

حديد الإمارات أركان
emirates steel arkan

Sustainable Decisions Sustainable Future

2023
Sustainability
Report





About this Report

We are proud to present the EMSTEEL BUILDING MATERIALS P.J.S.C. (EMSTEEL) 2023 Sustainability Report, our second since the merger of Emirates Steel and Arkan in October 2021. This report provides a comprehensive overview of our approach to integrating sustainability into our daily activities and operations and highlights our sustainability-related programmes and achievements in addition to our economic, environmental, social, and governance (ESG) performance with respect to the relevant topics of material importance to us and to our stakeholders. Our goals include the improvement of our accountability and transparency as a responsible company and the demonstration of our commitment to sustainability practices to our stakeholders by providing a clear and balanced picture of our current performance and what we aspire to achieve in future with respect to our sustainability journey.

Scope

This report covers EMSTEEL's sustainability performance for the calendar year 2023 and all of EMSTEEL's operations under our direct control in Abu Dhabi.

Reporting Guidelines

EMSTEEL followed Global Reporting Initiative (GRI) Standards to report for the period 1 January 2023 to 31 December 2023. The GRI is an independent international standards organisation that helps businesses, governments, and other organisations understand and communicate their impacts on issues such as climate change, human rights, energy, and corruption, among others. GRI Standards are the world's most widely used sustainability reporting standards. This report also aligns with the Certification Authority for Reinforcing Steel (CARES) Sustainable Constructional Steel (SCS) Scheme requirements, Abu Dhabi Securities Exchange (ADX) requirements, World Steel Association (WSA) requirements, and Task Force on Climate-related Financial Disclosures (TCFD), where applicable. In addition, several international and local frameworks, such as the United Nations Sustainable Development Goals (UN SDGs) and Abu Dhabi Economic Vision 2030, are referred to in this report to demonstrate our contribution towards the sustainable development of the United Arab Emirates and, in particular, Abu Dhabi. Emirates Steel (the steel business unit) has engaged with third party to conduct verification of several indicators in line with GRI, CARES, and ADX.

Let us hear from you

We believe sustainability is an evolving process, therefore, we would like to hear your feedback and questions on the content of this report and on our sustainability journey.

Contact us:



[emiratessteel.com](https://www.emiratessteel.com)

<https://www.linkedin.com/company/emirates-steel-arkan/>

<https://www.facebook.com/EmiratesSteelArkan/>

<https://twitter.com/EM-SteelArkan>

<https://www.instagram.com/emiratessteelarkan/>

<https://www.youtube.com/c/EmiratesSteelUAE>



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Message from the Group CEO



H.E. Eng. Saeed Ghumran Al Remeithi
Group Chief Executive Officer
Emirates Steel Arkan

This year marked a pivotal year for EMSTEEL as we solidified our position as a global leader in sustainable steel manufacturing. Under the theme of “Sustainable Decisions, Sustainable Future,” we have consolidated our strength and forged ahead on our sustainability journey. From establishing strategic alliances to actively participating in sustainability themed discussions and showcasing pioneering low-carbon solutions, EMSTEEL stands at the forefront of the global climate action arena.

Forging Pathways to Sustainability

As one of leading steel and building materials manufacturer in the region, we have made it our priority to drive sustainability in our industry. In alignment with this goal, this year we have joined forces with Masdar with the shared ambition of establishing the MENA region’s first green hydrogen demonstration project for the steel industry. This ground-breaking initiative aims to decarbonise the steel

sector to contribute to a greener and more sustainable future. If scaled-up, this transformative endeavour could drastically reduce CO₂ emissions in steelmaking through the use of green hydrogen, in clear alignment with the UAE’s vision of becoming a major hydrogen producer by 2031.

EMSTEEL actively participated at COP28, demonstrating our dedication to advance decarbonisation and sustainability. Our wide-ranging announcements, encompassing carbon markets, green hydrogen technology, and ESG digitisation tools, showcase our continuous efforts to build a thriving and sustainable ecosystem.

Reducing our Environmental Footprint

EMSTEEL has taken significant strides to decarbonise our operations, products, and supply chain, as evidenced by our 10% year-on-year reduction in our overall Group’s carbon footprint, in alignment with our decarbonisation efforts. Additionally, we’ve increased our energy consumption from renewable sources by 45% through clean energy I-REC certificates.

Furthermore, we strategically adjusted our product portfolio in 2023 to align with market demand, optimising resources, and lowering consumption. Building on this momentum, we have started incorporating more transparent reporting practices regarding climate change in alignment with both the Task Force on Climate-Related Financial Disclosures (TCFD) and the CDP (formerly the Carbon Disclosure Project).

Our overall score of “B-” not only places us ahead of the Asia average of “C” but also aligns us with the Metal Smelting, Refining & Forming sector average as reported in the CDP score report.

Building with Innovation, Investing in our Future

Our dedication to sustainability is essential for our long-term success and serves as a guiding principle for our growth. In 2023, we invested

approximately AED 9 million in technology and innovation to discover innovative and sustainable solutions. Our innovative ES600 rebar, a testament to our commitment to sustainable construction, is now commercially available and proudly used in the iconic Al Habtoor Tower in Dubai. This advanced, high-strength steel offers numerous benefits, including reduced steel consumption, decreased transportation demand, and substantially decreased CO₂ emissions compared to conventional rebar, making it a “material of choice” in eco-friendly construction.

Thriving Together, Building Trust

Emphasising a safe and inclusive environment for our employees, we acknowledge their pivotal role in our success. Our dedication to their well-being is demonstrated through our ongoing endeavours to create a thriving and engaging workplace. In recognition of this commitment, we won the prestigious Informa Connect “Best Recruitment & Onboarding Strategy” award at the Future Workplace Awards 2023. As a national manufacturing leader, we are committed in our support for the UAE’s Vision 2030, striving to bolster the local economy. Our efforts to provide ample employment opportunities for Emiratis are evident, having received the “Best Emiratisation Level in Manufacturing” award from The UAE Ministry of Industry and Advanced Technology. Moreover, we extend our support beyond our workforce, actively collaborating with local organisations and charities and invested AED 516,746 in 2023 to address pressing humanitarian, educational, and environmental needs in our community.

In 2024, EMSTEEL’s journey towards a sustainable future will accelerate with a focus on decarbonising the steel and building materials industries. We remain committed to reducing our environmental footprint through lower carbon emissions, and lower energy and material consumption. We will further integrate circular economy practices across our operations, propelling the steel and building materials industries towards a greener tomorrow.

Key Performance Highlights

This section outlines our key achievements in 2023, with a specific focus on year-on-year growth compared to 2022.

Our People & Communities

+35,416 training hours on the environment, health, and safety	78 emergency response drills Successfully conducted	241,582 training hours delivered 50% increase compared to 2022	Title winner: "Best Recruitment & Onboarding Strategy"
AED 516,746 spent on CSR	52,272 beneficiaries from our CSR initiatives	605 Emirati staff in our workforce	Award winner: "Best Emiratisation Level in Manufacturing"

Governance

Board of Directors comprises 86% Independent Board Members	AED 2,346 million total spent with local suppliers	Net profit increased to AED 602 million in 2023, 18% increase compared to 2022.
Zero monetary sanctions or cases of non-compliance with laws and regulations	Achieved Revenue: AED 8.9 billion in the midst of a challenging and volatile global economic landscape and its impact on commodity prices.	Zero complaints against EM-STEEL from our suppliers

Sustainable Production

Our products reach 70+ global markets	AED 9 million spent on Technology & Innovation	AED 34 million savings by implementing employee ideas through our Think Smart platform
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Preserving the Environment

10% reduction in total carbon footprint (scopes 1, 2 and 3)	Scored "B-" in CDP score report	45% increase in renewable energy consumed through clean energy certificates	15% Reduction in total waste generated compared to 2022	Started reporting according to TCFD ¹ and CDP ² platform
4% renewable materials used in our production	Planted 5,391 trees	44 environmental inspections conducted	Established our own definition for green steel product with low carbon footprint	Zero environmental non-compliance sanctions since operation

¹ The Task Force on Climate-Related Financial Disclosures (TCFD) is a framework established in 2015 to bring transparency into climate-related risks and opportunities for businesses. TCFD was disbanded in 2023 and its core principles are now embedded in International Financial Reporting Standards (IFRS).

² The Carbon Disclosure Project (CDP) is a non-profit organisation that focuses on environmental disclosure. The CDP aims to encourage transparency and action on environmental issues by providing a unified reporting framework and grading system.



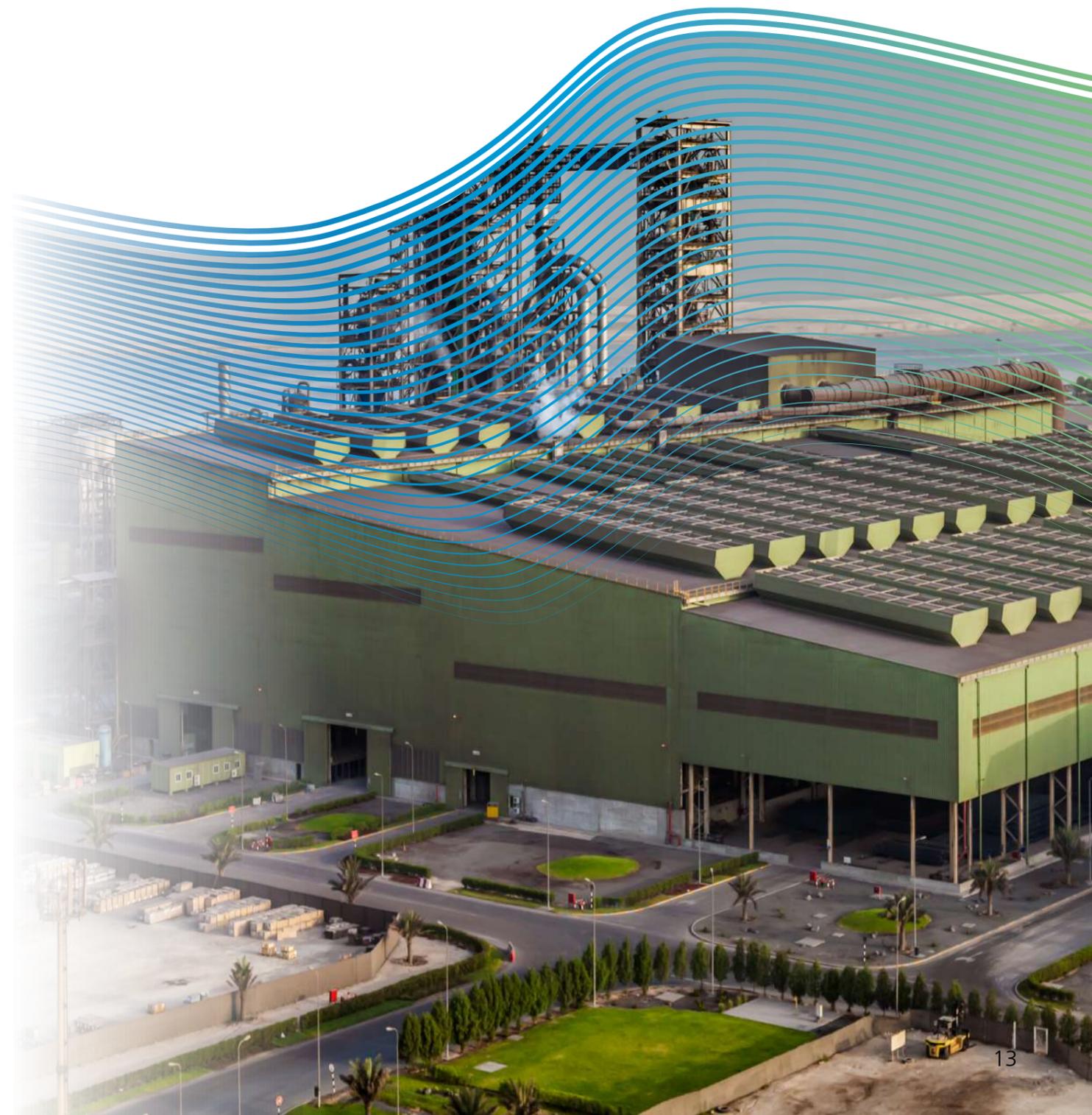
Alignment with National Priorities

National Priority	Objective	EMSTEEL's Contribution
Abu Dhabi Economic Vision 2030	<ul style="list-style-type: none"> Provide a framework for a long-term transformation of Abu Dhabi's economy. Enhance talents and capabilities of the local workforce. Build infrastructure resilience to withstand economic shocks. 	<ul style="list-style-type: none"> Investing AED 3,828,660 total R&D during 2023. Investing in sustainable and responsible products, such as ES600. Emiratization at EMSTEEL reached 21%.
UAE Industrial Strategy "Operation 300bn"	<ul style="list-style-type: none"> Develop the UAE's industrial sector. Increase the UAE's In-Country Value (ICV). Establish the UAE as a global hub for future industries. Build the reputation of the UAE's industrial products through the promotion of exports to global markets. Create quality job opportunities in the industrial sector. Promote the 'Made in the Emirates' brand and national products. 	<ul style="list-style-type: none"> Investing in sustainable and responsible industrial practices. Adopting the latest technologies. Continuing to develop and nurture local talent through the launch of our Ma-saar and Future Leader programmes for UAE Nationals to advance their skills and strengthen leadership capabilities. Signing an MoU with AD Ports Group, ITOCHU Corporation, and JFE Steel to create low-carbon iron supply chain complex in Abu Dhabi.
UAE Strategy for the Fourth Industrial Revolution (4IR)	<ul style="list-style-type: none"> Intelligent Supply Chains – develop the world's next generation intelligent terminals and logistics ecosystem to maximise productivity in a sustainable manner. Global 4IR Hub – create a global 4IR hub to promote a competitive national economy based on knowledge, innovation and the 4IR technologies and applications. Focus on advanced sciences and technologies (e.g., Bioengineering, Nanotechnology and Artificial Intelligence). 	<ul style="list-style-type: none"> Aligning with the fourth industrial revolution through digital transformation, including Artificial Intelligence and Virtual and Augmented Reality. Aiming to develop AI solutions by partnering with Mohamed bin Zayed University of Artificial Intelligence.
UAE Vision 2031	<ul style="list-style-type: none"> Generate AED 800 billion in non-oil exports. Raise the value of the UAE's foreign trade to AED 4 trillion. Enhance a forward society by achieving the prosperity of society by highlighting the capabilities of the citizens to maximise their effective contribution in all sectors. Enhance a forward economy by reflecting the UAE's belief in the importance of human capital as the main driver of the next 10-year development plan. 	<ul style="list-style-type: none"> Our steel products have a global market presence, and now reach 70 markets worldwide including Europe, America, Asia, Middle East, and North Africa. Investing in and nurturing UAE talent through our Career Aspiration Programme (CAP). CAP is our pathway to creating future leaders in the UAE's industrial sector.

National Priority	Objective	EMSTEEL's Contribution
UAE and Dubai Innovation Strategy	<ul style="list-style-type: none"> Encourage private sector innovation by stimulating companies to establish innovation and scientific research centres, adopt new technologies, and develop innovative products and services. 	<ul style="list-style-type: none"> Enabling employee innovation and contribution through our Think Smart Platform, which generated AED 34 million savings.
UAE Centennial 2071	<ul style="list-style-type: none"> Invest in advanced technology-based education. Diversify non-oil imports and exports. Raise the productivity of the national economy. Support the knowledge economy by supporting UAE inventors and scientists. 	<ul style="list-style-type: none"> Publishing 15 research articles in top journals, such as IEEE and other scientific publications. Acquiring two patents (with an additional patent under review) from the United States Patent and Trademarks Office, including one in collaboration with Khalifa University. Signing R&D strategic collaboration agreements with Khalifa University and Ohmium to collaborate in different areas of research, such as CO₂, hydrogen, energy, and additive manufacturing.
National Climate Change Plan of the UAE 2017-2050	<ul style="list-style-type: none"> Identify, manage, and assess causes of climate change risks and impacts. Plan and successfully transition the UAE's economy to one that is resilient, and sustainability driven. Manage UAE's GHG emissions with minimal disruptions to economic growth. 	<ul style="list-style-type: none"> We have signed the UAE Climate-Responsible Companies Pledge. Increasing greenery and planting to increase carbon sequestration. We planted 5,391 trees in 2023. Reporting according to Task Force on Climate-Related Financial Disclosures (TCFD) and CDP platform.
UAE Net Zero by 2050	<ul style="list-style-type: none"> Achieve net-zero emissions by 2050. Align to international decarbonisation agendas. Increase size of UAE's green economy. Reduce GHG emissions across the UAE's sectors and industries. 	<ul style="list-style-type: none"> Developing our decarbonisation strategy to reduce our emissions. Working on accelerating our sustainability transformation by assessing our carbon footprint. Receiving the Green Industries Label from the Environment Agency – Abu Dhabi's Green Industries Labelling Programme. Collaborating with A³&Co.® to develop a decarbonisation roadmap for our Cement plant.



1. EMSTEEL AT A GLANCE



1.1 WHO WE ARE

EMSTEEL (the Group) is a public joint stock company and the UAE's largest steel and building materials manufacturer. EMSTEEL leverages cutting-edge rolling mill technologies to supply the domestic and international markets with high-quality finished products, including wire rods, rebars, heavy sections, and sheet piles. Additionally, the EMSTEEL produces premium cement, blocks, pipes, and dry mortar, creating a one-stop shop for the manufacturing and construction sectors. EMSTEEL is the largest producer of heavy and jumbo sections, the only producer of hot rolled sheet piles in the region, and only the fourth steelmaker in the world to receive the American Society of Mechanical Engineers (ASME) accreditation to produce nuclear grade rebar.

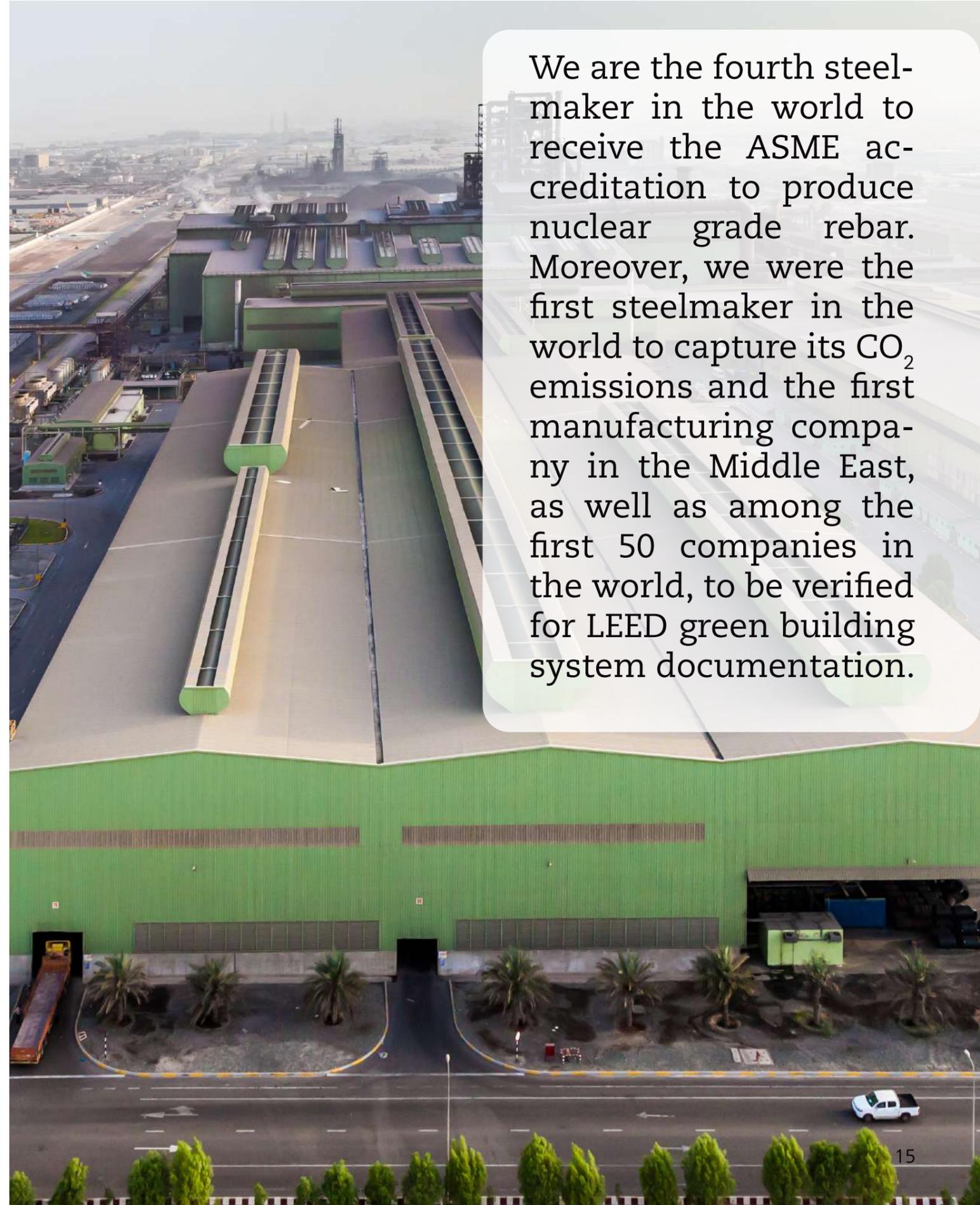
EMSTEEL is the first steelmaker in the world to capture its carbon dioxide (CO₂) emissions and the first manufacturing company in the Middle East to be verified for Leadership in Energy and Environmental Design (LEED) green building system documentation. EMSTEEL is committed to

continue harnessing innovative cutting-edge technologies to further reduce its carbon footprint and introduce new, innovative low-carbon products to the market.

