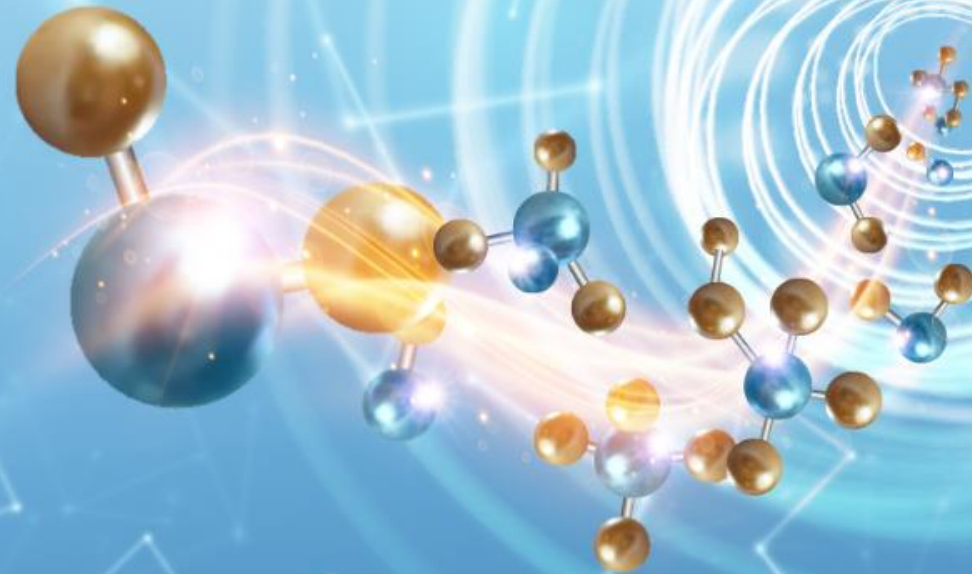


THE CHEMICAL INDUSTRY IN TRANSFORMATION: A NEW JOURNEY BEGINS



CHEMISTRY THAT MATTERS™



INTEGRATED ENTERPRISE RISK MANAGEMENT

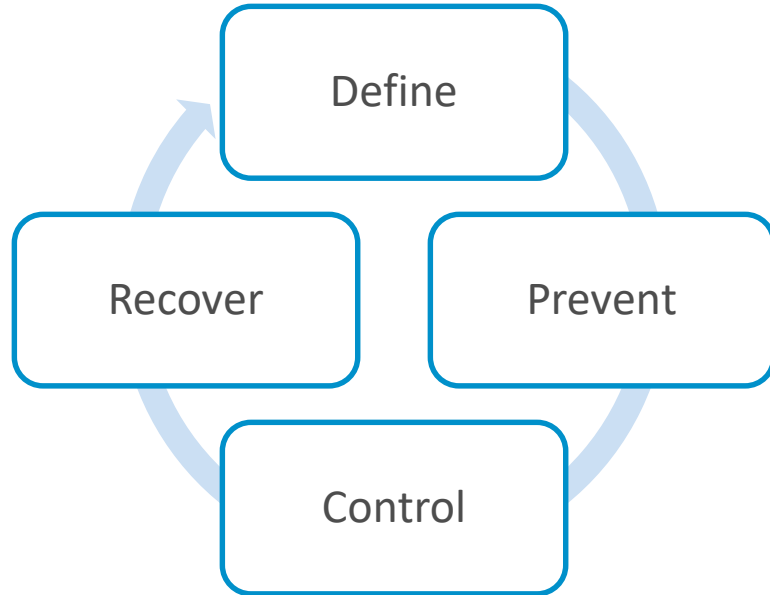
GULF PETROCHEMICALS & CHEMICALS ASSOCIATION

MOSAED AL OHALI

EXECUTIVE VICE PRESIDENT – CORPORATE FINANCE

November 28, 2017

INTEGRATED ENTERPRISE RISK MANAGEMENT



- Risks and Drivers
- Safety
 - Environment
 - security
 - Social
 - Financial
 - Compliance /Legal
 - Strategic
 - Growth
 - Etc.



Integrated ERM Eco-System

- 1 Leadership
- 2 Governance
- 3 Culture
- 4 Management Systems



Management Systems

- EHSS
- Compliance
- Internal Controls
- Business Continuity
- Insurance Coverage

LEADERSHIP CHALLENGE TO CREATE THE CULTURE

As a leader, do you get a feel of being in control?

Sustained Sense of Vulnerability – KPI's can be misleading.

Managing risks comes from successful board/field collaboration and transparency.

Proactive - Risk Analyze system, plans and targets.

Organizational Capabilities:

- Risk Recognition – Dynamic Discovery;
- Early/weak signals and detective controls;
- Effective learning – technology drives higher complexity.

A MIND-SET: VIEWING RISKS HOLISTICALLY

Categorization of incidents per type of risk is inefficient.

