which may have serious effects beyond the site boundary of the refinery. Such an incident, possibly an explosion or toxic gas release, may require the evacuation of the site or specific warning to the nearby general public.

However if a single event is of sufficient size, or if one event turns into a series of issues that begins to challenge our ability to bring the situation under control, it may be that a crisis is declared.



KPI's Crisis Management Plan will then be put into action in order to meet our responsibilities. We have established a truly world class set of procedures, this follows on from our Crisis Communications Manual. Our key goal is to ensure resilience.

It is important to understand that a crisis is unpredictable and a plan must be flexible enough to deal with any threat to the integrity of KPI's operations. This may be an accident, but it could also be a reputation issue. At each OU a command centre for higher management has been selected for such cases and for our head office provision is made to turn a conference room into a nerve centre to coordinate the response and handle any company level activity as part of the Crisis Management Plan.

With operations in countries across Europe and Asia, ranging from refining, retailing, aviation fuels to specialist lubricants and bitumen, KPI requires the necessary licences for each country and to comply with the legislation relating to that country. KPI and its affiliates has achieved accreditation for the following HSE related international standards:

1. ISO 9001
2. ISO 14001
3. OHSAS 18001
4. ISO 50001

The adoption of ISO 14001 will assist KPI to continue minimizing the risk of regulatory and environmental liability fines. We also feel that ISO 14001 will assist us in improving our efficiency and lead to reduced consumption of resources, less waste, more re-cycled waste and lower operating costs.

We have always been proud of the professionalism and dedication of our internal security and emergency services, all over our operating units.



BELGIAN FORECOURTS REDUCING CARBON FOOTPRINT

It is important, to recognise that good environmental policies can have a positive impact upon profitability as well as reducing the carbon footprint associated with our activity. A good example of this has been Q8 Belgium undertaking CSR initiatives aimed at reducing operating costs by adopting environmentally friendly measures to reduce the amount of energy consumed at its service stations.

Q8 Belgium was at the forefront of adopting environmentally friendly practices that have since become the accepted standard. Concepts introduced by Q8 Belgium include only using closed refrigerators and low energy LED lighting in their service station shops and providing free advice to customers on how to obtain better fuel consumption that every driver can implement.

Q8 Belgium pioneered an environmental initiative by becoming the first oil company in Belgium to install solar panels at its unmanned service stations - all 53 of the Q8 outlets in the country. Such energy saving measures are significant and with around 2,300m² of solar panels now installed over all the service stations, it is estimated the measure will reduce Q8 Belgium's carbon footprint by a staggering 115 tones per year.

Integral to these CSR initiatives has been Q8 Belgium's comprehensive media and communication strategy that has ensured the energy initiative and the safe driving campaign is given maximum publicity. This has included using the company's web site, the intranet, giving presentations, publicizing via social media as well press articles and trade publications, brochures and making sure that a leaflet was available at every point of sale.



KPI'S LONDON OFFICE IMPLEMENTING ENVIRONMENTALLY FRIENDLY INITIATIVES

KPI's London office is located at KPC House, 45 Pall Mall, on a street with many old and famous buildings. The KPI office embraces the tradition and heritage of its premises but has also sought to adopt and incorporate environmentally friendly technologies and work practices. Offices are, by their very nature, consumers of resource and at times of extreme weather that consumption can rise considerably as this beautiful winter scene of our London office conveys.

KPI London has introduced a growing range of initiatives aimed at reducing the ongoing carbon footprint of the office and its activities. Over a period of many years, these environmentally conscience decisions have built upon the growing importance of CSR within KPI as well as acting upon the wishes and concerns of a key stakeholder – our employees. Actual carbon footprint will be calculated during 2013/14 cycle.

The result has been to create a workplace culture where actively minimizing the environmental impact is part of everyday life and an essential element of our business culture. This culture means that:

- Employees make it a habit to switch off the office lights during lunch break.
- At the end of each day, employees instinctively shut down and turn off computers, screen, printers and coffee machines/ electric appliances to save on energy.
- KPI's London staff always print double sided, saving not just paper, but electricity too.
- Use of energy efficient illumination.

To further reduce the office's carbon footprint, KPI London has recently switched to more environmentally friendly printers that use less energy, less ink and therefore enhance our efforts toward sustainability.

The workplace environment has also benefitted from the introduction of a managed in-door plant contract that has seen plants being placed on every floor and in each office for a healthier & greener environment.