EMSTEEL actively contributes to the UAE's industrial strategy 'Operation 300bn' by delivering market-leading products to local industries, which creates job opportunities for UAE Nationals and enhances its sustainable practices. People are at the heart of EMSTEEL's business, and its priority is to ensure the health and well-being of its employees.

EMSTEEL is majority owned by ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

Our steel and building materials have been used in some of the UAE's most iconic construction projects, including the Burj Khalifa, the Emirates Palace, the Etihad Towers, and Yas Island, and more.



We are the fourth steelmaker in the world to receive the ASME accreditation to produce nuclear grade rebar. Moreover, we were the first steelmaker in the world to capture its CO₂ emissions and the first manufacturing company in the Middle East, as well as among the first 50 companies in the world, to be verified for LEED green building system documentation.



3000+ Employees



70+ Markets



500+ Happy Customers

11% Share Of Abu Dhabi's Manufacturing Activity Output



100+ Awards and Certificates

3.1 million Tonnes Total Cement Production Capacity Annually



3.5 million Tonnes Total Steel Production Capacity Annually



60% UAE's Steel Market Share

Our Facilities

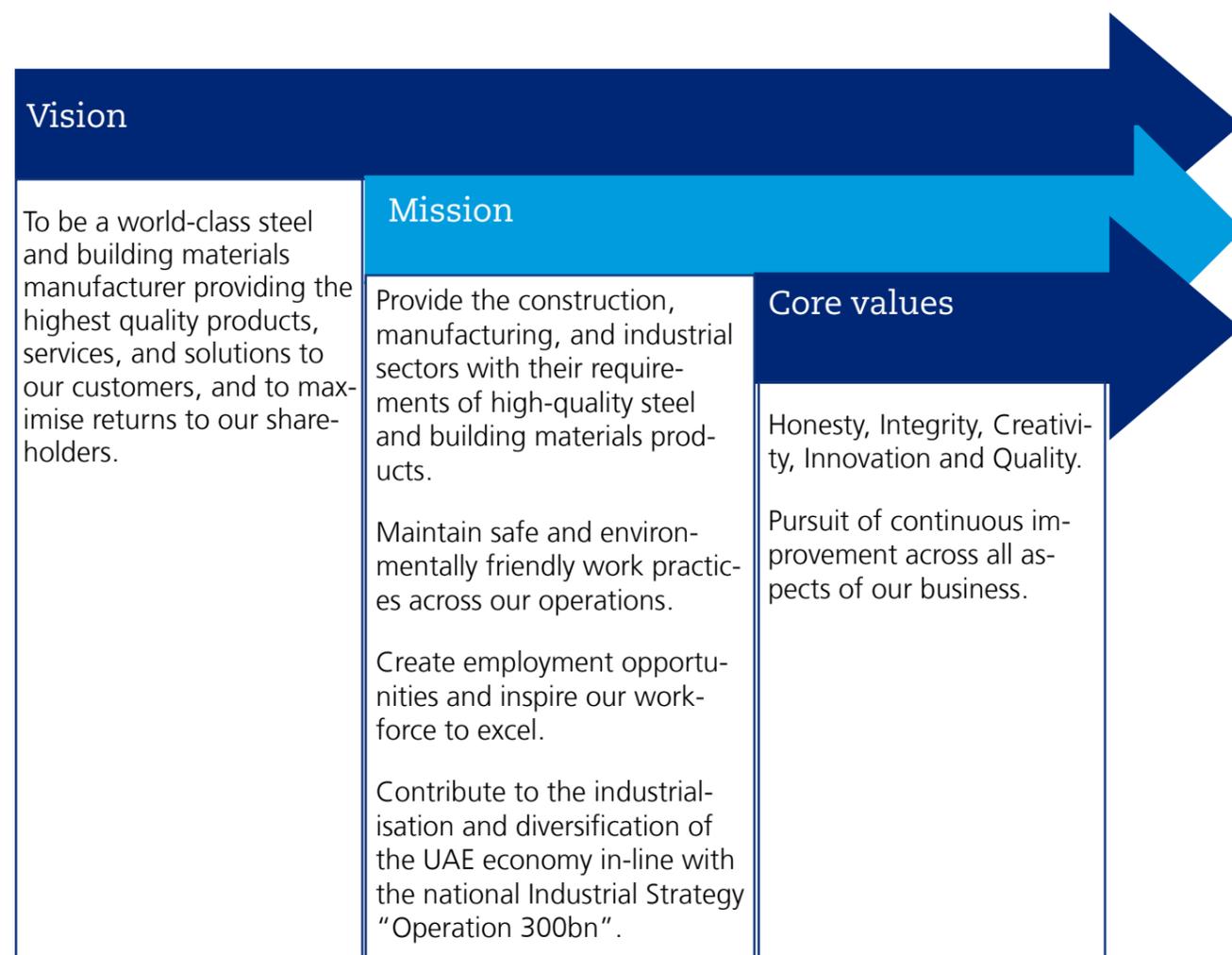
Emirates Steel	Al Ain Cement Factory (ACF)	Emirates Blocks, Pavers, and Dry Mortar	Anabeeb Pipes	Arkan Bags
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Our Memberships

EMSTEEL is a key member of several national and international organisations, sharing the sector's best practice and promoting the concept of sustainable business. In 2023, EMSTEEL became a member of "ResponsibleSteel", a global not-for-profit multi-stakeholder standard and certification initiative that serves as a driving force in the socially and environmentally responsible production of net zero steel globally.

Emirates Green Building Council	World Steel Association	CARES Sustainability Technical Committee	Green Business Network (GBN)	Global Cement & Concrete Association
Arab Iron Steel Union	Arab Union for Cement and Building Materials	UAE's Steel Producers Committee (SPC)	ResponsibleSteel Organisation	Alliance for Industry Decarbonization

1.2 OUR CORPORATE DIRECTION (VISION, MISSION & STRATEGY)

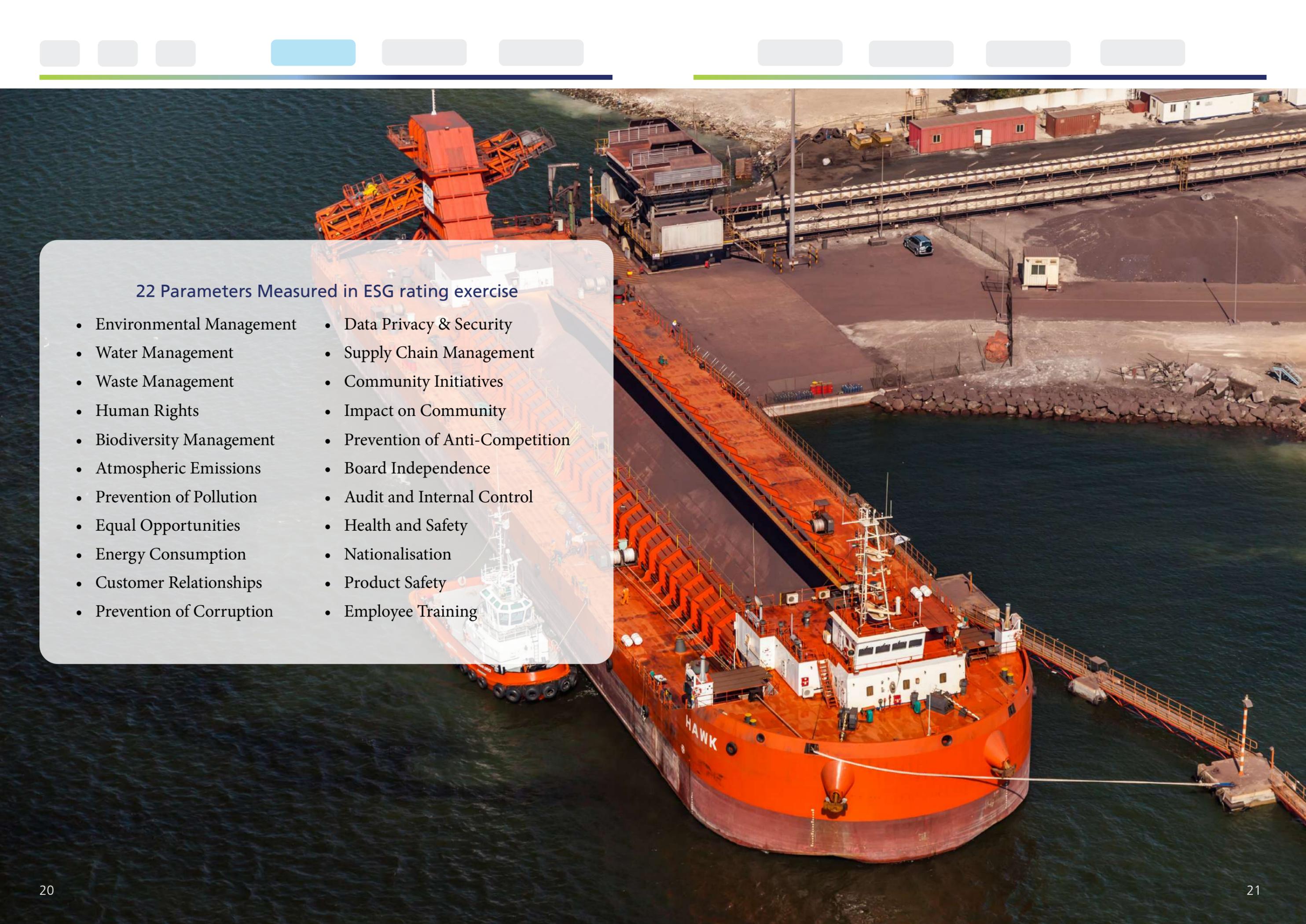


Environmental, Social and Governance (ESG) Objectives

In 2023, EMSTEEL introduced ESG objectives and KPIs as part of the Group balanced scorecard following our internal rating methodology as per below:

ESG Category	Area	Final performance score
Environmental	Climate change	Significantly above target
Social	Diversity & Equality	Significantly above target
Governance	Responsible investment	On target
	Board oversight on ESG	Above target
ESG	ESG rating exercise	Significantly above target





22 Parameters Measured in ESG rating exercise

- Environmental Management
- Water Management
- Waste Management
- Human Rights
- Biodiversity Management
- Atmospheric Emissions
- Prevention of Pollution
- Equal Opportunities
- Energy Consumption
- Customer Relationships
- Prevention of Corruption
- Data Privacy & Security
- Supply Chain Management
- Community Initiatives
- Impact on Community
- Prevention of Anti-Competition
- Board Independence
- Audit and Internal Control
- Health and Safety
- Nationalisation
- Product Safety
- Employee Training

1.3 OUR JOURNEY SO FAR

The Story of EMSTEEL's creation is inextricably linked to the long-term economic plans and vision of the Abu Dhabi Government put forward more than 20 years ago.

In 1998, SENAAT General Holding Corporation took an active role in assisting the Government's efforts to diversify the country's economy. Fundamental to this goal was the desire to establish an industrial steel sector that would run in parallel with a growth strategy for other commodities, designed to facilitate an engineering and construction boom in the UAE. In conjunction with Abu Dhabi's downstream private sector investments, SENAAT established a robust upstream steel business formed from one of its existing businesses called Emirates Iron and Steel Factory (EISF), located in Abu Dhabi's Industrial City.

EISF was the stepping-stone for Emirates Steel's beginnings. The Company's primary business of re-rolling imported steel billets and producing rebar for the UAE market had insufficient capacity to meet the growing demands for quality steel products regionally or globally. It was not until October 2001 that the Company commissioned its own dedicated rolling mill, named RM01, which kick-started a new phase in the Company's steel production capabilities and laid the foundation for the Emirates Steel of today.

The commissioning of RM01 was a proud achievement for Emirates Steel. Its capacity of 500,000 tonnes per annum changed the course of Abu Dhabi and the UAE's steel industry. Since its commissioning, we have carried out continuing improvement and expansion initiatives, optimised production planning measures, and made many technical modifications to improve the capacity of our operation, resulting in substantial improvements in the Company's steel manufacturing ability. These efforts put Emirates Steel on the world map as one of the leading manufacturers across both domestic and international markets.

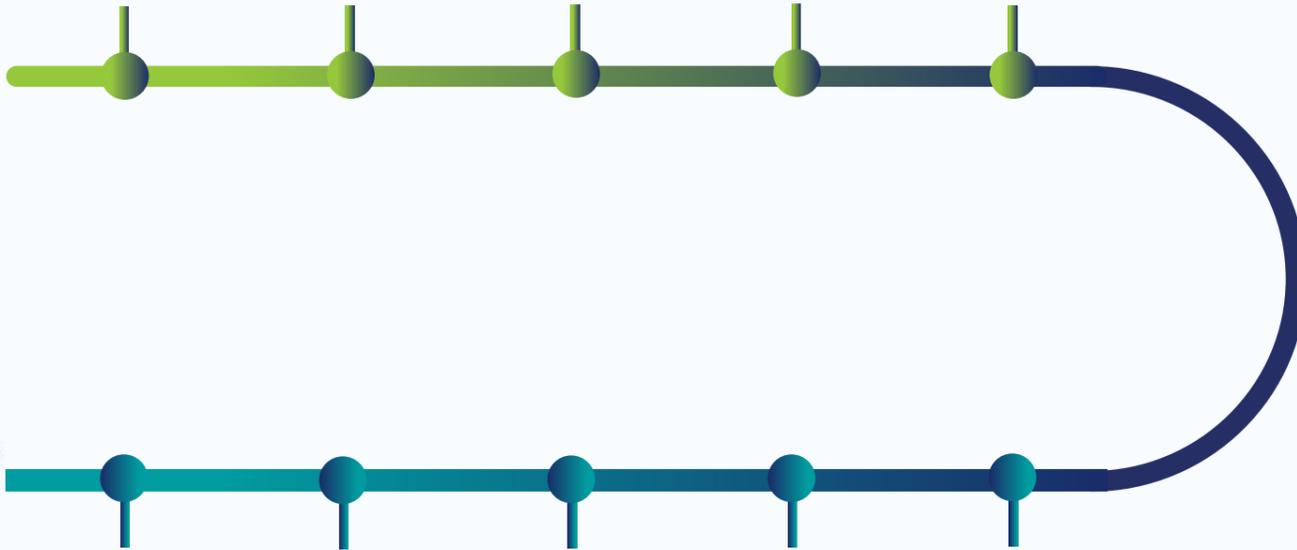
Meanwhile, the Emirates Cement Factory, which was established in 1976 in Al Ain near the Hafeet mountain, became the largest cement manufacturer in the UAE and supplied its products and services across Abu Dhabi. In 2006, Arkan initiated construction works to build the Al Ain Cement plant, with construction works commencing in July 2007. By 2012, load commissioning had started, and by 2014 the AED 1.3 billion cement factory was up and running with a capacity of 4.6 million tonnes clinker per annum and 3.1 million tonnes cement per annum. This kick-started Arkan's journey as a key publicly listed cement manufacturer in the region.



Our Milestones

- 1976**
Establishment of Emirates Cement Factory (ECF)
- 2006**
Arkan Building Materials Company founded
- 2007**
Arkan listed on ADX
- 2007**
Construction of Al Ain Cement Factory
- 2014**
Al Ain Cement Factory began operations

أركان
ARKAN



- 1998**
Emirates Steel, founded under SENAAT
- 2006**
Phase 1 expansion launched
- 2008**
Phase 2 expansion launched
- 2009**
Phase 1 Inauguration adding 1.4 mtpa of steel capacity
- 2012**
Phase 2 complete with another 1.4 mtpa of steel capacity increase

“The combined strength and synergies of Emirates Steel and Building Materials will help realize our strategic ambitions and growth ambitions.”

H.E. Eng. Saeed Ghumran Al Remeithi
Group Chief Executive Officer
Emirates Steel Arkan

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emirates steel arkan

- 2021**
Emirates Steel merger with Arkan announced
Successful combination of Emirates Steel with Arkan group
- 2022**
Emirates Steel became a proud member of the Worldsteel Sustainability Charter.
- 2023**
Embarking on the MENA region's first green hydrogen-based steel pilot project.



1.4 WHAT WE DO

EMSTEEL delivers an extensive range of products, services, and solutions to a wide variety of sectors and industries, including construction, energy, and transportation. Our finished products, manufactured in Abu Dhabi, are shipped to more than 70 countries worldwide and used in applications that include maritime engineering and the construction of skyscrap-

ers and buildings, such as infrastructure projects in the United States. Our resilient business model has been instrumental in our success. Our business methodology and expansion plans have not only helped us add value to our business, but also helped us carve a niche for ourselves in the global steel, building and construction materials manufacturing industry.

Our Product Line



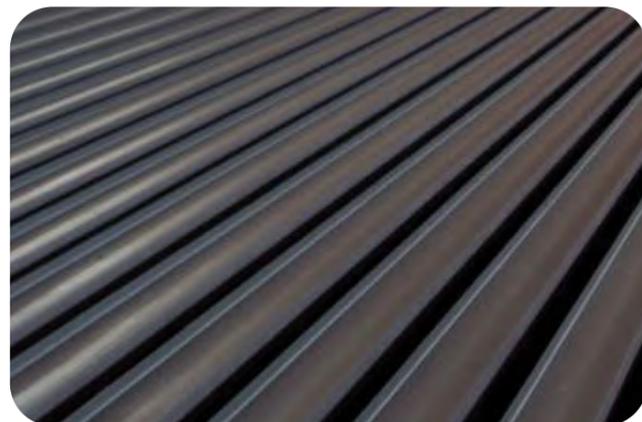
A leading producer of high-quality **rebar** with a production capacity of **2 million tonnes annually**.



A prominent **wire rod** producer in the GCC with a production capacity of **550,00 tonnes annually**.



The largest producer of **heavy and jumbo sections** in the GCC with a production capacity of **1 million tonnes annually**.



The only producer of **hot rolled sheet piles** in the MENA region.



Rebar in Coils provides greater efficiencies and cost savings.



Steel billets are processed into rebar, wire rod or coil in the Group's rolling mills.



High-quality **cement** with a production capacity of **3.1 million tonnes** and **clinker** with a production capacity of **4.6 million tonnes annually**.



Concrete block with a production capacity of **85 million blocks annually** and **dry mortar** used in local construction.



GRP and PVC Pipes largest centrifugal casting pipe factory in the world with **33,000 tonnes annual capacity**.



Bags with a production capacity of **62 million sacks annually**.

Our Production in 2023

Steel (in '000 tonnes)

Direct Reduction Iron (DRI) 3,590	Steel making plants (Billet, Blooms, and Beam Blankets) 3,237	Rolling mills (Rebar, rebar in coil, wire rod and heavy section) 2,684
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Cement (in '000 tonnes)

Ordinary Portland Cement (OPC) 1,452	Sulphate Resistant Cement (SRC) 72	Portland Limestone Cement (PLC) 137
Clinker 2,963	Slag 64	

Blocks and Dry Mortar Products (in tonnes)

Blocks and interlocks 69,841,624	Pavers 159,574	Dry mortar 151,705
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Pipes and Bags (in tonnes)

GRP pipes 10,819	PVC pipes 14,208	LDPE 68
GRP Fittings 89	Plastic bags 102	Paper sacks 3,448



Production Process

Emirates Steel

1. Direct Reduction Process	2. Steel Making	3. Rolling	4. Finished Products
Three direct reduction plants with an annual capacity of 4.2 tonne Iron oxide pellets > direct reduction > iron steel making	Three steel making plants with an annual capacity of 3.6 tonne • Steel billets • Beam blanks	Three rebar mills and a wire rod mill • Heavy section mill with 1.0 tonne capacity • Three rebar mills with 2.0 tonne capacity • Wire rod mill with 0.5 tonne capacity	Rebar, wire rod, sheet piles and heavy sections Sheet piles Wire rod Heavy sections Rebar in coils Rebar

Al Ain Cement Factory (ACF)

Limestone Quarry	Raw Grinding and Burning	Grinding, Storage, Packing, Dispatch
Extraction: Raw materials used to manufacture cement (limestone and clay) Transport: Raw materials loaded into a dumper Crushing and transportation: Raw materials, after crushing, transported to the plant by conveyor	Raw grinding: the raw materials are very finely ground to produce raw mix. Burning: raw mix is preheated before it goes into the kiln. The raw mix burns at 15000C, producing clinker.	Grinding: Clinker and gypsum very finely ground giving a "pure cement" Storage, packing, dispatch: Cement stored in silos before dispatch in bulk or bags



Emirates Blocks, Pavers, and Dry Mortar (Blocks)

1	2	3	4
Masonry Blocks & Interlocks	Concrete Kerbs & Pavers	Dry mortar	Finished Products
Batching process: Weighing and Concrete mixing process as per product recipes. Block making: Semi-dry mix concrete moulded to specific sizes. Blocks Curing: Wet products undergo uniform curing by forced air circulation method in closed chambers. Bundling & Packaging: Cured products taken for bundling and packaging.	Wet concrete mix > Compaction in mould > De-moulding and curing > Bundled and dispatched	Ready mixed mortar products Aggregate crushed to specific sizes > Graded and mixed with performance enhancing additives > Packed and dispatched.	Masonry Blocks – Hollow, Solid, Thermal Interlocks - various types & sizes Concrete Kerbs & Pavers - Various types & size

Pipes and Bags (Anabeeb)

GRP Pipes	PVC Pipes	Paper Bags
GRP Pipes and Structural Man-holes with an annual capacity of 33,000 tonne Main raw materials (Glass Fiber, Resins & Silica Sand) Transported to factory by trucks Materials dispatched into Silos to be transferred to feeders then Production	PVC Pipes with an annual capacity of 17,500 tonne Main raw materials (PVC resin, Calcium carbonate, and stabiliser) Transported to factory by trucks Materials dispatched into Mixers to be transferred to Extruders then Production	Paper Sacks with an annual capacity of 60 million sacks Main raw materials (Kraft Paper Roll) Transported to factory by trucks Materials offloaded to be kept in dry and covered storage yard to be ready for Production

2. MATERIALITY & STAKEHOLDERS



2.1 STAKEHOLDER ENGAGEMENT

Maintaining a balance between the needs and expectations of our stakeholders is essential for delivering our commitments and maximising our shared value creation. We follow a systematic approach to plan and implement stakeholder engagement activities at EMSTEEL to understand the needs and expectations of our stakeholders as well as the risks and opportunities relevant to:

- Products and services that meet customer requirements,
- Sustainable production,
- Health and safety,
- Pollution prevention,
- Compliance obligations, and
- Impacts on society and the local community.

