



THE BUSINESS PLEDGE

SETTING TARGETS FOR SUSTAINABLE & RESPONSIBLE GROWTH

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This report details how GPIC uses a three-pillar strategy in-line with the SDGs across its operations to ensure sustainability and cohesiveness. This approach is underscored by GPIC's commitment to social responsibility through ambitious target achievements, a drive to outdo previous outcomes, and to promote social, environmental, and work-related safety measures within their organisation.

THE THREE SUSTAINABILITY PILLARS

Gulf Petrochemical Industries Company (GPIC) is a petrochemical manufacturing company operating out of Kingdom of Bahrain and is owned by 3 governments; Kingdom of Bahrain, Kingdom of Saudi Arabia and State of Kuwait. GPIC has formed their sustainability strategy based on three pillars of sustainable development: people, planet, and profit. Each pillar corresponds to a notion that is upheld by GPIC:

PEOPLE

corresponds to social responsibility or "giving back" to society at various levels.

PLANET

corresponds environmental stewardship or the usage of natural resources with sustainable and ethical practices.

PROFIT

corresponds to two elements within GPIC: Financial stability and operational excellence. Whereby GPIC's staunch belief in the idea that operational excellence will ultimately lead to financial stability and ultimately profitability.



One reason why the three pillars constitute GPIC's sustainability strategy is to ensure cohesion between them. The three pillars serve as equally important cornerstones for success as a way to balance stakeholders' interests, environmental concerns, and business interests. The sustainability pillars serve as the foundation for GPIC's business model whereby any operations and activities take into account the wellbeing of the stakeholders, the environment, and the business itself. When it comes to the business model, the three pillars are converted to the "triple-bottom line" approach, whereby success is not only measured by profitability but also environmental impact and social responsibility.

MOTIVES BEHIND THE THREE PILLARS

Why the triple bottom line approach?

The vast majority of the profit-making institutions exist solely to make profit. Their success is measured by their bottom line, therefore, if they are not profitable, they are not successful. GPIC's approach differs in the sense as they believe in "giving back" to the community and making sure that future generations are not compromised by actions taken today. As a company that exists and operates in Bahrain, GPIC believes in utilising the resources of the country such as the land and the human capital.

Under the principals of "give and take", believing that the company should give back to the country for utilizing the system. To date, GPIC has contributed over \$4 billion to the Bahraini economy in various forms. GPIC strongly believes that while profitability is vital for the success of a business, it should not be the only goal. At GPIC, the most valuable asset are their people. GPIC believes that "people are the human capital of every company" and every company must take care of their people. As any asset, GPIC believes that it's people are worth investing in and does so in various ways. GPIC's measures of success goes beyond profitability by adding people and people as equal measures of success. Therefore, GPIC's success is measured by significant progress in all three pillars. The triple bottom line approach has always been adjusted so that it can updated to be aligned with external factors.

When the UNGC's ten principles were unveiled, GPIC committed themselves to observe them along with the six Food and Agriculture Business Principles and the seven Women's Empowerment Principles. The recent Sustainable Development Goals were no exception. GPIC set forth the various ways in which they can contribute in achieving the SDGs. Currently they have established various programmes with measurable targets to show their contribution to achieve 14 of the SDGs. It is indeed exceptional that GPIC's philosophy of looking beyond profitability and taking care of the society and the environment has allowed it to align itself with various global goals with such ease.

"We want to take care of our people and the community as well as the environment. That is why we put goals for ourselves for profitability, for people and for the environment."

Dr. Abdulrahman Jawahery
President, GPIC

IMPLEMENTATION OF THE THREE PILLAR APPROACH

To be successful with the "triple bottom line approach" GPIC embraces two philosophies:

- 1. Setting ambitious but measurable targets to measure progress and achieve profitability, social and environmental enhancements through the triple bottom line approach.**
- 2. Self-benchmarking process, whereby GPIC aims to compete with itself to outperform previous results. Through internal and external audits, GPIC evaluates its performance, interprets the results and attempts to enhance their capabilities.**

Finally, GPIC involves everyone within their business model by obtaining feedback from various internal stakeholders as well external stakeholders from the local and international communities to understand their needs and to determine how GPIC can contribute. As Dr. Abdulrahman Jawahery states: "The world is a small village and we are a local company with a global impact" One of the many ways GPIC achieves operational excellence is through their "level of produce". Through a benchmarking process, GPIC challenges themselves to produce at their best capacity. As Dr. Jawahery notes, "Without producing, we cannot sell, therefore, the level of production serves as a direct measure of how well the business is doing."



Safety is another vital aspect to ensure success within GPIC. Any harm to the people, machinery, and the environment will ultimately harm GPIC. GPIC has embedded themselves with a myriad of safety procedures to ensure that time, money, and efforts are not wasted in avoidable incidents. Therefore preventative measures are taken if any incident shows the potential to be dangerous to the plant and the people. GPIC measures the impact of such incidents using lost time accidents KPI that is how many hours of work are achieved without any lost time accidents. They have achieved more that 27 Million hours of work without any LTA.

To increase the capabilities of their employees, GPIC has developed their own training center where fresh graduates go through rigorous training and development to make them more "Gpicsable". Gpicsable is a term coined to refer to the culture of a sustainable knowledge-based organisation where creativity, innovation, and self-development is encouraged.



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The cornerstone which drives those who work at GPIC and makes people the center of GPIC is their governance and ethics. This ensures sustainability of the Gpicsable culture through various committees, allowing people to participate in operations and decision making within the company. People must be part of the decision making process of the company because they know the business better than anyone else. The Training, Development and Mentoring Committee is responsible for overseeing all forms of training as well as recruitment to always have an effective "succession planning" for the company's sustainability.

IMPACT OF GPIC'S SUSTAINABILITY STRATEGY

With their dedication in serving the local community as well as cementing their role in achieving the global goals, GPIC has shown staunch commitment to their triple bottom line approach. The impact of the various measures taken by GPIC to balance each sustainability pillar are visible. When it comes to operational excellence, GPIC has shown to be consistent in terms of production and safety. GPIC's annual contribution to the Bahraini economy has been well over \$200 million in the last few years through various sponsorships, donations, projects, purchases, and many local services it utilizes. When it comes to the "people", GPIC has conducted 1752 events from 2010 to 2016 to train and develop their employees in various practical skills with a steady increase in the number of trainees over the last several years. Finally, GPIC's efforts have been recognised locally and internally various aspects of their business including human resource, social responsibility, and business excellence.



1 TRAIN AND DEVELOP HUMAN RESOURCES



2 CONTINUOUSLY IMPROVE WORK ENVIRONMENT



3 INTERACT WITH ALL STAKEHOLDERS



4 ACHIEVE OPERATIONAL EXCELLENCE



5 UTILIZE RESOURCES IN THE BEST WAY POSSIBLE



6 CARE FOR THE ENVIRONMENT



7 SERVE THE COMMUNITY