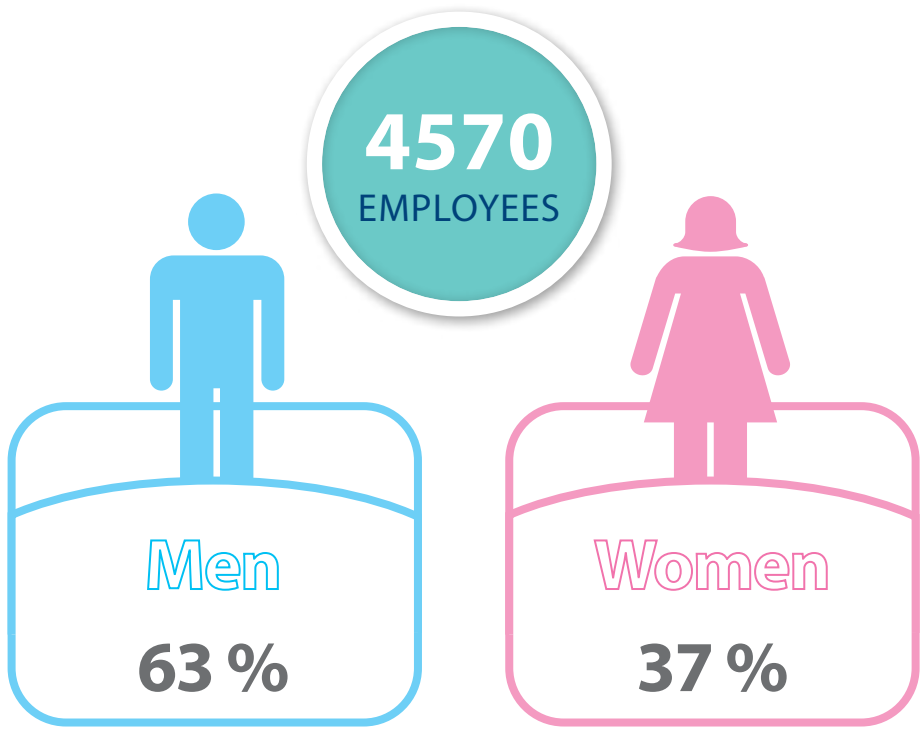


(Photo courtesy of Mr. Giulio Minotti)

OUR PEOPLE

At KPI we believe our people are our greatest asset. That is why we reinvest so much of our resources into training and education.

KPI is committed to ensuring the best possible working conditions for its people, and to introducing progressive employment policies that recognize talent regardless of gender or race. Basic pay at KPI is the same for female and male employees.



CODE OF CONDUCT AND ETHICS

The first pledge of the Code of Conduct states “I pledge to respect my colleagues regardless of their nationality, race, religion, or gender”.

KPI has a very strict code of conduct, which is largely uniform across the KPI subsidiaries and published on the company Intranet.

The Code of Conduct contains detailed passages on business ethics, conflicts of interest, bribery and corruption, and strict rules on staff behavior that demand all employees uphold the highest standards of integrity and personal conduct in relation with colleagues, vendors, customers, contractors, governments agencies and the public.

Any employee who feels that rules have been breached, or that they have been personally harassed is able to contact the Compliance Officer in the strictest confidence. There is also a new online form that lets employees report HSE breaches anonymously.

KPI has started training all employees through a computer simulation program to learn about the company corruption and ethical policy. It is mandatory for 100% of all employees to take this computer test.

This initiative has started with our mother company and its subsidiaries, as well as KPI head office in Kuwait, and will expand to all KPI affiliates in the future.

STRUCTURED ON THE JOB TRAINING (SOJT)

A highly structured approach to training is being trialed within KPI's Operating Units, as part of a drive to ensure that staff training is as effective and cost-efficient as possible. A Working Group headed by Joke van Wieringen, KPI Training and Development Manager and comprising representatives from across the Operating Units, is already developing a two-year structured training programs for graduates.

The programs will provide a unique opportunity for those colleagues to gain an insight into the complexities of KPI's business through exposure to a wide range of activities across different Operating Units and countries.

Currently there are five SOJT programs:

- **Marketing,**
- **Manufacturing,**
- **Finance,**
- **Audit,**
- **Supply.**

Each program comprises a series of modules designed to provide learning through practical activities and backed up by regular assessments to check understanding. The modules will give the graduates a broad understanding of KPI's business in Europe as part of their wider development within the company. Joke Van Wieringen comments: ‘Many of our colleagues across KPI are already developing the work elements of the programme and many more will become involved as we seek mentors from the Operating Units to support and guide the graduates in their training. We very much appreciate everyone's support in what is a true team effort.’



CORPORATE TRAINING FOR TALENTED EMPLOYEES



At KPI we believe that our people are our greatest asset and are proud of our efforts to develop talented people within the company.

Q8 Corporate Academy, our training program for talented employees from young graduates to senior managers, aligns training with the needs of the business and at the same time supports our Corporate Social Responsibility objectives.