We identify relevant stakeholders as the individuals, groups of individuals, and/or organisations that affect or could be affected by our activities, products or services, compliance obligations, and associated performance, such as lenders and financial institutions, employees, customers, suppliers, service providers, and contractors.

We engage regularly with our stakeholders through various communication channels to ensure we consider and respond to their needs and expectations on the issues that matter to them. We regularly review and discuss these needs and expectations during management meetings, HSE meetings, and other relevant meetings.

The concerned departments and the quality management department maintain and review the records of the stakeholder engagement outcomes, the top management reports, and any relevant critical stakeholder issues or concerns.

For more information about our stakeholder engagement, please refer to **Appendix C**.



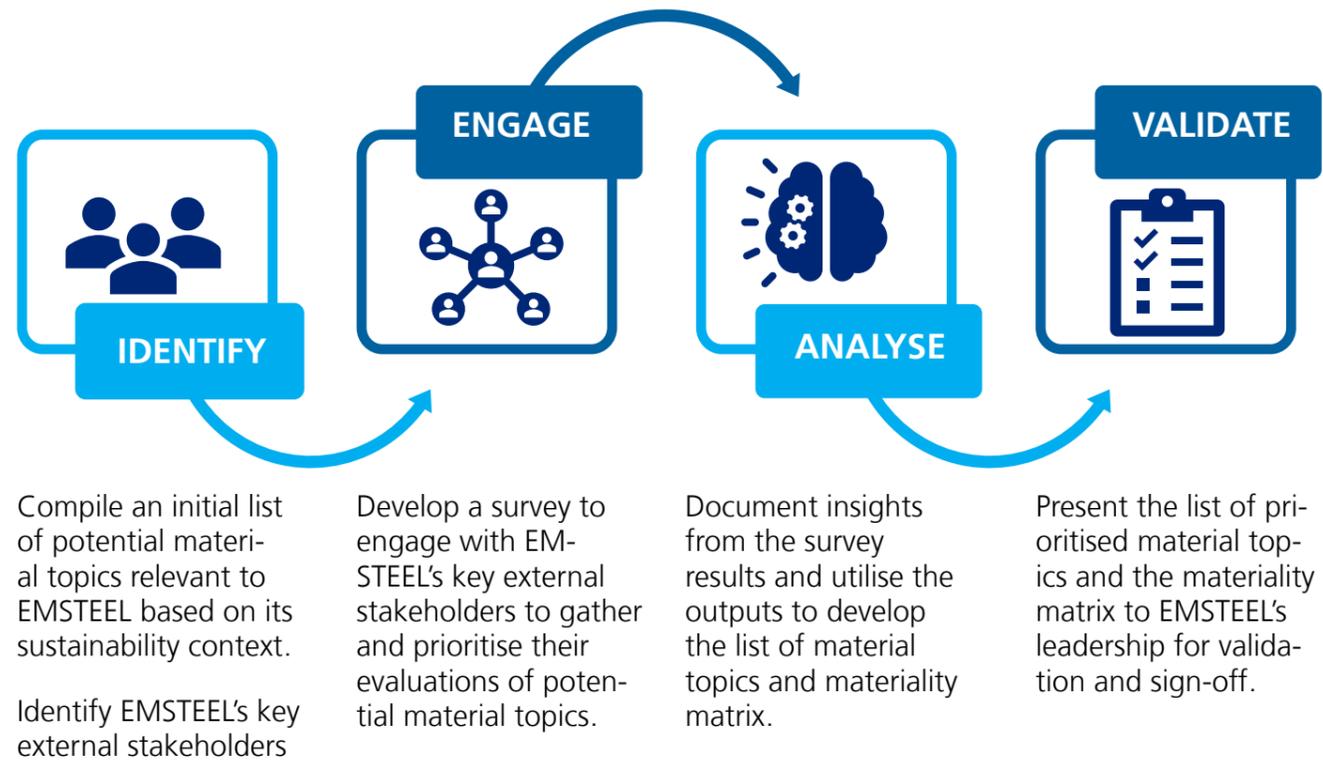
2.2 MATERIALITY ASSESSMENT

The materiality assessment process at EMSTEEL complies with the applicable requirements set in the GRI standards. This assessment is designed to identify and prioritise the material sustainability topics based on relevance and significance to EMSTEEL and its stakeholders.

Understanding the perspectives of a wide

range of stakeholders is critical to identifying and managing our sustainability priorities. Therefore, in 2023, we successfully engaged both our external and internal stakeholders in the assessment process, actively seeking their perspectives on the potential list of material topics and assessing the influence each topic has on their assessments and decisions.

We followed a 4-step approach to perform our materiality assessment, as illustrated below:

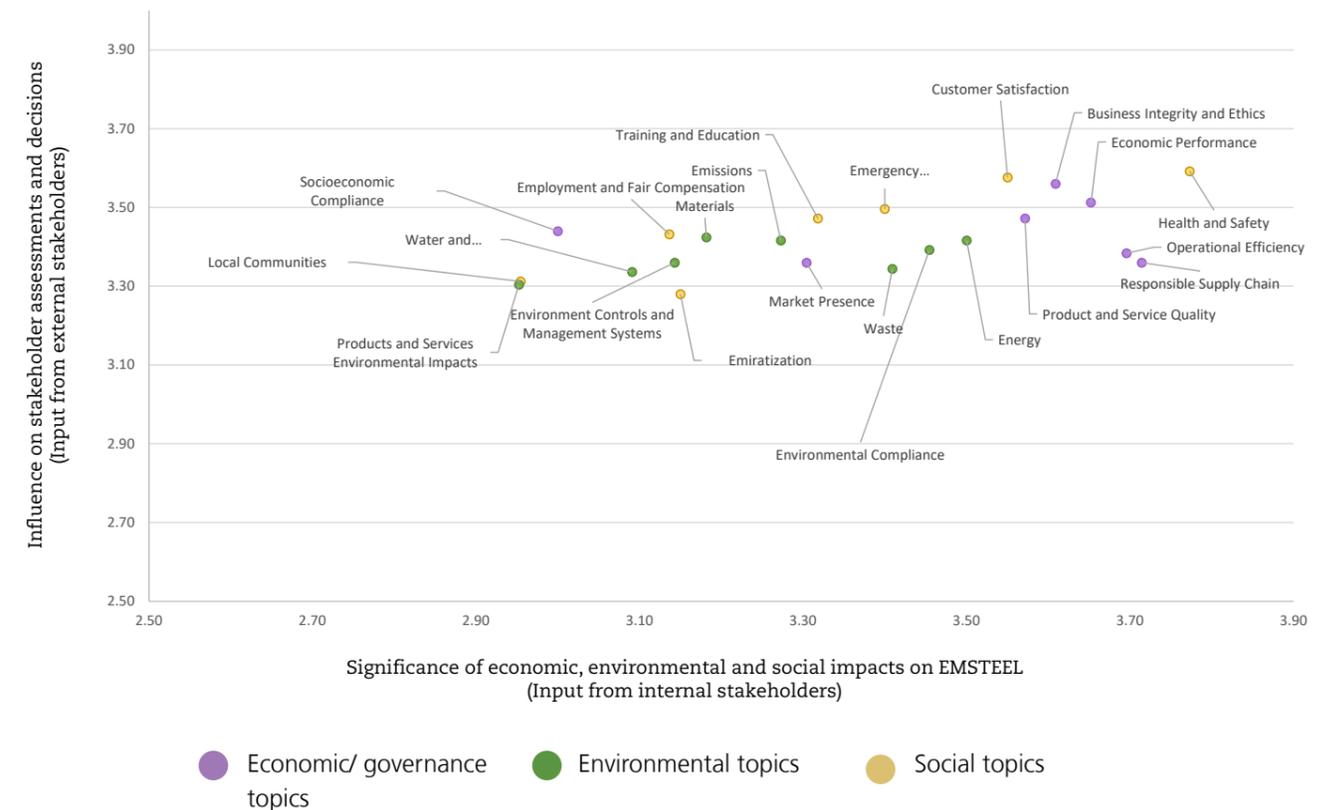


Material Topics and Materiality Matrix

The ranking and prioritisation of the material topics were accomplished by applying the average scoring of the topics by the internal stakeholders (2022 workshop) and the external stakeholders (2023 survey). These insights were further refined through discussions with Executive Committee Members to ensure strategic alignment and establish the basis for our focus areas this year.

The materiality matrix of our top material topics in 2023 is provided below with input from internal stakeholders (x-axis, equivalent to the materiality assessment conducted in 2022) and input from our external stakeholders (y-axis). For more information about our maturity assessment, please refer to **Appendix D**.

Materiality matrix



A new environmental topic, “Products and Services Environmental Impacts”, was added to this year’s material topics after the assessment process and involving our external stakeholders. Our Material Topics for 2023 are as follow:

		
<p>Economic/ Governance</p> <ul style="list-style-type: none"> • Business Integrity and Ethics • Economic Performance • Operational Efficiency • Product and Service Quality • Market Presence • Responsible Supply Chain • Socioeconomic Compliance 	<p>Social</p> <ul style="list-style-type: none"> • Health and Safety • Customer Satisfaction • Emergency Preparedness • Training and Education • Employment and Fair Compensation • Emiratisation • Local Communities 	<p>Environment</p> <ul style="list-style-type: none"> • Energy • Environmental Compliance • Waste • Emissions • Materials • Environmental Controls and Management Systems • Water and Effluents • Products and Services Environmental Impacts

Our performance on these material topics and our approach to managing them are presented in the relevant sections of our sustainability report.

In addition to our top material topics, EMSTEEL gives importance to additional topics that are relevant per the CARES Sustainability Scheme and the Groups’ ESG policy. Some of these topics are as follow:

		
<p>Economic/ Governance</p> <ul style="list-style-type: none"> • Technology, Product, and Process Innovation • Responsible Advocacy for the Steel Sector • Audit and Internal Control • Prevention of Corruption • Prevention of Anti-Competitive Practices • Tax Transparency 	<p>Social</p> <ul style="list-style-type: none"> • Forced or Compulsory Labor • Child Labor • Labor Management Relations • Human Rights Assessment • Knowledge Transfer and Capacity Building for Relevant Partners • Stakeholder Engagement • Freedom of Association • Standards and Health and Safety (HS) Regulatory Compliance • Product Safety • Equal Opportunity Medium • Privacy and Data Security 	<p>Environment</p> <ul style="list-style-type: none"> • Biodiversity • Supplier Environmental Assessment • Marine Environment • Land Use and Contamination • Environmental Complaints

Our approach to managing some of these is described in the relevant sections of our sustainability report.



3. OUR PEOPLE & COMMUNITIES





At EMSTEEL, we prioritise our employees as our most valuable asset for sustainable growth. By fostering a collaborative environment that leverages innovative thinking, diverse backgrounds, and skill sets, we ensure long-term prosperity. Our commitment to employee development not only drives our success but also supports the well-being of our human capital, ultimately contributing to a more sustainable future.

3.1 OCCUPATIONAL HEALTH & SAFETY



* Figure was verified for the steel business



GRI Standards: GRI 403 (2018)
CARES SCS: 4.2

At EMSTEEL, we ensure the well-being of our workforce by maintaining strict health and safety standards. Our ISO 45001-certified system aligns with Abu Dhabi's Occupational Safety and Health System Framework (OSHAD-SF), ensuring a safe working environment. In line with our Occupational Safety and Health (OSH) policy, individuals have the right to remove themselves from work situations that they believe could cause them or another person injury or ill health without reprisals, fostering a culture of safety and well-being."

EMSTEEL went above and beyond in 2023, solidifying its commitment to a robust safety culture. Here are the key highlights:

Hazard Identification Proactive: EMSTEEL ex-

ceeded its target of 11,000 hazard observations by a whopping 162%, recording an impressive 28,986. This proactive approach effectively mitigated potential risks.

Injury Rates: Lost Time Injury (LTI) rate, reaching 0.05 for the steel business – well below the World Steel Association's average of 0.65. The Total Injury Frequency Rate (TRIFR) also saw a significant 29% reduction, showcasing the effectiveness of implemented safety measures.

Loss of Containment Incidents Minimised: EMSTEEL achieved an incredible 80% reduction in loss of containment incidents against the target, demonstrating significant improvement in operational control.

Engaging Safety Culture: EMSTEEL prioritises a multi-pronged approach to safety communication, ensuring every employee is informed and empowered to work safely:

- **Weekend Summaries:** Safety remains top-of-mind even outside of work hours with its integration into weekly summaries.
- **Interactive Quizzes:** Engaging quizzes on safety procedures and best practices boost participation and knowledge retention.
- **Eye-Catching Reminders:** Safety messages and visuals displayed on computers serve as continuous reminders of safe practices.
- **Mock Drills and Simulations:** Mock fire safety and emergency scenario drills prepare employees for potential hazards.
- **Safety Championship programs:** Safety Championship Programs incentivise safe behaviour and foster a culture of collective responsibility.

EMSTEEL's commitment to safety in 2023 is truly commendable. By setting ambitious goals, fostering a proactive culture, and implementing engaging initiatives, the company has demonstrably improved safety performance and well-being for its employees.





Worker Engagement and Training

At EMSTEEL, we prioritise implementing a robust, collaborative safety culture by ensuring employee engagement at our health and safety management system. This ensures effective hazard identification, control, and communication, culminating in a safer and more empowered workforce. We consult our employees in our risk assessments and hazard identification processes as we recognise their invaluable experience and intimate knowledge of the workplace. We celebrate and appreciate our proactive team members at our monthly EHS meetings. Prior to every task, we communicate the associated risks to the work

team to ensure everyone involved is well-informed and equipped to work safely.

We continually innovate in our comprehensive, multi-faceted safety awareness campaigns. Through engaging materials like posters, videos, screen savers, quizzes, competitions, and toolbox talk resources, we cater to diverse learning styles, ensuring safety remains a top priority. Integrating safety topics in our weekly summaries and strategically using screensavers and visuals keep our team members consistently focused on sustainability and well-being.



Awareness Campaigns in 2023

Safety in Heat Campaign	Site traffic management awareness
Process Safety	Compressed gas cylinder Safety
Lifting Safety	Emergency and rescue procedures
Machine Guarding	Rigging and Slings
Fire Safety Awareness	Lifting Supervisors – Overhead Crane
Gas Testing Awareness	Hazard Identification and Risk Assessment (HIRA) Awareness
Safe Crane Operations	Enhanced Permit-to-work
Job Safety Analysis (JSA)	Working at Heights
Confined Space Entry	Office Safety Awareness
Chemical Handling Awareness	Electrical Safety - LOTO
Radiation Safety and Security Awareness	

We conduct regular environment, health, and safety (EHS) training programmes and campaigns to promote best practices and raise EHS awareness among staff. Our mandatory induction trainings comprise of directives on administration issues, job requirements, our Quality Management Systems, EMSTEEL Life Saving Rules, EMSTEEL EHS Principles, and other relevant procedures.

The Life Saving Rules main topics are as follows:

- 

1 Working at Height
Protect yourself from falling from height
- 

6 Safety Devices & Systems
Never Compromise Safety Devices or Safety Systems
- 

2 Working in Confined Space
Protect yourself from hazardous atmospheres & avoid becoming trapped in confined spaces
- 

7 Drop Objects & Mechanical Lifting
Protect against falling objects
- 

3 Lock Out Tag Out
Protect yourself from hazardous energy
- 

8 Smoking in Non-Designated Areas
Protect against fire only smoking in designated areas
- 

4 Permit to Work
Protect yourself from the risks associated with unauthorised activities
- 

9 Energized or Moving Equipment
Protect yourself from the hazards associated with energized or moving equipment
- 

5 Traffic & Driving
Protect against traffic accidents

In 2023, 13,130 of our employees attended EHS training programmes, comprising 76% increase compared to 2022. Additionally, we increased the number of EHS training hours by 60%, reaching 36,019 hrs. This growth further confirms our commitment to fostering a strong safety and health culture within EMSTEEL.

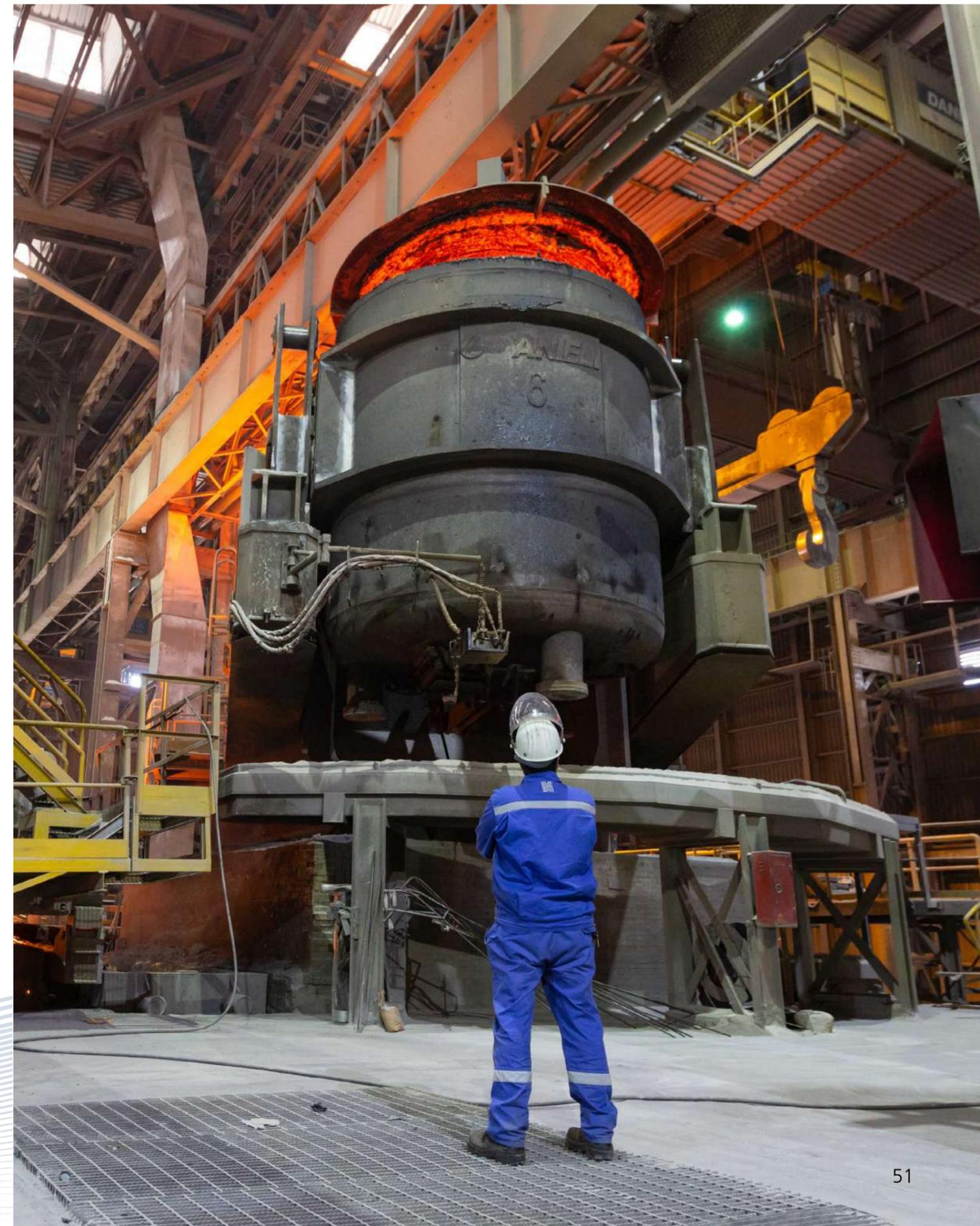
Description	2022	2023	Y-o-Y
Total hours of training on EHS			
Steel Businesses	20,280	32,777	62%
Cement Businesses	552	555	1%
Block Businesses	242	357	48%
Anabeeb Businesses	1,376	2,330	69%



Description	2022	2023	Y-o-Y
Total number of employees who have received training on EHS			
Steel Businesses	5,640	11,612	106%
Cement Businesses	184	200	9%
Block Businesses	105	155	48%
Anabeeb Businesses	1,547	1,163	-25%

Description	2022	2023	Y-o-Y
Average EHS training hours per employee			
Steel Businesses	4	3*	-21%
Cement Businesses	3	3	-8%
Block Businesses	2	2	0%
Anabeeb Businesses	1	2	125%

* This was verified by a third party (Auditor) for the steel business.