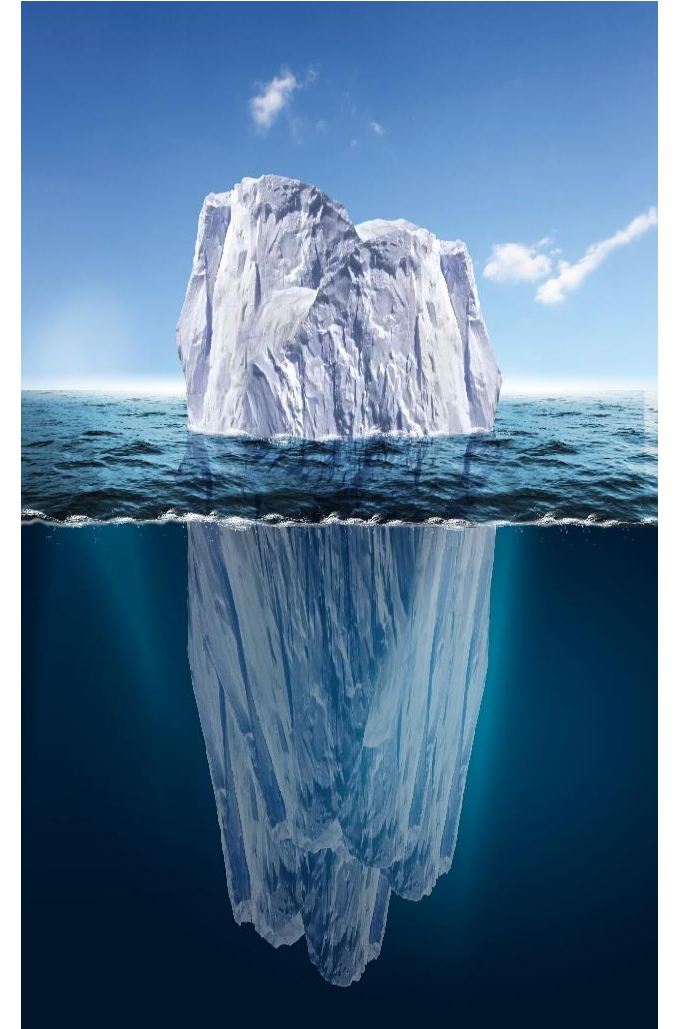
Look at incidents holistically. All incidents have multi-faceted risk impact. (Safety, environmental, security, social, financial, legal, etc.)

However, “small” incidents can easily be “categorized” as single-risk impact.

For massive incidents, multi-faceted risk is clear.



Create a comprehensive risk management culture prevent incidents at the lowest possible level eliminate chances for the Big One



GOOD RISK MANAGEMENT BRINGS VALUE

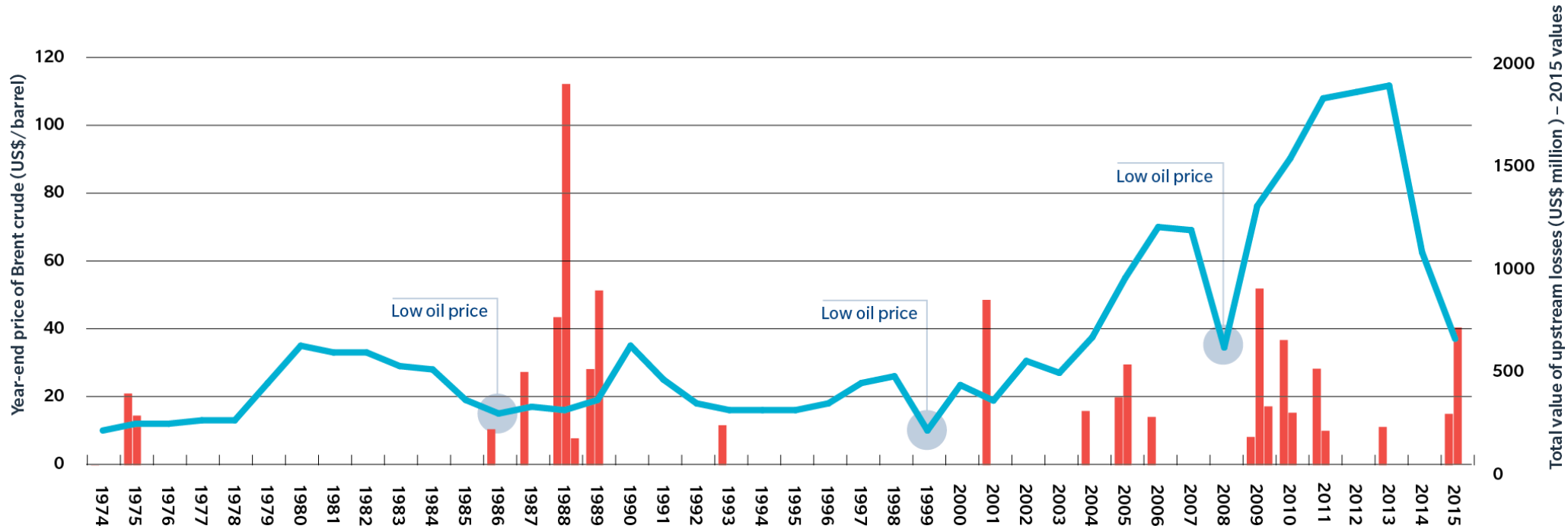
Global Companies OSHA Incidence Rate (IR)



Low IR translates into values: reputation, brand, customers, employees, societies, regulators, shareholders, financials, etc.

RISK MANAGEMENT DOES NOT COST – IT PAYS

100 Largest Upstream Losses – Fluctuation in Oil Price



- Business environment challenges can impact decisions on risk control measures and improvements.
- Cost saving initiatives vs. healthy and effective risk controls.

FINAL THOUGHTS / TAKE AWAY

- Risk Controls deterioration could come with a significant impact on all stakeholders
- Sense of vulnerability needs to be always maintained by leaders
- Learning Organization with dynamic Risk Discovery and weak/early signals capabilities
- Be more cautious of the health and effectiveness of the risk controls when the business is challenged



THANK YOU