“Ensuring that we have a strong training program in place to provide our talented people with the business skills and competencies they need to do their job effectively and to progress within the company is critically important. This is directly in line with KPI’s business and CSR objectives and a valuable investment in the future.” Yousef Al-Yateem, VP Europe.

Q8 Corporate Academy encourages participants to ‘learn through doing’ and to take responsibility for their own personal development. In addition

to using the latest training techniques, the courses incorporate real-life projects that are designed to make a genuine contribution to local communities.

In the Q8 Work style workshop, participants spend a day leading an educational game for a class of primary school children. As well as supporting a local school, the task of leading, organizing and encouraging young children helps to develop valuable management skills. The ability to coach individuals and teams is an important attribute for KPI managers. Rather than simply learning about this through lectures and discussions, candidates on the Q8 Middle Management Programs have been set the challenge of coaching students from Sussex University in employability skills. This exercise takes place in participants’ own time, between the two modules of the courses and continues over several months. With high levels of youth unemployment in the UK, support from KPI

managers is greatly welcomed by young people seeking their first job.

“The Middle Management program was a real success. The course is very motivational and it’s great to know that KPI recognizes everyone’s potential.” Philip Young, Project Manager KPI. KPI is also working in partnership with the National Trust, the UK’s leading conservation charity, on the most extensive project the charity has ever undertaken to repair and restore Knole, one of England’s most important historic houses dating back to the 16th century. A key part of the project involves building a new conservation studio and a learning center to teach traditional craft skills. Participants on Q8 Middle Management are researching similar projects from Europe and the

Middle East, so that the National Trust can benefit from international best practice and find potential partners for funding.

These real-life projects contribute significantly to communities while at the same time helping to develop vital skills of teamwork and working effectively as part of a multi-cultural group. The latter is of great importance in KPI, where more than 25 different nationalities are represented amongst employees.

KPI’s strong ethos of CSR and career development

is an important factor in employees choosing long-term careers with the company.

10 per cent of employees have worked for KPI for more than 25 years, which is a strong evidence of the sustainable culture the company has.



Staff Average Training Hours

2011

29.2

hrs/yr
per person

2012

35

hrs/yr
per person

THE WAY FORWARD

The year 2012, focused on European business Integration, stakeholder and sustainability engagement, and establishing new standards that will make our business safer, and more environmental. In the Far East our focus is still on expanding the business, and getting the projects on their feet, regardless of delays and unforeseen circumstances seen this year and last.

We continue to keep priorities for our Company, which involve our people, health and safety, and the Environment. We will also endeavor into a global expansion through conducting ethical business with multinational partners.

Later this year we will launch a sustainability platform on our Company Intranet site "Forecourt". It is our intention through this platform, to enhance our company understanding of our area of focus, and will further define our CSR initiatives.

We are also looking forward into enhancing our next environmental, health and safety targets.

Starting this project made it clear that there is much work to be done in the coming years, and we believe that with our greatest asset, our employees, we can manage to be constantly better.

Further our CSR team has plans to introduce to KPI's management a plan for the next reporting cycle to expand our reporting disclosures. Introduce larger goals, targets, initiatives that will involve more of our operating units.

We will also present to the board the possibility for joining the "GRI Organizational Stakeholder program".



GRI APPLICATIONS LEVEL CHECK



Statement GRI Application Level Check

GRI hereby states that **Kuwait Petroleum International** has presented its report "Q8 Corporate Sustainability Report" (2013) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 July 2013



Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 18 July 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Cautionary Statement

Forward statements in this report are based on current management plans and expectations. These statements are not promises of future policies, and are subject to many factors, many of which are beyond our corporate control.

The statements mentioned in this report are intended to cover only as of the date of this publication.

There are always limitations to the accuracy of the environmental and social information collected and used in this report. The organization will endeavor to enhance our data collection methods by improving our internal processes.

Information used in this report is not intended as a reference or reliance for use by any third party. The organization will not be responsible whatsoever for the use of this data by any third party.

Acknowledgment & Thanks: CSR focal points, SHE focal points, Communications focal points, Legal Team, OU's HR teams, Stakeholder Management Department, & all KPI employees who supported this project.

Photo Credits: Q8 Communication library, unless otherwise stated.

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EN20	NOx, SOx, and other significant air emissions		25
EN21	Total water discharge by quality and destination.		26
EN23	Total number and volume of significant spills.	No major spills, during the reporting period	24, 38
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, by gender		9, 12 - 14, 32
LA10	Average hours of training per year per employee		35
LA12	Percentage of employees receiving regular performance and career development reviews	100% of employee, both male and female	14, 38
Social: Society			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Project Zero will affect 2.5% of Total Retail System	27, 28
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	http://www.q8.com/content/corporate-responsibility/Pages/our-values.aspx	33
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		18

Partly reported
Fully reported

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