To further instil a culture of health and safety within the employees, Emirates Steel has held a friendly competition this year, composed of safety-themed programmes incentivises safe behaviour and fosters a culture of collective responsibility.



Celebrating Excellence in EHS: Award Ceremony for Emirates Steel Plants

The EHS Competition award ceremony marked an important milestone in the continuous journey towards improved safety standards at our plants. The innovative programme rolled out in

2023. The programme's primary aim is to foster a competitive environment that promotes an interdependent safety culture, where each section actively engages in EHS activities.

Healthcare Services & Wellbeing

In our commitment to employee well-being at EMSTEEL, we have formed a strategic alliance with a renowned healthcare services provider, establishing fully licensed general clinics within our premises. In 2023, we have opened a new clinic in Al Ain Cement Factory (ACF), bringing healthcare services closer to our employees and contributing to their overall health and wellbeing.

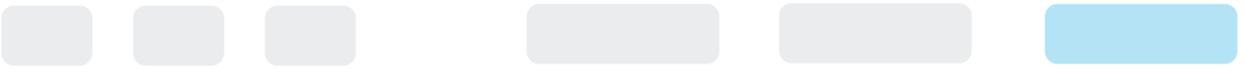
Adhering to the Health Authority of Abu Dhabi's (HAAD) stringent guidelines, we ensure the highest quality of care and compliance. We have developed a tailored approach to assess workplace hazard exposure, implementing comprehensive occupational health surveillance across all departments.

Our dedication to health and well-being extends to offering a wide range of services, including medical and health assessments, health surveillance, and well-being initiatives. We also provide counselling and guidance to EMSTEEL managers and staff on various occupational health and pre-employment matters, fostering:

- Enhanced staff health and well-being.
- Effective management of sickness and absence.

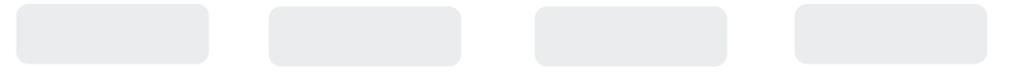
- Compliance with legal requirements.
- Streamlined handling of incapacities due to illness.
- Preparedness for unexpected health pandemics.

At EMSTEEL, we prioritise preventative, curative, and chronic disease management healthcare, as well as delivering top-tier emergency medical care, encompassing initial management, stabilisation, and appropriate transfer to public or private hospitals. An occupational doctor is appointed to conduct health risk assessments, identifying employees requiring health checks, thereby ensuring a sustainable and healthy workforce.



AWARENESS RAISING CAMPAIGN

EMSTEEL provided Cervical Cancer awareness lectures and periodic check-ups to the female employees, contributing to their health and awareness.



90-DAY HEALTH MARATHON PROGRAMME

Emirates Steel hosts a 90-day health marathon programme as a competition, to encourage healthy habits and weight management, fostering motivation and engagement among employees. This programme often features weight loss goals, nutritional guidance, physical activity challenges, and incentives and recognition.



FOSTERING WELLNESS: YOGA INIATIVE

In keeping with their commitment to employee health and wellbeing, the Happiness, and Wellbeing Department at EMSTEEL has initiated a wellness programme that includes a rejuvenating yoga session specially organised for employees. The event was well-received, with many employees expressing interest in similar wellness initiatives in the future.



MENTAL HEALTH INITIATIVES

EMSTEEL launched a weekly "Mental health at my desk" and "Happy Tuesday" initiatives. The aim of these joyful events is to cultivate a joyful atmosphere for all team members and establish a positive working environment for them.

Safety Key Performance Indicators

In 2023, we prioritised upholding a robust safety culture by setting ambitious key performance indicators (KPIs) across crucial areas. Overall, our safety performance demonstrates a strong commitment to continuous improvement and safeguarding employee well-being. By exceeding target levels in key areas and proactively addressing areas requiring improvement, we reaffirm our dedication to fostering a safe and productive work environment.

In collaboration with dss+ (formerly DuPont Sustainable Solutions), a global leader with extensive experience in high-risk industries, we have undertaken a comprehensive set of activities under AMAN 2.0 project.

This includes establishing clear guidelines, prioritising visible leadership, implementing robust governance and performance management, and promoting life-saving rules.

AMAN 2.0 covers various aspects such as observations, inspections, permit-to-work systems, energy isolation procedures, risk management, standardised operating procedures, incident investigation training, contractor safety management, traffic control measures, change management protocols, and emergency planning.

These activities encompass enhancements in the Steel division and the introduction of new practices in building material units. Employees are not just encouraged but welcomed to actively contribute to this transformative initiative. Task teams have been formed to engage employees, and those interested in participating are encouraged to reach out to their departmental manager or the AMAN 2.0 project manager.

In 2023, Emirates Steel and Emirates Block Factories (EBF) achieved significant progress in health and safety, demonstrably fulfilling our commitment to proactive safety management. Notably, the Anabees Business fulfilled 100% of its designated KPIs, showcasing a dedication to instilling a culture of health and implementing a safe workplace.



LAUNCHING AMAN 2.0: ACHIEVING SAFETY EXCELLENCE

EMSTEEL proudly introduces “AMAN 2.0,” a transformative Safety Excellence Program aimed at elevating our safety standards to global levels and fostering a culture of safety across all business units. This initiative, crucial for ensuring a secure working environment, stems from our commitment to zero harm and our responsibility to maintain safety at work.



Work-related Injuries or Illness

Our incident investigation and reporting procedure encompasses the documentation of all accidents, near misses, and injuries using the root cause analysis technique. The investigation team identifies preventative actions, considering the root cause, and inputs them into our online EHS platform (MySHEQ) for tracking closeouts. We address work-related hazards causing injuries, such as ladders, mobile equipment, tools, fixed machinery, and sharp tools. In the event of work-related injury or illness, we adhere to Hazard Identification and Risk Assessment (HIRA) procedures and Job Safety Analysis (JSA) for non-routine jobs.

- Hazard Identification and Risk Assessment (HIRA): All plant risks are systematically identified and assessed using the established HIRA process. This methodology ensures thorough evaluation of potential harm, allowing for the implementation of appropriate risk control measures.
- Job Safety Analysis (JSA): For non-routine jobs, a well-defined JSA procedure is followed to proactively identify and address potential hazards specific to the task. This proactive approach helps mitigate risks before work commences.
- Hierarchy of Controls: When developing risk control measures, we adhere to a strict hierarchy of controls, prioritising elimination, substitution, engineering controls, administrative controls, and lastly, personal protective equipment (PPE). This prioritisation ensures the most effective mitigation strategies are implemented first.

Both (Hazard Identification and Risk Assessment (HIRAs) and Job Safety Analysis (JSAs) are regularly reviewed to evaluate the risks associated with employee return to work or rehabilitation. Implementing appropriate

control measures to mitigate hazards is our priority.

For employees experiencing injuries, EM-STEEL manages their rehabilitation and return to work process through tailored programmes and plans. Employees return to work in accordance with medical advice, and the EMSTEEL Rehabilitation and Return to Work Programme is carried out by their respective department.

In 2023, we have made substantial progress in enhancing our EHS performance, demonstrating our commitment to workplace safety. When compared to 2022, we have seen a decrease in fire and vehicle or mobile equipment incidents, recording LTIFR of 0.18 in 2023 against the threshold of 0.65, and recorded 16 injuries in 2023 against the threshold of 18.

In 2023, all our employees and workers are covered by our Occupational Health and Safety (OHS) management system that has been internally audited and by an external party. We take great pride in our outstanding safety record, having registered zero fatalities due to work-related ill health over the past 5 years for both our employees and those under the jurisdiction of EM-STEEL. This accomplishment reflects our unwavering commitment to promoting a sustainable and safe work environment.



Parameter - Emirates Steel	Unit	2022	2023
Employees			
Lost Time Injuries (LTI)	Number	1	1*
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	0.18**	0.18**
Total Recordable Injuries (TRI)	Number	10	7**
The number of high-consequence work-related injuries (excluding fatalities)	Number	1	1*
Total Recordable Injuries Rate	-	1.89**	1.27**
The number of hours worked	Number	5,272,011**	5,472,011*
Contractors			
Lost Time Injuries (LTI)	Number	0	0
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	0	0
Total Recordable Injuries (TRI)	Number	0	2**
The number of high-consequence work-related injuries (excluding fatalities)	Number	0	0
Total Recordable Injuries Rate	-	0	0.14**
The number of hours worked	Number	13,600,021**	14,128,028

The rates have been calculated based on 1,000,000 hours worked. It is important to note that no fatalities from work-related injuries were recorded in 2023.

* These figures were verified by a third party (Auditor). The verified numbers for LTIFR and TRIFR combining employees and contractors in the steel business were 0.05 and 0.36, respectively

** The data was revised and adjusted during the design stage of the sustainability report.





Parameter - Al Ain Cement	Unit	2022	2023
Employees			
Lost Time Injuries (LTI)	Number	0	1**
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	0	3.31**
Total Recordable Injuries (TRI)	Number	0	3**
The number of high-consequence work-related injuries (excluding fatalities)	Number	0	0
Total Recordable Injuries Rate	-	0	9.94**
The number of hours worked	Number	401,601	301,536
Contractors			
Lost Time Injuries (LTI)	Number	1	1
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	1.39	0.89**
Total Recordable Injuries (TRI)	Number	1	1**
The number of high-consequence work-related injuries (excluding fatalities)	Number	0	0
Total Recordable Injuries Rate	-	1.39	0.89
The number of hours worked	Number	715,252	1,123,200

The rates have been calculated based on 1,000,000 hours worked. It is important to note that no fatalities from work-related injuries were recorded in 2023.

** The data was revised and adjusted during the design stage of the sustainability report.

Parameter - Emirates Block Factories (EBF)	Unit	2022	2023
Lost Time Injuries (LTI)	Number	0	1
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	0	1.15**
Total Recordable Injuries (TRI)	Number	2	2**
The number of high-consequence work-related injuries (excluding fatalities)	Number	0	0
Total Recordable Injuries Rate	-	2.45	2.30**
The number of hours worked	Number	817,182	866,112

The rates have been calculated based on 1,000,000 hours worked.

** The data was revised and adjusted during the design stage of the sustainability report.

Parameter - Anabeeb	Unit	2022	2023
Lost Time Injuries (LTI)	Number	1	0
Rate of high-consequence work-related injuries (excluding fatalities) (LTIFR)	-	1.09	0
Total Recordable Injuries (TRI)	Number	3	1
The number of high-consequence work-related injuries (excluding fatalities)	Number	1	0
Total Recordable Injuries Rate	-	3.3	1.33
The number of hours worked	Number	917,760	749,144

The rates have been calculated based on 1,000,000 hours worked.



Emergency Preparedness

In Emirates Steel, we continued our ongoing commitment to emergency preparedness in 2023, strengthening the emergency response capabilities. Emirates Steel bolstered the employees' familiarity with critical scenarios through conducting 70 emergency drills. Furthermore, Emirates Steel collaborated with government authorities in Abu Dhabi and Al Ain for 3 major strategic exercises. Additionally, this year, the Master Emergency Management Procedure has been successfully updated and 7 comprehensive Building Material Emergency Response Procedures (ERPs) were developed. To enhance the firefighting competence of its Intervention Team, Emirates Steel success-

fully completed the National Fire Protection Association (NFPA) 1001 Firefighting and NFPA 472 HazMat training program.

In Anabeeb, we conducted a strategic fire exercise with Abu Dhabi Civil Defence Authorities and workers responded as required. Furthermore, we have 24 minor fire incidents with no injuries. We also constituted Building Material units Emergency Response Teams and developed their emergency response procedure (EPR). Next year, we are planning to conduct a basic awareness and First Aid trainings.



Anabeeb Business emergency drills



As part of our ongoing Safety Area Transformation - Aman 2.0, Al Ain Cement Prioritised Emergency Response and Preparedness (ERP).

We developed a comprehensive ERP procedure aligned with best practices, ensuring standardised emergency response protocols. To bolster our workforce's capabilities, we identified and trained ERT team members, enhancing their skills and knowledge.

Additionally, we introduced foundational ERP training to foster a shared safety culture throughout the organisation. Looking ahead, we have planned drills and training programmes up to 2024, including a major exercise in collaboration with civil defence authorities.

Emergency Response Drills	2022	2023	Y-o-Y
Emirates Steel	57	70	23%
Al Ain Cement Factory (ACF)	3	2	-33%
Emirates Blocks Factories (EBF)	4	4	0%
Anabeeb	2	3	50%

3.2 HUMAN CAPITAL, DIVERSITY & EQUAL OPPORTUNITIES



GRI Standards: GRI 401 (2016)

CARES SCS: 5.1, 5.2 & 4.1

Recognising the crucial role of an empowered workforce in achieving our sustainability objectives, we, as a leading steel hub and building materials manufacturer, prioritise attracting and retaining top talent. We foster a positive, inclusive work environment that promotes well-being, development, and fair treatment. Adhering to the UAE Labour Law and International Labour Organisation (ILO) standards, we ensure fairness, equal opportunities, and continuous growth for our employees.

To strengthen our commitment to transparent and efficient Human Capital management, we have implemented the digital transformation project, SANAD, which automates all Human Capital transactions and procedures. Our Employee Handbook outlines comprehensive policies on employment, compensation, benefits, and other Human Capital aspects, providing transparency and stability for our workforce. In 2023, we successfully unified our Human Capital policies across EMSTEEL businesses and conducted a thorough review and update of our procedures, aligning them with our sustainability vision.



EMSTEEL ACHIEVED THE BEST RECRUITMENT & ONBOARDING STRATEGY TITLE

EMSTEEL was honoured with an exceptional achievement/award at the Future Workplace Awards 2023 for Best Recruitment & Onboarding Strategy and shortlisted as well for Best HR

Technology Implementation. EMSTEEL's commitment to a collaborative, transparent, and motivated culture closely mirrors the award-winning.

Our Group Workforce 2023 - EMSTEEL

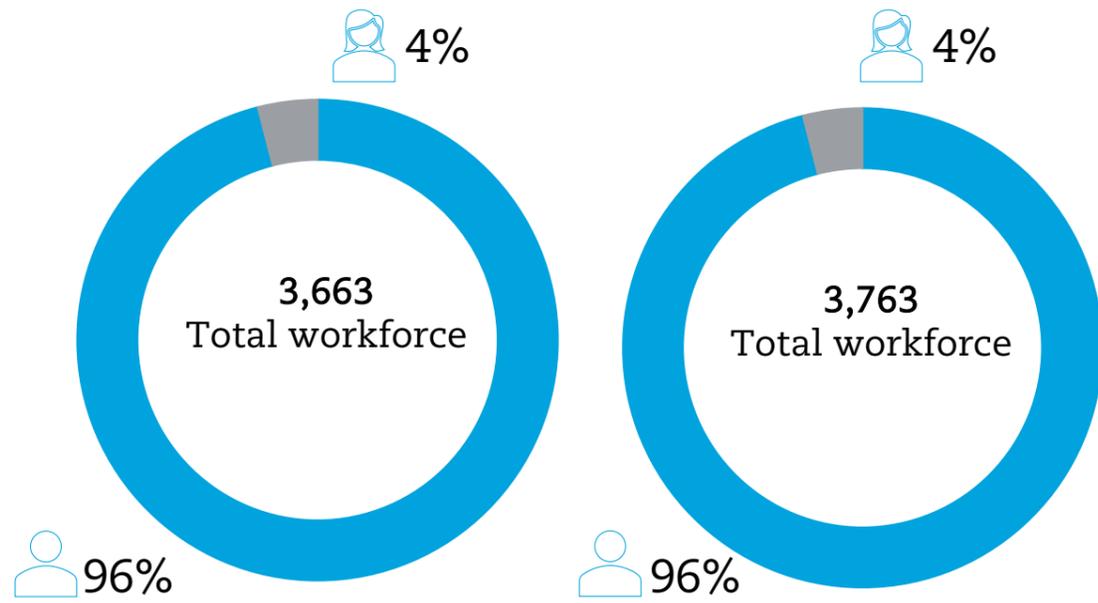


EMSTEEL increased the numbers of employees in its workforce to reach 3,763, comprising a 3% increase from 2022 workforce of 3,663. In 2023, the percentage of female employees of the total workforce at Emirates Steel has reached 4%.



Workforce Breakdown	2022	2023	Y-o-Y
Female	153	168	10%
Male	3,510	3,595	2%
Total number of employees	3,663	3,763	3%

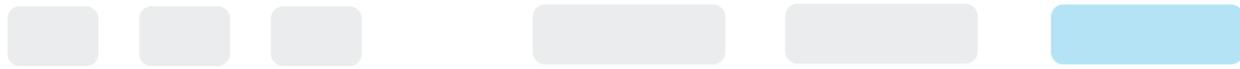
Percentage of Employees by Gender



In 2023, EMSTEEL focused on empowering youth, as demonstrated by their success in retaining 425 employees under 30 years old, a 22% increase from 2022.

Workforce by Age Group	2022	2023	Y-o-Y
Under 30 years old	349	425	22%
30-50 years old	2,591	2,666	3%
Over 50 years old	723	672	-7%





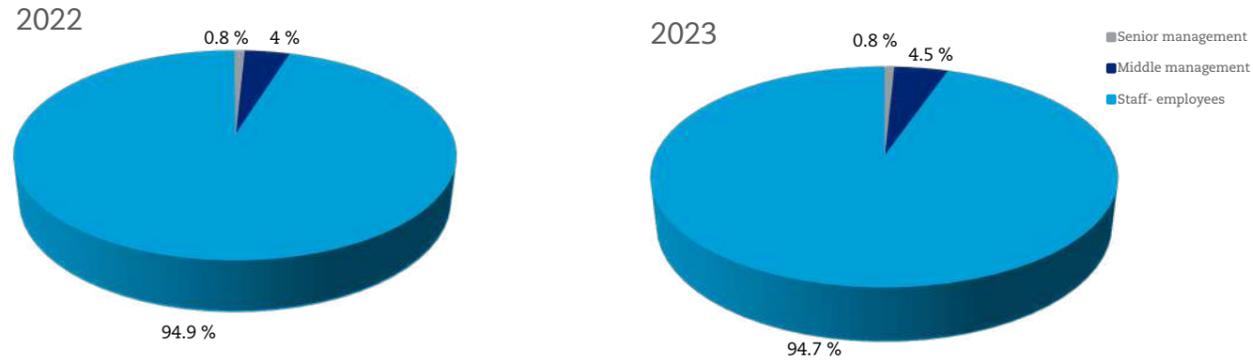
Percentage of Employees by Age Group	2022	2023
Under 30 years old	10%	11%
30-50 years old	71%	71%
Either	20%	18%



Workforce by Category	2022	2023	Y-o-Y
Senior management	28	30	7%
Middle management	158	168	6%
Staff – employees	3,477	3,565	3%

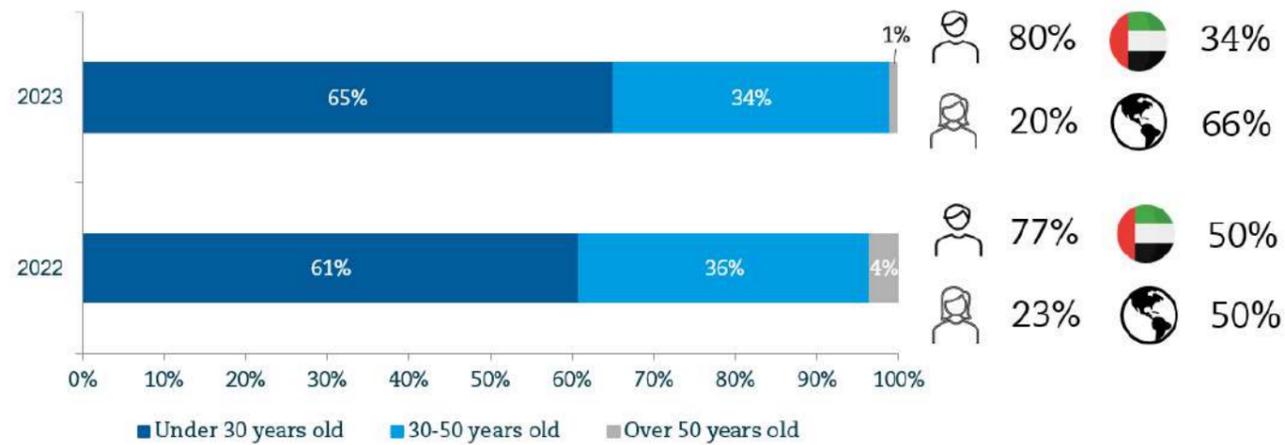


Percentage of Employees by Category



EMSTEEL hired 20 females out of a total of 102 hirings in 2023.

New Hires	2022	2023	Y-o-Y
By Age Group			
Under 30 years old	120	66	-45%
30-50 years old	70	35	-50%
Over 50 years old	7	1	-86%
By Gender			
Female	45	20	-56%
Male	152	82	-46%
By Nationality			
Emirati	99	35	-64%
Non-Emirati	98	67	-32%



Employees Number by Category	2022	2023	Y-o-Y
Permanent Employees*			
By Gender			
Female	138	153	11%
Male	2,820	2,852	1%
By Nationality			
Emirati	585	626	7%
Non-Emirati	2,373	2,379	0.3%
Temporary Employees*			
By Gender			
Female	15	15	0.3%
Male	690	743	8%
By Nationality			
Emirati	0	0	NA
Non-Emirati	705	758	8%

* The verified figures pertaining to the steel business reveal a total of 2,021 permanent employees and 714 temporary employees.

In 2023, EMSTEEL participated in 'The Industrialist Career Fair' held in Abu Dhabi, showcasing an abundance of vacancies, and introduced potential training programmes in collaboration with reputable institutions. Our participation addressed the talent gap in the industrial sector and provided opportunities for Emiratis to thrive in their chosen fields.



Employee Compensation and Benefits

EMSTEEL is committed to fostering a work environment that attracts, retains, and motivates top talent. We believe in fair and competitive compensation practices that ensure our employees feel valued and appreciated. Our Wage Policy and procedure adheres to both National and CARES guidelines, guaranteeing that our employees receive wages and benefits that meet all regulatory requirements. We conduct

regular salary benchmarking exercises across the industry, ensuring our compensation packages remain competitive and attractive. Our incentive scheme directly links individual and corporate performance with annual bonuses, motivating employees to strive for excellence. We are proud of our efforts to achieve a zero-pay gender gap, ensuring equal pay for equal work regardless of gender.

Description – EMSTEEL	Unit	2022	2023	Y-o-Y
Average (median) income of men	AED	15,815	13,561	NA
Average (median) income of women	AED	31,143	26,550	NA
Ratio of median male compensation to median female compensation	Number	0.50	0.51	-2%

We offer a comprehensive suite of benefits, encompassing medical, financial, and logistical needs. Full-time employees enjoy benefits such as medical and life insurance, company-provided accommodation, transportation facilities,

education allowances, loans, and end-of-service benefits. In 2023, all our female and male employees in Emirates Steel who took parental leave returned to work.

Description – EMSTEEL	Unit	2022	2023	Y-o-Y
Total number of employees that were entitled to parental leave				
Female	Number	77	80	4%
Male	Number	2,066	2,563	24%
Total number of employees that took parental leave				
Female	Number	4	3	-25%
Male	Number	110	145	32%
Number of employees that returned to work in the reporting period after parental leave ended				
Female	Number	4	3	-25%
Male	Number	110	145	32%





Description	Building Materials	Unit	2022	2023	Y-o-Y
Total number of employees that were entitled to parental leave					
Female		Number	20	18	-10%
Male		Number	600	607	1%
Total number of employees that took parental leave					
Female		Number	3	2	-33%
Male		Number	22	35	59%
Number of employees that returned to work in the reporting period after parental leave ended					
Female		Number	3	1	-67%
Male		Number	22	30	36%

In 2023, the workforce turnover rate across EMSTEEL reached 5.5%, while the involuntary turnover rate was only 1.4%.

Description – EMSTEEL	Unit	2022	2023	Y-o-Y
Total employee turnover	Number	218	203	NA
Voluntary turnover rate	%	3.7%	4.0%	NA
Involuntary turnover rate	%	2.5%	1.4%	-2%
Workforce turnover rate	%	6.2%	5.5%	

Description – EMSTEEL	Unit	2022	2023	Y-o-Y
By Gender				
Female	Number	14	15	7%
Male	Number	204	188	-8%
By Age				
Under 30 years old	Number	82	42	-49%
30-50 years old	Number	87	101	16%
Over 50 years old	Number	49	60	22%
By Nationality				
Emirati	Number	100	57	-43%
Non-Emirati	Number	118	146	-24%

In 2023, the CEO total compensation to median Full-Time Equivalent (FTE) total compensation in Emirates Steel and Building Materials is 8.92 and 8.79, respectively.

Description	Unit	2023
CEO - Emirates Steel	Ratio	8.92
CEO - Building Materials	Ratio	8.79
GCEO - EMSTEEL	Ratio	15.69

Description	Unit	2023
Ratio of the entry level wage of males to the minimum wage	%	93%
Ratio of the entry level wage of females to the minimum wage	%	7%



Diversity and Equal Opportunity



GRI Standards: GRI 405 (2016)
CARES SCS: 4.1

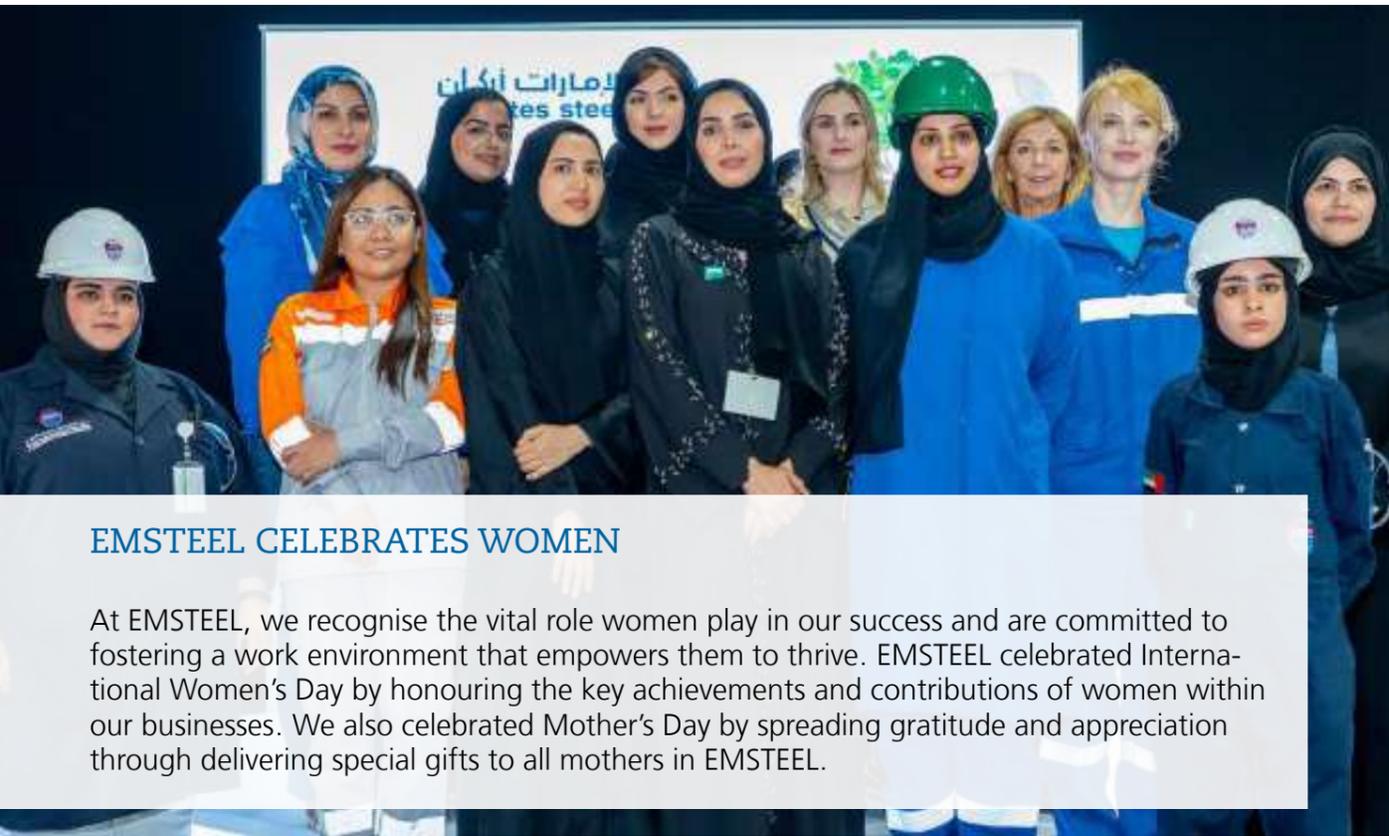
In our pursuit of sustainability, EMSTEEL emphasises a diverse and inclusive workplace culture that permeates throughout our operations. We adhere to non-discriminatory employment practices, ensuring equal opportunities regardless of race, colour, religion, gender, national origin, age, or disability. We believe that a diverse workforce enriches innovation, enhances company culture, and promotes sustainable practices.

In 2023, our workforce expanded to include 63 nationalities, a notable increase from 53 in 2022. Additionally, we conducted a self-assessment against the ISO 26001 standard for social responsibility and equal opportunities, confirming no gaps in our policies and practices, thus demonstrating our commitment to maintaining ethical standards and fostering a fair and inclusive environment for all employees.



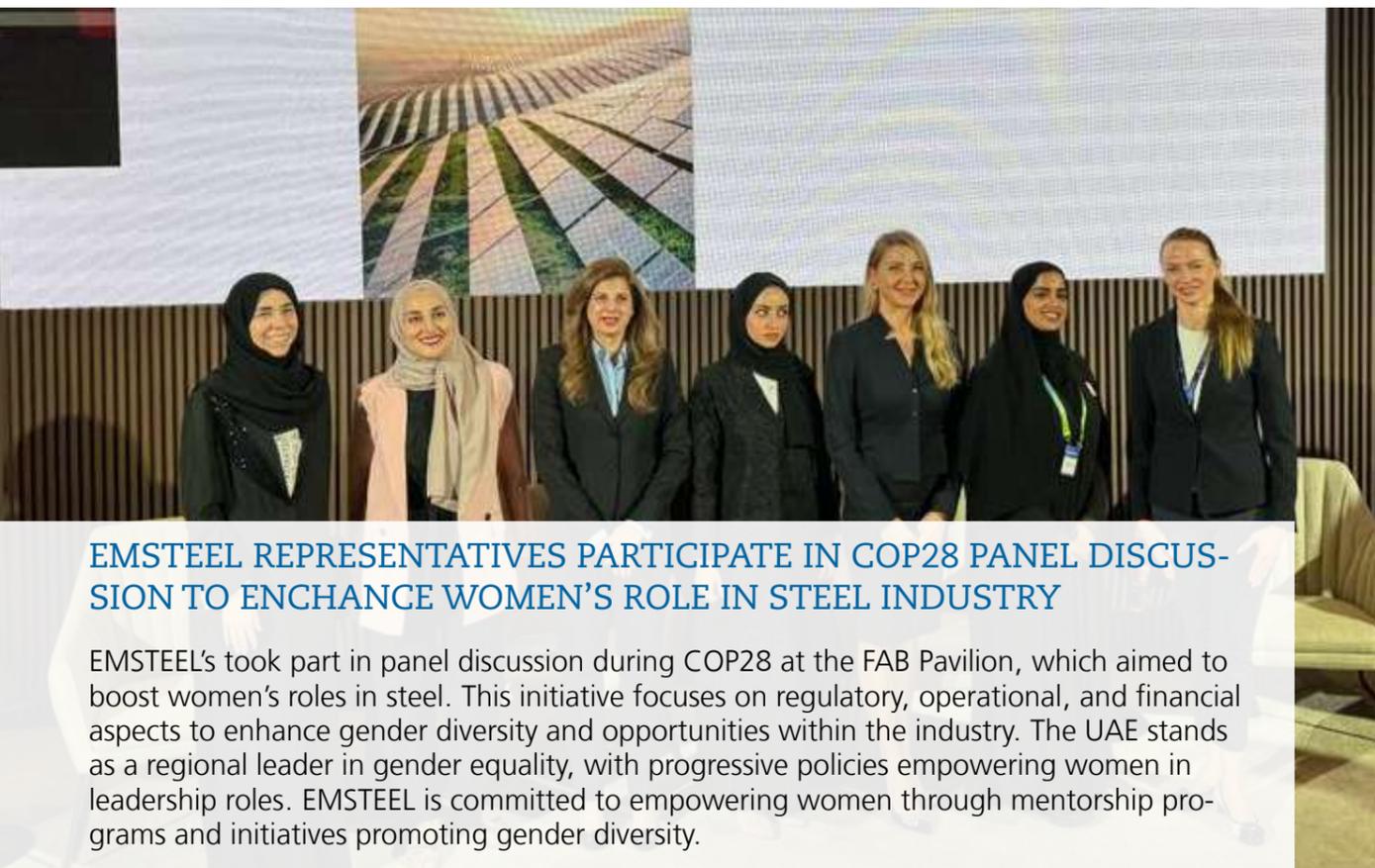
EMSTEEL LAUNCHES INSPIRING WOMEN PROGRAMME

In 2023 a dedicated “Inspiring Women program” was arranged to empower and advance women’s potential in business. The programme offers participants a deep dive into the unique challenges faced by women in the business world. The aim of this is to attract and retain highly skilled female professionals and promote gender diversity within our organisation and across the world. This reflects EMSTEEL’s forward-thinking and social responsibility, promoting gender diversity within the workforce.



EMSTEEL CELEBRATES WOMEN

At EMSTEEL, we recognise the vital role women play in our success and are committed to fostering a work environment that empowers them to thrive. EMSTEEL celebrated International Women's Day by honouring the key achievements and contributions of women within our businesses. We also celebrated Mother's Day by spreading gratitude and appreciation through delivering special gifts to all mothers in EMSTEEL.

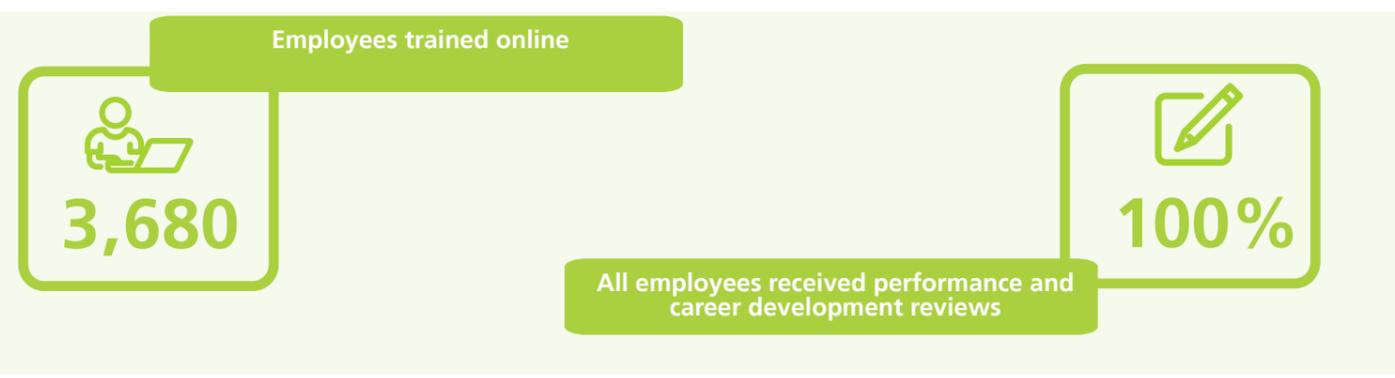


EMSTEEL REPRESENTATIVES PARTICIPATE IN COP28 PANEL DISCUSSION TO ENHANCE WOMEN'S ROLE IN STEEL INDUSTRY

EMSTEEL's took part in panel discussion during COP28 at the FAB Pavilion, which aimed to boost women's roles in steel. This initiative focuses on regulatory, operational, and financial aspects to enhance gender diversity and opportunities within the industry. The UAE stands as a regional leader in gender equality, with progressive policies empowering women in leadership roles. EMSTEEL is committed to empowering women through mentorship programs and initiatives promoting gender diversity.



3.3 LEARNING & DEVELOPMENT



GRI Standards: GRI 404 (2016)
CARES SCS: 4.3 & 4.5

At EMSTEEL, we prioritise employee development by designing comprehensive plans that cater to career progression and enhance technical competencies. We offer a diverse range of training and development programmes to nurture our workforce’s skills and advance their careers.

Our management strongly believes in the significance of continuous learning and growth,

which is why we have implemented a learning and development (L&D) policy to guide our training processes. Our innovative “Learning Ladder” approach caters to employees at various levels, providing learning opportunities through instructor-led, blended, online, and expert-led lectures. This dedication to employee development not only boosts individual capabilities but also fosters a culture of continuous learning and innovation, ultimately supporting our sustainability goals.



Upskilling our Workforce

EMSTEEL utilises the SuccessFactors Learning Management System (LMS) to efficiently manage and organise learning activities for our workforce. Regular training intervals are implemented to ensure employees maintain eligibility for plant access and job competency. The LMS is also integrated with the LinkedIn Learning Platform, granting employees access to relevant resources based on their job requirements and career paths.

Our Performance Management System promotes clear, year-long objective setting and tracking in alignment with the organisational vision. Employees collaborate with managers to define individual objectives, which are then reviewed for focused progress and effective performance management. The SuccessFactors LMS serves as a central hub for training and development, maintaining a high level of competency and compliance throughout the organisation.



Trainings & Education

EMSTEEL collaborates with world-class training providers and Business Schools, as well as regional and international universities/educational institutes to organise training and development activities for its workforce. This includes but not limited to IMD, London Business School, Harvard Business School, ADVETI, Khalifa University, Steel University, etc.

The Leaders and GROW programmes

In 2023, EMSTEEL continued its ongoing efforts to train and hone its employees' skills and nourish their education. The Leaders' coaching program is designed to refine leadership skills, enhance decision-making, and optimise team performance. Through tailored guidance, it aims to cultivate effective communication, strategic thinking, and conflict resolution, fostering managers' ability to lead with confidence,

The targeted training for each employee is 24 hours per year. This is tracked through Balance Scorecard report that is prepared on a quarterly basis. Currently the company relies on Kirkpatrick Evaluation model up to three levels to measure the training effectiveness.

inspire teams, and drive organisational success. To get ready for opportunities at work, (GROW) programme aims to develop the behavioural and technical competencies of EMSTEEL's employees through well customised Individual Development Plan, where precise monitor and follow up is in place. In 2023, the GROW programme targeted number of employees (112) from different levels across the organisation to develop their behavioural and technical competencies.



EMSTEEL AND ADVETI TO INTRODUCE THE FIRST-EVER DIPLOMA IN STEEL MANUFACTURING TECHNOLOGY IN UAE

In our pursuit of enhancing education and skill development, EMSTEEL has fortified its partnership with the Abu Dhabi Vocational Education & Training Institute (ADVETI) by extending our existing agreement. Aligned with our sustainability objectives, we have assumed the task of enhancing the existing Diploma Qualification provided by ADVETI and have introduced a new program, the "Diploma in Steel Manufacturing Technology." This collaboration showcases our dedication to nurturing a skilled workforce and fostering sustainable growth in the education sector. By investing in specialised educational programs, we aim to bridge the gap between industry requirements and the capabilities of future professionals, thereby fostering a more resilient and sustainable economy.

In 2024, we commit to introduce the Human Capital Chatbot project to optimise internal processes and provide the employees with readily accessible support. Furthermore, we will conduct an Employee Engagement Survey to gather invaluable insights from our employees. In addition, we will initiate EMSTEEL's Digital Learning Academy equipped with Artificial Intelligence (AI) Sessions.



Time Spent on Learning



In 2023, 2,765 male employees and 144 female employees received training across EMSTEEL businesses. Throughout the year, we provided a total of 30,198 days of training, averaging 10 days per employee. This exceeds the Worldsteel Association benchmark of 7.78 training days per employee. We employed 27 graduate trainees in EMSTEEL this year. The below provides a breakdown of employee training by hours, gender, and employee category.



Training Hours	2022	2023	Y-o-Y
By Gender			
Female	157,759	233,590	48%
Male	3,655	7,992	119%
By Category			
Senior management	127	133	5%
Middle management	2,377	2,306	-3%
Staff – employees	135,467	239,143	77%

In the year 2023, we achieved significant progress in enhancing employee training, as the average training hours per staff member increased by 36% compared to the previous year. This remarkable improvement led to an average of 83 hours of training per employee,

demonstrating our commitment to fostering continuous learning and skill development within our workforce. Out of 241,582 training hours in the Group, 234,768 hours* of training were carried in Emirates steel.

*This was verified by a third party (Auditor).



Training Hours	2022	2023	Y-o-Y
Average training hours per employee	61	83	36%
Breakdown by Gender			
Female	61	84	38%
Male	42	55	31%
Total hours			
Total (average) number of employees and permanent contractors (if any) employed at all sites during the data collection/reporting period	2,668	2,909	9%
Number of training hours per employee-contractor	8	15	88%

Employee Engagement

In our pursuit of sustainability at EMSTEEL, we acknowledge the pivotal role our employees play in shaping a sustainable future. We firmly believe that a highly engaged and motivated workforce serves as the foundation for long-term success. To achieve this vision, we continuously innovate and evolve our employee engagement strategies.

The Happiness & Wellbeing Committee has been established with a main objective of focusing on fostering a positive and supportive work environment for our employees. The Committee addresses various aspects of emotional health, work-life balance, financial and stress management, and health awareness. Through monthly programmes and initiatives, the Committee ensures open communication and active engagement with all employees. These efforts are designed to empower individuals to build resilience, manage stress, and maintain healthy work-life boundaries. By prioritising employee well-being, we cultivate a thriving workforce, leading to increased engagement, motivation, and a more sustainable future for all.

At EMSTEEL, we utilise diverse communication channels such as corporate communication, online announcements, Steel Hub, Yammer, EMSTEEL Pulse, emails, and teasers (videos) to ensure seamless information sharing. Additionally, we schedule various events like Group CEO townhalls, Meylskom, event that is designed to engage UAE nationals and to inform them more about our company's new developments and updates, and to strengthen collaboration and team spirit between our potential UAE Talents and the Top Management. And others to engage employees and disseminate vital updates and ensure employees alignment and awareness of all updates.

The Happiness & Engagement committee also offers motivational sessions for UAE nationals under the Career Aspiration Programme (CAP). These sessions aim to boost motivation, enhance behavioural traits, and promote tolerance among teams, further contributing to a more united and productive workforce.



AL AIN CEMENT FACTORY'S RISK CONTAINMENT LAUNCH: FOSTERING A CULTURE OF AWARENESS

The Risk Containment Launch in Al Ain Cement Factory has been hailed as a resounding success. With close to 40 members participating, the meeting facilitated open dialogue that enabled the team to align on effective strategies for implementing robust risk containment measures. The team actively participated, contributing their expertise and addressing key concerns.



EMSTEEL CELEBRATES INTERNATIONAL HAPPINESS DAY

As part of our commitment to employee well-being and fostering a sustainable work environment, EMSTEEL organised a noteworthy event to commemorate the International Day of Happiness in 2023. The purpose of this celebration was multifaceted, as it aimed to promote a positive work atmosphere, enhance employee well-being, and cultivate a sense of community within the organisation. By engaging in such initiatives, we contribute to the overall happiness and satisfaction of our workforce, which is a crucial aspect of achieving long-term sustainability and success.



EMSTEEL: UNBEATEN CHAMPIONS OF ONYX SPORT CORPORATE CRICKET LEAGUE

In an enthralling culmination to the Onyx Sports Corporate Cricket League, our EMSTEEL team emerged as the triumphant champions in a thrilling final against First Abu Dhabi Bank (FAB). Displaying an exceptional combination of skill and tenacity, EMSTEEL remained undefeated throughout the tournament.

EMSTEEL HOLDS INAUGURAL INTERNAL DRAGON BOAT RACING COMPETITION

EMSTEEL held its first-ever internal Dragon Boat Race. The event was an unparalleled display of teamwork, camaraderie, and healthy competition, with 40 team members from across divisions. The Dragon Boat Race brought together the company in a way few other events could. With a total of around 80 members from our staff present, including participants' families, friends, and colleagues cheering on.



EMSTEEL ORGANISES YOUTH TEAM BUILDING EXERCISE

EMSTEEL Happiness & Engagement Committee organised a team building activity that brought together 47 graduate trainees and their trainers. The event aimed to foster a positive and engaging atmosphere while emphasising the significance of teamwork for achieving success.



3.4 EMIRATISATION

GRI Standards: GRI 413 (2016)
CARES SCS: 5.2

As a national steel and building material manufacturing company, we are committed to strengthening the local economy in line with the UAE Vision 2030. Additionally, we are keen on providing employment opportunities and equipping future generations of Emiratis with the necessary competencies. As such, we

see investing in national talent as a pillar in our purpose of business and have established this through our Emiratisation Policy as we aim to have a substantive part of our workforce comprise of Emirati human capital.



EMSTEEL WINS THE “BEST EMIRATISATION LEVEL IN MANUFACTURING” AWARD

EMSTEEL was awarded the Best Emiratisation Level in Manufacturing Award, at the Make It in the Emirates Awards 2023, conducted by The UAE Ministry of Industry and Advanced Technology. This is a testament to EMSTEEL’s commitment to its employees and the community, as well as for its efforts towards creating job opportunities for UAE nationals.

In 2023, we achieved an Emiratisation rate of 21% in the Group, with a total of 587 Emiratis in the workforce. We are confident in our ability to further increase our Emiratisation rates across EMSTEEL in the upcoming years.

Emiratisation Data - EMSTEEL - 2023

21% Emiratisation rate
12 Emiratis in senior management
27 Emiratis in middle management
587 Emirati staff

Breakdown	Emirates Steel*	Building Materials
Senior management	8	4
Middle management	27	0
Staff – employees	553	34

*This was verified by a third party (Auditor)

Emiratisation Data - EMSTEEL - 2022

20% Emiratisation rate
14 Emiratis in senior management
31 Emiratis in middle management
540 Emirati staff





CAREER ASPIRATION PROGRAMME (CAP)

As part of our Emiratization strategy, we implemented the 36-month Career Aspiration Programme (CAP) to carve space for internships and work placements for fresh UAE graduates as well as catch-up plans for existing employees. The programme equips UAE National fresh graduates with applicable job skills so that they can become effective in their job once appointed. Priority is given to qualified UAE nationals when a position becomes vacant.

167
CAP delegates enrolled in 2023

19%
Increase in CAP delegates compared to 2022



THE MASAAR AND FUTURE LEADERS PROGRAMMES

In our pursuit of fostering a sustainable future, EMSTEEL has implemented two significant programmes aimed at nurturing fresh UAE graduates and integrating them into our business operations. The Masaar programme is designed to align new talent with our company's strategic goals and requirements, while the Future Leaders programme focuses on enhancing leadership capabilities and ensuring that the participants' skills align with our business needs.

Both programmes emphasise mentorship, fostering positive relationships, and equipping the participants with essential skills to manage stress and demands effectively. By investing in the growth and development of these young professionals, we aim to create a strong pipeline of future leaders who can contribute to EMSTEEL's long-term success and sustainability.

In the current year, we welcomed 109 delegates into these programmes, demonstrating our commitment to nurturing and empowering the next generation of talent within our organisation.



3.5 COMMUNITY EMPOWERMENT

516,746 AED
Total amount spent on CSR in 2023

52,272
Beneficiaries in 2023



337
Volunteers



GRI Standards: GRI 413 (2016)
CARES SCS: 4.4

At EMSTEEL, we acknowledge the interconnectedness of our success with the well-being of the communities we operate in. Guided by this understanding, we have established a comprehensive Corporate Social Responsibility (CSR) programme, encompassing four vital pillars: Education, Health, Environment, and Society. We take pride in implementing local community engagement, impact assessments, and development programmes across all our operations consistently for the past four years, demonstrating our commitment to sustainability.

EMSTEEL is committed to safeguarding the legal and customary rights and interests, cultures, customs, and values of local communities regarding lands, their use of natural resources, and their livelihoods and maintaining or improving the social and economic well-being of local communities affected by the site's operations.

We prioritise aligning our community engagement efforts with established standards to ensure our participation is ethical, responsible, and effective, contributing positively to the

communities we serve. Our local community scope encompasses stakeholders in the UAE, including people, customers, partners, and local authorities. Under the CSR and Community Engagement Strategic Framework, we meticulously track and monitor the number of activities, beneficiaries, and community satisfaction.

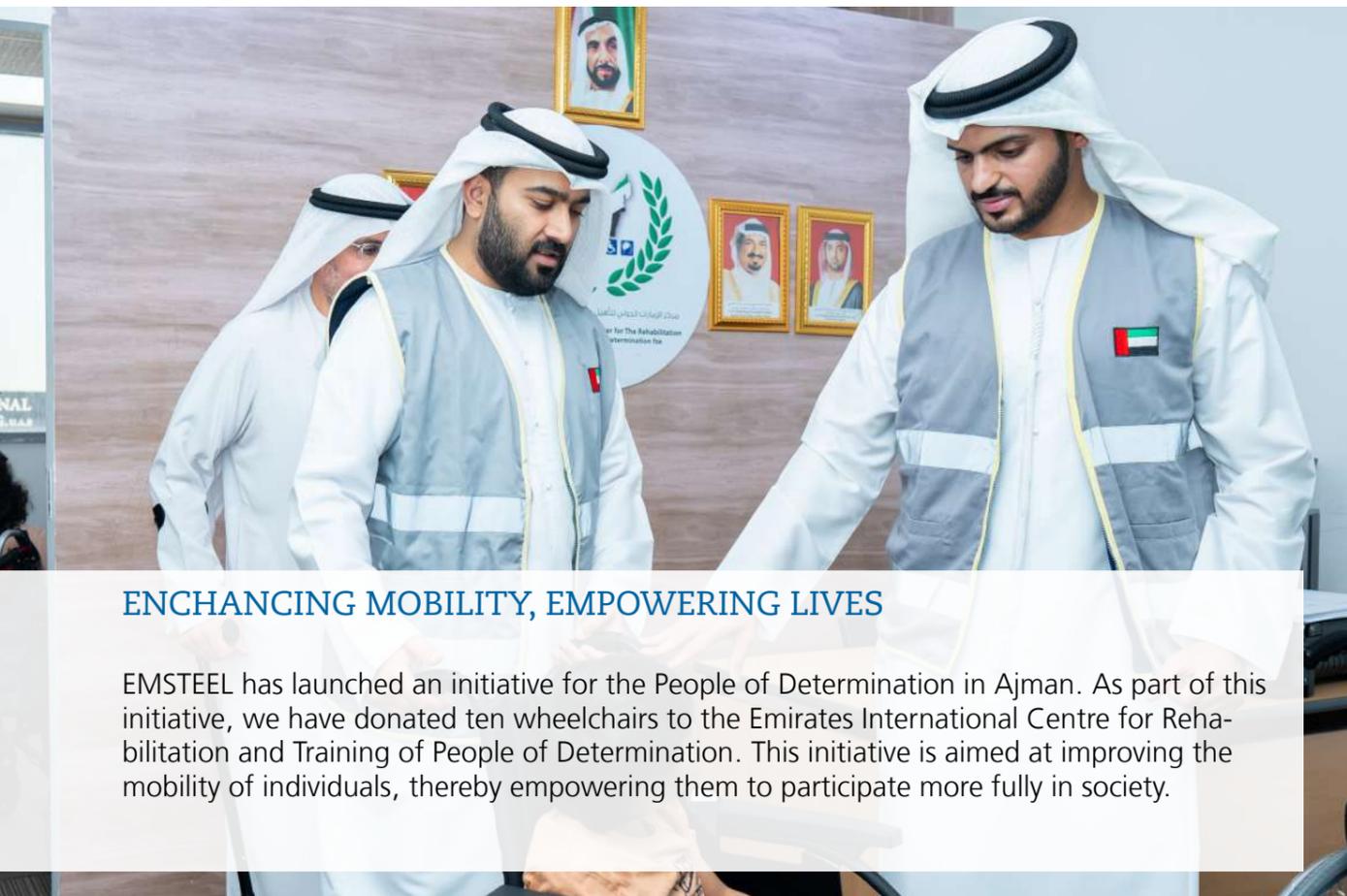
In collaboration with local charity organisations, we actively assess and define the needs of our local community concerning humanitarian and educational progress, while also emphasising environmental sustainability. We provide the necessary tools and resources to enhance their performance, ensuring they adhere to eco-friendly practices. Furthermore, we engage in partnerships with organisations, offering support that emphasises environmental consciousness. Our objective is to empower these organisations, transforming them into effective professionals and stewards of the environment, thus contributing to a sustainable and harmonious future for all.



STRENGTHENING OUR COMMUNITIES THROUGH THE 7TH ANNUAL “WE GIVE YOU SMILE” INITIATIVE

EMSTEEL has once again demonstrated its commitment to making a positive impact in the community by launching its 7th annual CSR initiative, “We Give You Smile,” during the Holy Month of Ramadan. EMSTEEL volunteers distributed over 500 Ramadan supply parcels to families in need across Abu Dhabi, Dubai, and Al Ain.

These parcels contained basic food items that will help families break their fast and celebrate the month of Ramadan.



ENHANCING MOBILITY, EMPOWERING LIVES

EMSTEEL has launched an initiative for the People of Determination in Ajman. As part of this initiative, we have donated ten wheelchairs to the Emirates International Centre for Rehabilitation and Training of People of Determination. This initiative is aimed at improving the mobility of individuals, thereby empowering them to participate more fully in society.



EMSTEEL VISITS ABU DHABI CENTRE FOR SHELTERING & HUMANITARIAN CARE CENTRE (EWAA)

EMSTEEL celebrated Emirati Women’s Day with a visit to the Abu Dhabi Centre for Sheltering & Humanitarian Care Centre (Ewaa) to appreciate the vital role of Emirati women in society. The team distributed souvenirs, underlining their pledge to support Emirati women and highlighting the crucial work of the Ewaa Centre in women’s protection and support.

We have a formal local community grievance process as implemented through our Violation Reporting System which is accessible to the public via our Company website. EMSTEEL is committed to a culture of transparency, honesty, and accountability. In line with that commitment, we are introducing a procedure that provides employees and other stakeholders with a method to report instances of unethical, unlawful, or undesirable conduct without fear of intimidation or retaliation.

In 2023, our total expenditures on the local community reached a total of AED 516,746, 30% lower than 2022 due to collaboration/ partnership with other entities like Abu Dhabi Municipalities. Our CSR aims to address essential issues in areas such as healthcare, environment, and culture. This year, our CSR activities benefited 52,272 people across our local and international communities.

Training Hours	Unit	2022	2023	Y-o-Y
Total community initiative expenditure (funding) in the data collection/reporting period	AED	741,204	516,746	-30%
Community initiative rate (community investment / tonnes of production)	AED/tonne	0.23	0.159	-31%
Amount invested in the community as a percentage of company revenues	%	0.003	0.00581	93%
Total number of employee volunteers	Number	220	337	53%
Total number of employee volunteering hours	Number	1760	2022	15%



A CANCER SUPPORT INITIATIVE AT TAWAM HOSPITAL

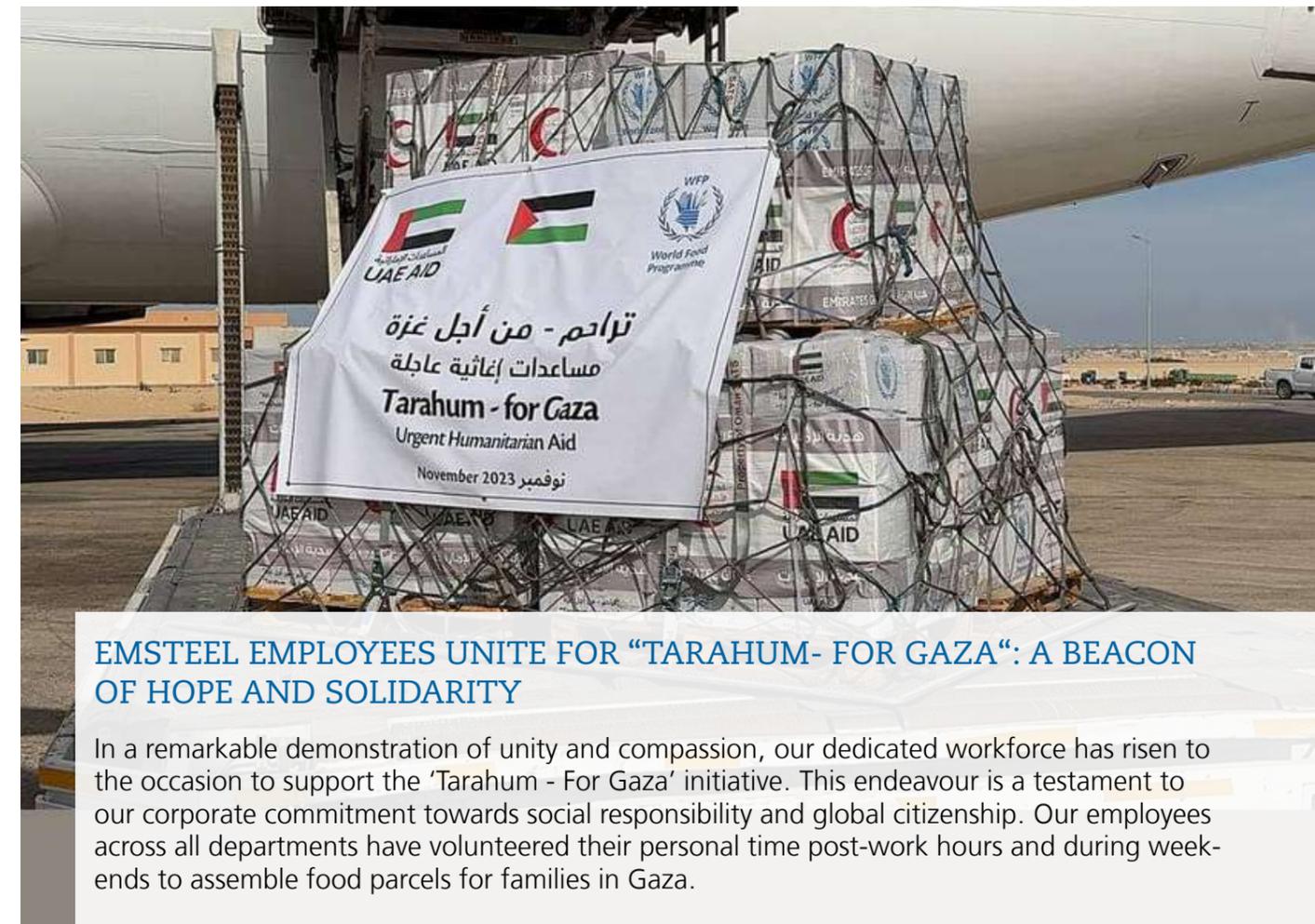
EMSTEEL recently sponsored an event at Tawam Hospital in Al Ain, showcasing its commitment to healthcare and community support. The event included a solidarity walk by company employees and hospital staff, symbolising unity and resilience in supporting those battling cancer. Additionally, EMSTEEL distributed gifts that were not just material items, but symbols of love, encouragement, and support, reminding the patients that they are not alone in their fight.



EMSTEEL SPONSORS THE 2023 ABU DHABI JIU-JITSU LEAGUE

EMSTEEL has taken a significant step by becoming a major sponsor of the Abu Dhabi Jiu-Jitsu League for the year 2023. This strategic partnership not only showcases our commitment to the martial arts community but also serves as a testament to EMSTEEL's unwavering dedication to nurturing and promoting the core values of discipline, respect, and unity inherent in Jiu-Jitsu.

By supporting this esteemed league, we aim to contribute to the growth and development of the martial arts community, fostering a culture that aligns with our company's values and contributes to the overall well-being and progress of society.



EMSTEEL EMPLOYEES UNITE FOR "TARAHUM- FOR GAZA": A BEACON OF HOPE AND SOLIDARITY

In a remarkable demonstration of unity and compassion, our dedicated workforce has risen to the occasion to support the 'Tarahum - For Gaza' initiative. This endeavour is a testament to our corporate commitment towards social responsibility and global citizenship. Our employees across all departments have volunteered their personal time post-work hours and during weekends to assemble food parcels for families in Gaza.

We will remain steadfast in our commitment to fostering positive change within our local communities. We are planning the following initiatives to be implemented in 2024:

CSR Initiative	Details
My community	A community volunteering solution programme, focusing on aiding blue-collar workers in Mussafah
Hope	An awareness campaign about the breast cancer month
Be Active	To sponsor and support people with determination to have sport activities
International Environment Day	To provide bottle recycling machines at EMSTEEL offices to be part of the recycle rewards program
Eidkum Mubarak	Visit patients in the hospital to draw a smile on their faces during Eid
We Love our beach	At the UAE National Environment Day, we have arranged a beach cleanup campaign.

4. GOVERNANCE



At EMSTEEL (the Group), we prioritise transparency and strong corporate governance in all our endeavours. Our commitment to these values is evident in the robust programme and governance system we have developed to align with the interests of our shareholders and meet the regulatory requirements. Upholding the highest ethical standards is essential to us, which is why we strictly adhere to the guide-

lines outlined in our Code of Ethics Policy and Employee Handbook. We strive to cultivate a work environment built on integrity and respect for our employees and to ensure that their rights are safeguarded in accordance with the UAE Labour Law and Ministry of Human Resources & Emiratization Requirements. By upholding these principles, we aim to build trust, foster accountability, and operate sustainably for the benefit of all stakeholders.

4.1 CORPORATE GOVERNANCE & RISK MANAGEMENT



GRI Standards: 2-9, 2-21 (2021)
CARES SCS: 2.1 & 2.3

ESG Committee and Policy formed

Corporate Governance

We fundamentally believe that good corporate governance promotes the long-term interests of not just our shareholders but our customers, employees, and society. We aim to implement the rules of transparency, fairness and accountability of our management based on global best practices and international standards.

Our corporate governance framework includes our policies and procedures and is approved by our Board of Directors (BoD). Furthermore, it is aligned with the Corporate Governance guidelines issued by the Chairman of the Securities and Commodities Authority (SCA). This covers accountability, fairness, disclosure, transparency, and responsibility to enable shareholders to exercise their rights to obtain information that affects their investment decisions and ensures that EMSTEEL acts responsibly toward stakeholders.

In 2023, we amended our Board Committees' structure to establish new Strategic Investments and Risk Committee to ensure that both strategy and risk functions to have greater independence.

Moreover, an ESG Committee is established that acts as an advisory body for all ESG and Sustainability-related requirements and mandates. We also updated our EMSTEEL Management System Policy to enhance our commitment to health, safety, and environmental standards. The policy will be periodically reviewed to ensure its continued support of our strategic direction.



Board of Directors

Our Board of Directors (BoD), the highest governance body in EMSTEEL, comprises 7 board members, including our Chairman and Vice Chairman. The BoD provides long-term strategic direction and ensures that adequate controls are in place to achieve our vision and objectives in alignment with Abu Dhabi's Economic Vision 2030.

Our independent BoD is committed to ensuring that EMSTEEL adheres to the laws and requirements of the Securities and Commodities Authority (SCA), the Abu Dhabi Securities Exchange (ADX), and other regulatory authorities by implementing and applying the Corporate Governance Manual. This commitment helps ensure that EMSTEEL operates with integrity, transparency, and accountability, which is essential for sustainable and responsible business practices.

Board of Directors 7 Members		Female Representation 1: 2.5	
Independent Board Members 86%		Average Tenure 3 years	

Board of Directors	2022	2023*	Y-o-Y
Percentage of seats occupied by women (%)	29%	29%	N/A
Percentage of independent board members (%)	86%	86%	N/A

*This was verified by a third party (Auditor).

To support the fulfilment of its diverse responsibilities, the BoD has established the following committees:

- Audit Committee
- Nominations and Rewards Committee
- Strategic Investment & Risk Committee
- ESG Committee

These committees fulfil their roles as established in the respective Charters approved by the BoD.



Hamad Abdullah Mohammed Al Shurafa Al Hammadi
Chairman

Jamal Salim Al Dhaheeri
Vice Chairman

H.E. Eng. Saeed Ghumran Al Remeithi
Group Chief Executive Officer
Emirates Steel Arkan



Abdulaziz Abdulla Ismail Mohamed Alhajri
Member

Nabeel Qadir
Member

Fatima Abdullah Muhammad Sharif Abdullah Al Fahim
Member



Farah Abdullah Muhammad Ali Al Mazrui
Member

GOVERNANCE OF ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG)

In 2023, EMSTEEL established an Environment, Social, and Governance (ESG) Committee to ensure that environmental, social, and governance principles are integrated into all aspects of our operations. This committee oversees our company's strategies and initiatives, and the development of an ESG strategy focusing on climate change and long-term sustainability. Additionally, we implemented a Group ESG policy that outlines our dedication to environmental stewardship, social responsibility, and governance, which guide all our business activities.

Executive Committee

Our Executive Committee (EXCO) is responsible for ensuring that the corporate objectives set by our BoD are met and that our operational activities are conducted according to the established policies and procedures. They also closely monitor compliance with these policies.

Additionally, the EXCO is responsible for ensuring that our senior management is empowered to conduct their functions independently, effi-

ciently and in a timely manner in accordance with the requirements of the Delegation of Authority (DoA) Manual. EXCO responsibilities include the maintenance of appropriate levels of communication, coordination, cooperation, and accountability checks. Furthermore, the EXCO maintains a responsible relationship with the society and ensures that the company's image and brand name are held in high esteem.



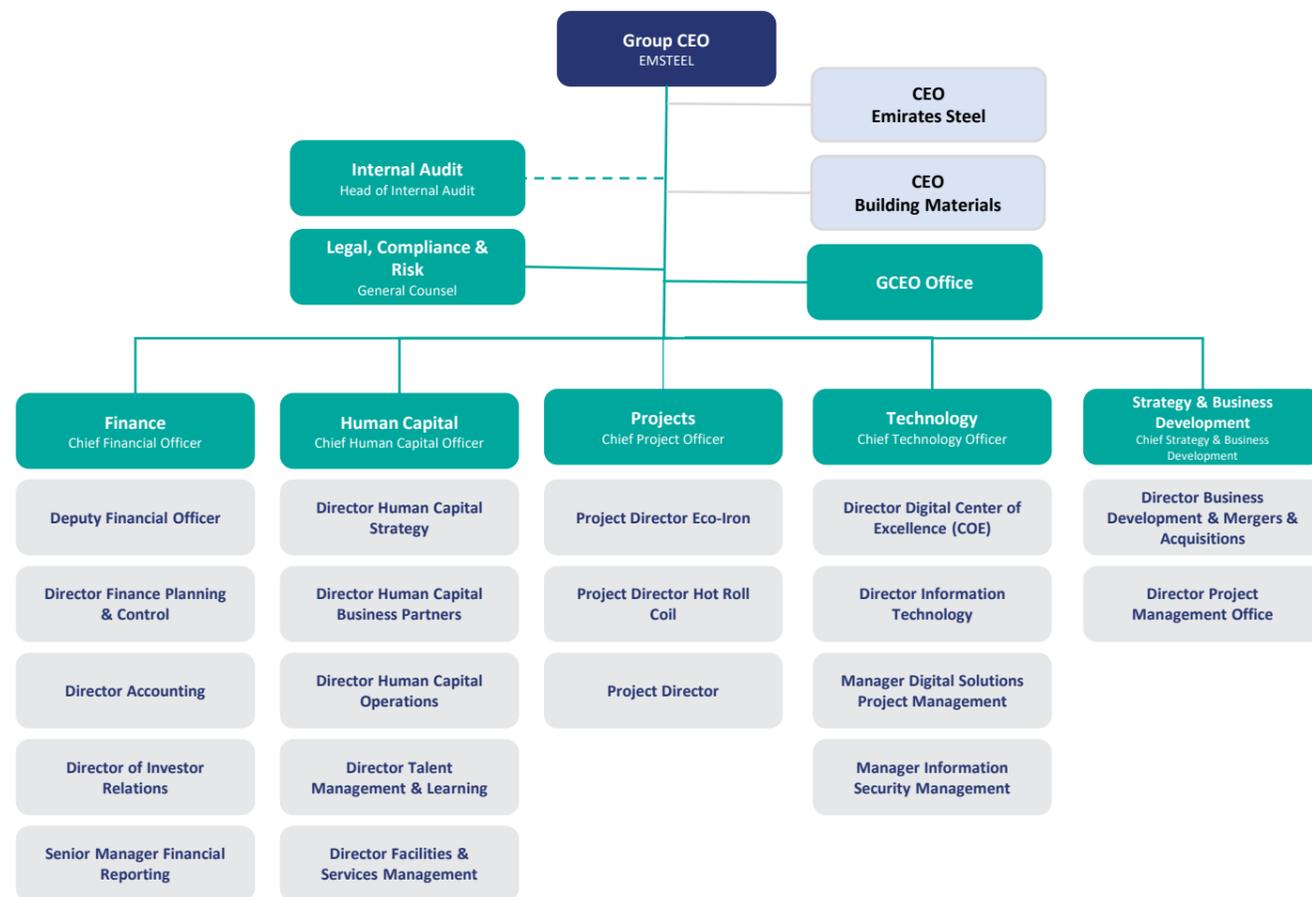
The EXCO prepares summary briefings for the BoD on a quarterly basis to report on EM-STEEL's performance against approved business objectives, risk assessment of delivery of our business objectives, and global, regional, and local issues that may significantly impact our business strategy.

In our unwavering commitment toward sustainability excellence, our Sustainability Task Force develops policies and procedures that align seamlessly with our sustainability vision while diligently monitoring performance metrics across all facets of our operations. Their efforts culminate in regular reports to the EXCO as we strive towards more sustainable future.

Organisational Structure

In 2023, EMSTEEL revamped its organisational structure to reflect its ongoing efforts and progress toward operational efficiency and sustainability implementation. The organisa-

tional structure enables the creation of a more agile and resilient business model through clear communication lines, roles, and responsibilities and optimised use of our human capital.



Integrated Management System

We built our Integrated Management System (IMS) using management principles derived from academia and industry best practices with methodologies uniquely designed to capture best practices that can be adapted specifically for EMSTEEL.

Our IMS has been established to facilitate effective management of processes by addressing the requirements and best practices of the following Management Systems:

- Quality Management System conforms to ISO 9001 certified by CARES.
- Environment Management System conforms to ISO 14001 certified by TUV Middle East
- Occupational Health and Safety Management System conforms to ISO 450001 certified by TUV Middle East
- CARES Sustainable Constructional Steel (SCS) scheme v 09
- Responsible Sourcing of construction products - BRE BES6001 Issue 3.1 by CARES
- Competence of Testing and Calibration laboratories ISO/IEC 17025:2017 by EIAC
- Steel Products certification system standards and requirements by country-specific certification bodies (covering approximately 70 countries)

The IMS contains EMSTEEL's Management Systems Policy, which includes Emirates Steel's commitments on quality, environment, health, safety, sustainability, innovation, and knowledge management. EMSTEEL's business processes are documented to ensure integrated functioning amongst interrelated processes.

This results in diverse parts of our business that can complement each other to achieve common objectives and goals. We maintained an IMS internal audit programme to enable our management to monitor the performance of our activities and accurately assess their effectiveness.



Risk Management

Risk management is integral to EMSTEEL's business continuity and for achieving its long-term goals and vision. EMSTEEL developed a Risk Policy Framework and Enterprise-Wide Risk Management (ERM) System to identify enterprise risks posed by various functions, and to assess, prioritise and manage those risks to maintain EMSTEEL risk profile within acceptable levels.

Risks are identified via multi-level risk identification processes that include structured and unstructured risk assessments, audit findings, incidents, brainstorming, business strategy processes, event-based risk assessments, management review meetings, and inputs from risk owners, i.e., the departments and processes. Additional mitigation, control and monitoring requirements are identified to manage the risk considering acceptable limits. In an organisational context, the needs and expectations of interested parties, and the impacts on the environment, local economy, sustainable production, health and safety, and compliance

Business Continuity

Long-term business success is related to the ability to serve the market, retain customers, and withstand unexpected events. Consequently, EMSTEEL, apart from serving its customers in the best possible manner, continues to develop its ability to effectively manage and respond to unexpected disruptions, disasters, and serious events that could affect its people, communities, and business continuity.

EMSTEEL is certified with the international standard for business continuity (ISO 22301) and in compliance with the UAE national standard for business continuity.

We have a Business Continuity Management Framework that includes a set of Policies and Procedures that covers the Business continuity and recovery requirements for all operational and support functions. This framework provides directions for successful and timely response to any incidents/serious events that

obligations are considered when determining risks. Apart from regular top risk assessments and monitoring, new initiatives, like Social, Climate, and Energy risk registers, were introduced in 2023 as part of the focus on sustainability.

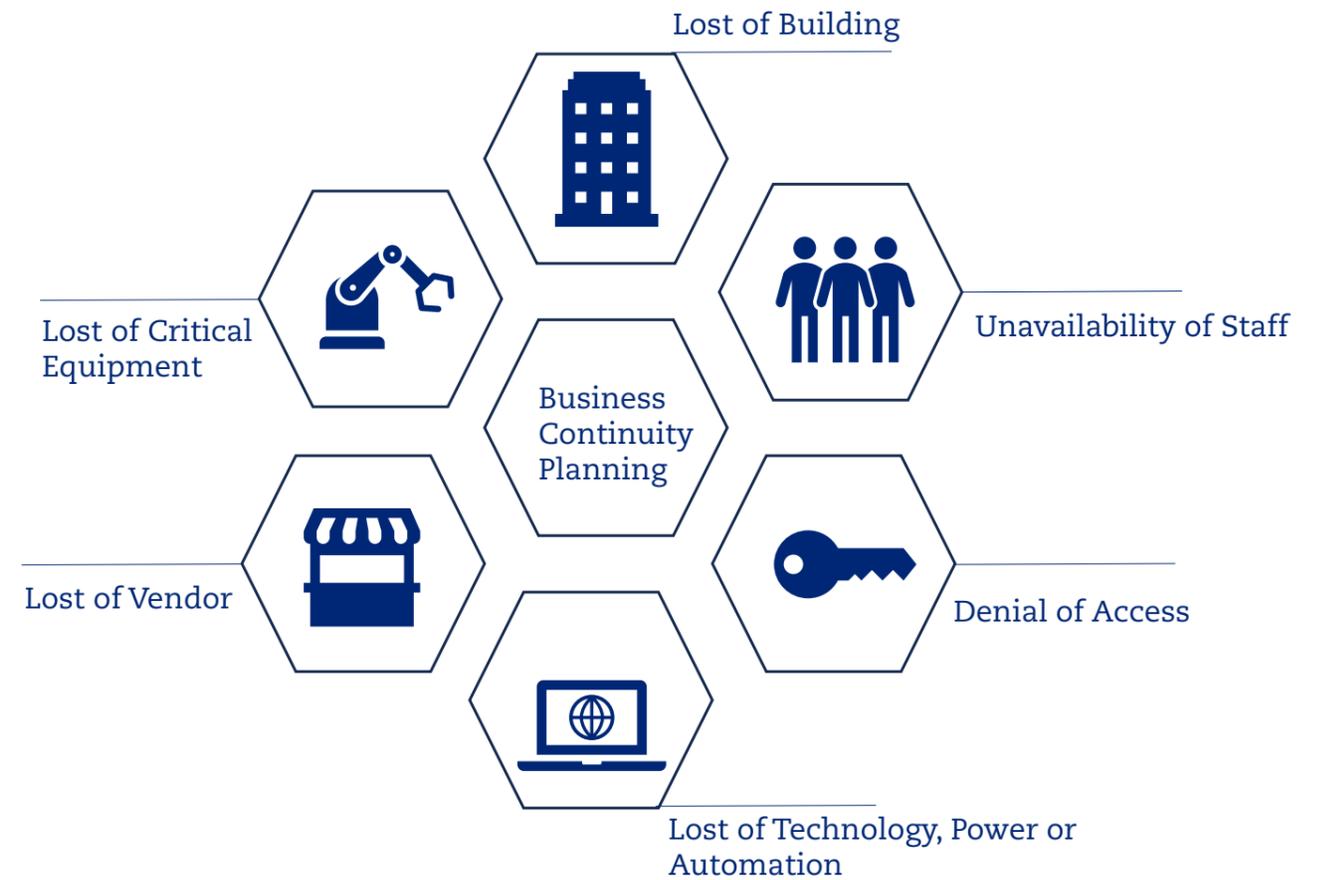
The Risk Management Committee (RMC) ensures, on behalf of the Board, that appropriate risk management methodologies are operating, and that EMSTEEL's risk profile remains within acceptable limits approved of by the BoD.

At EMSTEEL, both in-house and third-party risk engagements ensure early identification of risks, which helps to reduce the impacts of risks and enhances EMSTEEL's performance by making us better positioned against any external/internal issues. The EMSTEEL Risk Policy Framework integrates scenario building and evaluation to develop sound mitigation plans. As a third line of defence, the Audit Function further strengthens the review systems and helps rebuild EMSTEEL strategies.

could affect business continuity and provides guidelines for responding to crises declared by the Crisis Management Team (CMT).

The Business Continuity Framework ensures that all critical activities necessary to resume operations are conducted according to identified processes and requirements, such as the Recovery Strategies, the Recovery Time Objective (RTO), the Recovery Point Objective (RPO), and the Response Plans.

Periodically, this framework is reviewed to administer, implement, and improve the Business Continuity Plans (BCPs) along with continuous monitoring for new areas for development as and when the need arises. The scope of the Business Continuity Framework covers the loss of a building, the unavailability of staff, the denial of access, the loss of technology, power and/or automation, the loss of a vendor, and the loss of critical equipment.



4.2 BUSINESS INTEGRITY & ETHICS



GRI Standards: 2-23 (2021)

CARES SCS: 2.9, 4.1 & 5.4

Rooted in our unwavering commitment to ethical values and integrity, we prioritise fostering trust-based relationships with our suppliers and customers. Upholding the highest standards, we are dedicated to strict adherence to all

Compliance

EMSTEEL operates in compliance with applicable standards and regulations, including local labour laws. We developed and published our Code of Conduct (COC), which details the

legal regulations and anti-corruption measures to ensure transparency and accountability in all our operations.

principles, values, and expectations that guide the ethical behaviour and conduct to be observed by our employees, interns and workers who perform work for and on behalf of EMSTEEL.

The COC also governs the conduct between our employees and customers, suppliers, vendors, contractors, agents, and other stakeholders. All employees at EMSTEEL must be aware of the Code of Conduct and Business Ethics, as well as comply

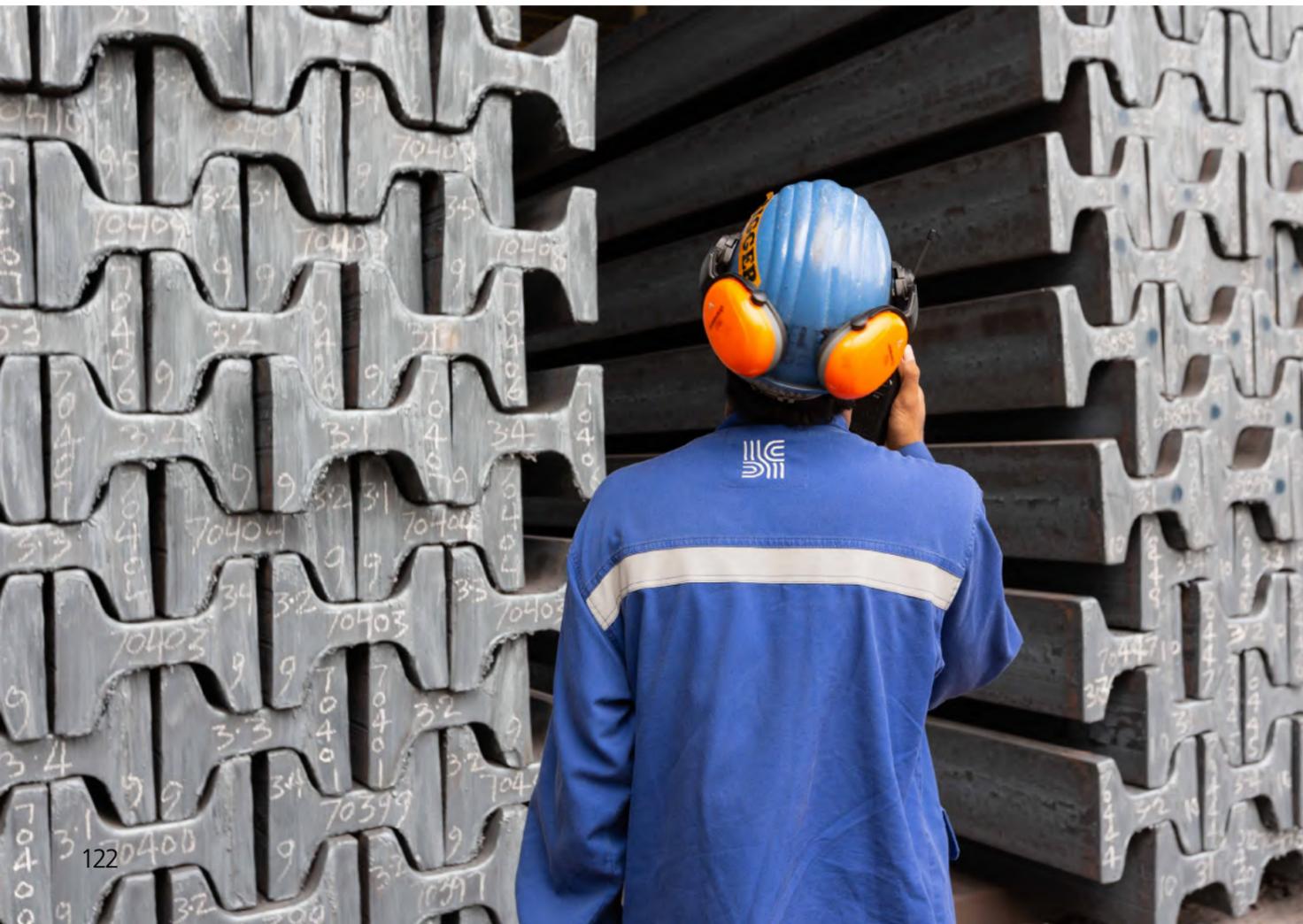
with them in their day-to-day activities and interactions.

The Code of Conduct and Business Ethics includes our policies regarding the following:

- Employees Rights, Responsibilities, and Accountabilities
- Business Conduct
- Anti-corruption
- Anti-bribery
- Respect to Human Rights
- Diversity and Equal Opportunity
- Discrimination and Harassment
- Environment, Health, and Safety
- Protecting Company Assets and Reputation
- Conflict of Interest
- Supplier Relations
- Workplace Etiquette
- Adherence to Professional Standards and
- Applicable Laws
- Whistle-blower Policy

All of our employees sign the COC declaration, and new employees are required to attend COC training as a mandatory segment of their on-boarding programme. Furthermore, we conduct internal audits on a regular basis, and we ensure our staff and Clients have gained a clear understanding of compliance and procedural protocols.

During 2023, we had zero incidents of non-compliance with laws and regulations.



Ethical Incidents and Complaints

We adhere to a comprehensive suite of policies that govern all aspects of our operations: an anti-bribery and corruption policy, a conflict of interest and related party policy, and a Whistleblower policy. Moreover, we assess 100%* of our operations against risks related to corruption, and provide channels for whistleblowers through our website to report COC violations.

*This figure was verified by a third party (Auditor) for the steel business.

Our sustainability implementation plan sets a target (maximum level) for the total number of ethical incidents recorded. Such incidents include harassment and discrimination in the workplace, whistleblowing or social media rants, ethics in accounting practices, non-disclosure, and corporate espionage, as well as

technology and privacy practices. This plan does not include violations for health and safety, which are appropriately addressed separately.

During the past 4 years, no ethical incidents and complaints were recorded or reported to an external regulator. We also had zero ethical incidents and complaints that resulted in the issuance of enforcement and/or prohibition notices by an external regulator and zero ethical incidents and complaints that resulted in a successful prosecution by an external regulator. In 2023, no corruption incidents were reported.

We work diligently to educate our employees on the significance of organisational fraud and risk management through multiple training sessions held throughout the year. This year, all our employees received training in anti-corruption.

Human Rights

As part of our commitment to human rights, we developed a Human Rights Policy at EMSTEEL, and we have a Disciplinary and Conduct Policy with a list of panellists that review and decide against any violations. Three (3) grievances were filed in 2023; 1 case* was at Emirates Steel and 2 were at Building Material. In general, EMSTEEL takes several actions to address grievance cases and maintain discipline among employees. For the first offense, a verbal warning is issued. A written warning follows the second offense, and a final warning is given for any subsequent occurrence.

*This figure was verified by a third party (Auditor) for the steel business

EMSTEEL respect human rights in line with the guidelines provided in UAE laws and regulations. The company has ensured a culture of tolerance at workplace by fostering ideas of tolerance and co-existence, protecting the rights of workers and women's rights. Moreover, our minimum hiring age at EMSTEEL is 18 years old, in adherence to our commitment to prevent child and/or forced labour, and the implementation of our disciplinary process extends across all EMSTEEL operations and facilities.



Data Privacy and Security

We are committed to ensuring data privacy and security at EMSTEEL with an Information Security Policy* in place as well as a Data Privacy Policy. We are also in compliance with UAE National Electronic Security Authority (UAE-NESA) Standards, which consist of 188 security controls to ensure data protection across EMSTEEL.

*This was verified by a third party (Auditor) for the steel business.

EMSTEEL follows the UAE Information Assurance Standards, which cover most of the ISO 27001 Standards and Controls. Although we are not currently certified, we have engaged a

third party to complete a deep gap assessment against ISO 27001. We anticipate certification between Q1-2026 to Q3-2027.

We have successfully completed an assessment of Abu Dhabi Development Holding Company (ADQ) with Operational Technology (OT) cybersecurity, conducted by PwC. Additionally, we perform periodic vulnerability and penetration tests on our Information Technology (IT) critical infrastructure, and we perform mitigation accordingly to ultimately ensure data privacy and security. In 2023, no attempts of cyberattacks were recorded.

4.3 MARKET PRESENCE & ECONOMIC PERFORMANCE



GRI Standards: 201 (2016) & 202 (2016)
CARES SCS: 5.5, 5.6

We supply products within the UAE, and export to more than 70 markets across the U.S., Europe, Asia, the Middle East, and North Africa. In 2023 we worked on increasing our market presence by adding new and sustainable products like our innovative ES600 rebars. Our strategy for diversifying our revenue sources includes increasing exports via various marketing channels, in addition to boosting the competitiveness of national products, supporting the unified industrial identity: "Make it in the Emirates".

EMSTEEL net profit rose to AED 601.9 million in 2023 compared to AED 510.2 million in FY22. This increase was driven by robust sales of value-added products in both domestic and international markets, the consistent enhancement of revenues and profits in the Building Materials division, coupled with increased operational efficiencies and revenue optimisation.



Revenue AED 8.9bn -6% Y-o-Y	The Y-o-Y decline in Revenue is explained by high comparison base of 2022 when a global supply demand imbalance had temporarily, primarily in 2Q 2022, pushed up the sales prices for the Group's products and by significant pressure on world commodity steel prices observed in 2023.
EBITDA AED 1.3bn +8% Y-o-Y	Group's EBITDA grew driven by the successful launch of new value-added products for both the domestic and export markets and by increase in construction activities in the UAE, with EBITDA margin for FY 2023 reaching 14.2% versus 12.4% in FY 2022.
Net Profit AED 602 m +18% Y-o-Y	Net Profit grew following robust sales of value-added products in both domestic and international markets, the consistent enhancement of revenues and profits in the Building Materials division, coupled with increased operational efficiencies and revenue optimisation.
Net Bank Debt AED 63m +18% Y-o-Y	Profit from the main operations as well as continued attention to working capital allowed to further decrease Net Bank Debt to EBITDA ratio, down to 0.05, as of 31 December 2023, firmly positioning the Group for future growth.

Emirates Steel

Emirates Steel is now actively exporting products to over 70 countries, principally representing our high value-added products, e.g., sections, sheet piles, and value-added grade wire rod. Emirates Steel continues to retain a 60%+ share of the UAE rebar market, and 80% of the heavy sections and sheet piles markets. The development of Emirates Steel as a recognised global brand is a testament to the core values of quality and customer service, as observed throughout our operations.

Revenue from the Steel division totalled AED 8.03 billion during 2023 and profit from the division amounted to AED 457 million (+3% Y-o-Y), driven by the successful launch of new value-added products for both the domestic and export markets and by growth in construction activities in the UAE.

Revenue/Cost	Unit	2022	2023	Y-o-Y
Direct economic value generated	AED million	8,589*	8,044*	-6%
Total economic value distributed	AED million	7,653	7,088	-7%
Operating costs	AED million	6,894	6,259	-10%
Employee wages and benefits	AED million	706	756	7%
Interest payments made to providers of loans	AED million	34	52	53%
Payments to the government by country (UAE)	AED million	175	182	4%
Community investments	AED million	0.7	0.5	-29%
Economic value retained	AED million	936	956	2%

* This revenue includes other income and finance income.





EMSTEEL AND AL JAZEERA STEEL PRODUCT CO SIGN MoU TO UTILIZE JOINT EXPERTISE AND OPPORTUNITIES

EMSTEEL has strengthened its strategic partnership with Al Jazeera Steel Product Company (AJSP), a steel products manufacturer in Oman, by signing a Memorandum of Understanding (MoU). This collaboration will foster mutual benefits by leveraging shared expertise in steel products, which will unlock new business opportunities within the steel ecosystem for both companies.

Building Materials

2023 was another year of continuous growth for Building Materials division. Supported by increase in construction activities in the UAE, revenue from the Building Materials division amounted to AED 871 million and net profit rose by 116%, up to AED 145 million.

Al Ain Cement was a standout performer, demonstrating the company's resilience and adaptability to market demand, by reporting a revenue of AED 545 million, a remarkable 25% increase compared to 2022. Anabees also demonstrated an ability to navigate market fluctuations with a steady increase of 3%, reaching AED 189 million in revenue in 2023.

Both the glass reinforced plastic (GRP) and the Polyvinyl Chloride (PVC) segments experienced significant profit increases, as well. The GRP net profit jumped by 7% compared to 2022, while the PVC profit increased five-fold. Conversely, Emirates Blocks Factories (EBF) maintained its 2022 revenues in 2023, at AED 188 million.

Al Ain Cement Economic Performance	Unit	2022	2023	Y-o-Y
Direct economic value generated (revenue)	AED million	436	545	25%
Total economic value distributed	AED million	371	429	16%
Operating costs	AED million	315	362	15%
Employee wages and benefits	AED million	28	38	36%
Interest payment made to providers of loans	AED million	27	30	11%
Economic value retained	AED million	65	101	55%

Emirates Blocks Factories (EBF) Economic Performance	Unit	2022	2023	Y-o-Y
Direct economic value generated (revenue)	AED million	188	188	0%
Total economic value distributed	AED million	188	188	0%
Operating costs	AED million	173	165	-5%
Employee wages and benefits	AED million	30	27	-10%

Anabees Economic Performance	Unit	2022	2023	Y-o-Y
Direct economic value generated (revenue)	AED million	183	189	3%
Operating costs	AED million	141	134	-5%
Employee wages and benefits	AED million	26	29	12%

4.4 SUPPLY CHAIN MANAGEMENT



GRI Standards: 204,308 and 414 (2016)
CARES SCS: 2.10, 5.1

EMSTEEL is committed to embedding sustainability throughout its value chain. We publish our Supplier Code of Conduct in the registration process, and we require strict compliance from all our suppliers. We also require contractors entering our sites to attend an HSE induc-

tion that includes sustainability awareness as well as critical health and safety issues. Our suppliers are screened based on audits and stringent environmental requirements, which are stated in our terms and conditions as per UAE laws.



Sustainable Sourcing

We recognise that our suppliers play a critical role in helping us achieve our environmental, social, and governance (ESG) goals. In 2023, we took a significant step by integrating an ESG scorecard into our supplier registration process. Prioritising environmentally sustainable sourcing practices, our suppliers undergo thorough evaluations and complete detailed questionnaires to assess their environmental practices. Our standard contract terms also

include environmental requirements. Moreover, we are committed to promoting social responsibility within our supplier network. Utilising tools like the Moody's@Orbis platform, we selectively choose suppliers based on their track-record regarding major social and political issues reported in the news. This holistic approach ensures that sustainability and responsible business practices are fundamental aspects of our supplier relationships.



EMSTEEL SIGNS MoU WITH OMAN AND ETIHAD RAIL COMPANY TO ENABLE EXPORT OF RAW MATERIALS FROM OMAN TO UAE

EMSTEEL signed a MoU with Oman and Etihad Rail Company to enable the export of raw materials from the Sultanate of Oman to Al Ain Cement Factory in the UAE. The agreement highlights the importance of the rail network to achieve sustainable economic growth as a vital link in the transportation and logistics chain spanning the region. The cooperative railway network will promote both nations' goals of achieving net neutrality by 2050 by driving transition toward a low-carbon future and reducing reliance on vehicles and trucks.

Localising our Supply Chain

EMSTEEL is committed to contributing to the local economy by maximising efforts to identify local suppliers (companies based in the UAE with a valid Trade License) through the SAP Ariba platform. We require suppliers to provide an In Country Value (ICV) Certificate in support of UAE initiatives. In 2023, we conducted an ESG awareness session for contractors and suppliers, in addition to a monthly health, safety, and environment meeting.

EMSTEEL actively participates in the Make It in The Emirates (MITE) scheme, demonstrating our commitment to supporting UAE's economic diversification and sustainability goals. Through MITE, we collaborate with government bodies and other companies to strategically convert overseas spending to UAE spending by incen-

tivating suppliers to establish local factories. As we recognise the importance of nurturing local talent, we actively raise our suppliers' awareness regarding the NAFIS scheme, a government initiative that incentivises the hiring of Emirati nationals.

In 2023, the percentage of suppliers identified as having significant actual and potential negative social and environmental impacts with which improvements were agreed upon as a result of assessment were zero*. The percentage of your suppliers have formally certified their compliance with the code of conduct was '100% '*.

* This figure was verified by third party for the steel business.



EMSTEEL JOINS ABU DHABI SME CHAMPION PROGRAMME TO SUPPORT SMALL BUSINESSES

EMSTEEL joins the Abu Dhabi SME Champion programme, offering procurement opportunities worth AED 7.5 million to selected SMEs. EMSTEEL will provide training, workshops, and mentorship to selected SMEs to help them build their capabilities in procurement.

In 2023, 38.6% of our total procurement spending went to local suppliers.

EMSTEEL	Unit	2022	2023	Y-o-Y
Total procurement spending	AED million	7,754	6,077	-22%
Procurement spending on local suppliers	AED million	2,986	2,346	-21%
Percentage of spend on local suppliers	%	38.5%	38.6%	0.1%
Total number of local suppliers engaged	Number	1,247	2,275*	82%

* The verified figure for Emirates Steel (Steel business) was 838.

In 2024, we plan to start our Ditch Carbon Subscription, empowering our suppliers to track and reduce their carbon emissions. We also plan to directly integrate carbon emissions data into our suppliers' evaluation process alongside existing criteria.

Emirates Steel	Unit	2023
New suppliers screened using social criteria	%	100*
Suppliers assessed for social impacts	Number	1,446*
Suppliers identified as having significant actual and potential negative social impacts	Number	0
New suppliers screened using environmental criteria	%	70%*
Suppliers assessed for environmental impacts	Number	1,018*
Suppliers identified as having significant actual and potential negative environmental impacts	Number	0
Suppliers who formally certified their compliance with the code of conduct	%	100%*
Responsible sourcing (total mass of raw materials purchase)	Tonnes	5,084,674*
Responsible sourcing (total mass of raw materials from suppliers evaluated for sustainability impacts)	Tonnes	4,942,399*

* This was verified by a third party (Auditor).

Building Materials	Unit	2023
New suppliers screened using social criteria	%	83%
Suppliers assessed for social impacts	Number	1,655
Suppliers identified as having significant actual and potential negative social impacts	Number	0
New suppliers screened using environmental criteria	%	83%
Suppliers assessed for environmental impacts	Number	1,655
Suppliers identified as having significant actual and potential negative environmental impacts	Number	0
Suppliers who formally certified their compliance with the code of conduct	%	100%

5. SUSTAINABLE PRODUCTION



EMSTEEL is committed to advancing sustainable steel production through a holistic approach that prioritises environmental stewardship, social responsibility, and economic viability.

In 2023, we implemented various energy-saving measures, such as upgrading equipment with more efficient technologies and optimising production processes. Consequently, our energy consumption and greenhouse gases emissions have been significantly reduced while maintaining high production levels. Our dedication to sustainability is both good for the environment and helps us operate more efficiently and reduce our operating costs. We will continue to prioritise sustainability in all our operations and diligently lead sustainable steel production in the region.

At EMSTEEL, we are proud that our sustainability values extend beyond our operations to our customer-centric approach. We understand that our customers expect more than high-quality products; they demand environmentally responsible solutions that align with their own sustainability goals. That is why we prioritise Customer satisfaction as a fundamental aspect of our operations, providing comprehensive technical specifications and manuals to aid informed purchasing decisions. We also maintain ongoing communication with our customers to better understand their evolving needs and integrate their feedback into our internal self-assessment process to continually improve our operations. Our commitment to sustainability is not just a responsibility, but a competitive advantage that we proudly share with our customers.

5.1 STABLE PRODUCTION & OPERATIONAL EFFICIENCY



GRI Standards:201(2016) & 3-3 (2021)

CARES SCS:2.3, 5.1, 5.3 & 5.4

At EMSTEEL, we recognise that operational efficiency is a critical component of our sustainability strategy with direct impact on production yield, quality, product competitiveness, supply chain, and production process as a whole. Our commitment to efficiency is driven by our company directive to be a leader in the steel and building materials industry with a focus on meticulous quality assurance and improvement. We conduct regular inspections to ensure that operations remain uninterrupted and standard operating procedures (SOPs)

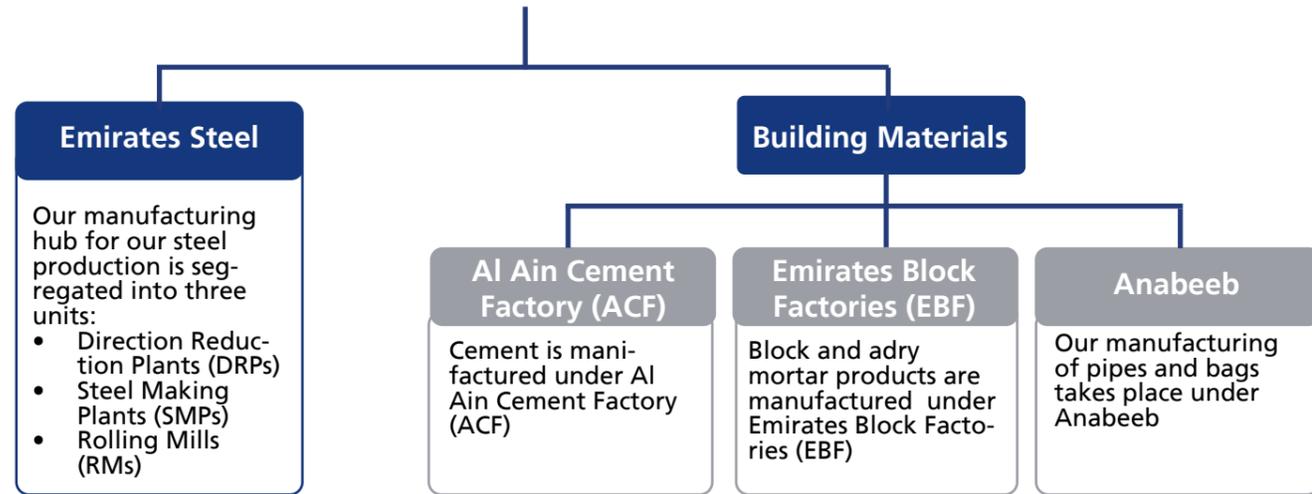
are strictly followed. Our product traceability system, which monitors all components of product origin, from quarries to finished products at the Customers' sides, is a core component of our quality system.

Our focus on operational efficiency supports our broader sustainability goals, as we strive to operate more efficiently, reduce our operating costs, minimise our environmental footprint, and deliver high-quality products to our customers.



EMSTEEL Business Entities

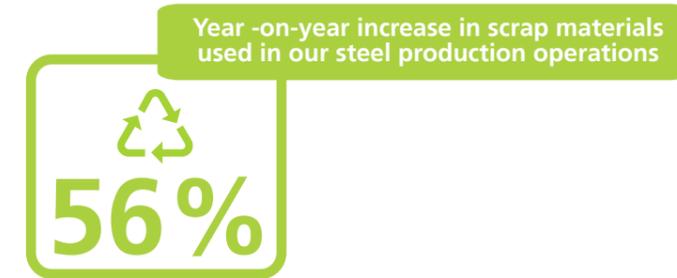
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At EMSTEEL, we embrace a forward-thinking business strategy that seamlessly adapts to market fluctuations. Our commitment to sustainability is reflected in this approach, as we prioritise a responsive and adaptive model that optimises resource utilisation. In 2023,

this philosophy led us to make strategic adjustments in our product portfolio in response to changing demand for several products, some requiring production reductions and others requiring increases in production. This approach resulted in overall resource optimisation.

Emirates Steel



The commitment to sustainability and operational improvements is central to our mission at Emirates Steel. In 2023, we implemented various eco-friendly initiatives to enhance efficiency and productivity. In 2023, in our Rolling Mills, we have manufactured 2,684,423 tonnes of finished steel products: rebars, wire rods and heavy sections.

In 2023 we have increased output on our Direct Reduction Plants by 4% compared to 2022 by recycling scrap materials and optimising process with energy-saving technologies. Production in our Steel Making Plants increased by 1% due to higher intensity of scrap utilisation in our electric arc furnaces, which has also further contributed to reducing our carbon footprint.

Business Units	Products	Production (tonnes)			Availability	Yield
		2022	2023	Y-o-Y		
Direct Reduction Plants (DRPs)	DRI	3,453,802	3,590,338	4%	95.6%	70.4%
Steel Making Plants (SMPs)	Billets	3,211,451	3,237,117	1%	94.4%	87.3%
	Blooms					
	Beam Blanks					
Rolling Mills (RMs)	Rebar/Rebar Coil	1,729,185	1,611,860	0.1%	90.6%	96.9%
	Wire Rod	418,361	522,084	-3.7%		
	Heavy Section	556,383	550,389	-1.1%		

In 2023, we achieved a significant milestone by successfully producing ES600, our innovative high tensile rebar, on a commercial scale of around 8,000 tonnes. ES600 offers superior strength and ductility compared to commercial rebar in use in the UAE, resulting in cost and time savings and enhanced corrosion resistance for the construction industry. In addition, the ES600 steel offers improved performance as well as significant environmental benefits. The ES600 steel can reduce steel consumption up to 24%, translating into 15% less transportation required, which would result in 390 kg of CO₂ emission reduction per tonne of ES600

steel compared to its conventional counterpart, making it a more sustainable and eco-friendly choice.

Additionally, we developed Grade 80 ES600 steel bars in accordance with the American Society for Testing and Materials (ASTM) A 615 and ASTM A 706 for KSA. In-line with our commitment to product diversification, we now offer U-type sheet piles, which present a great opportunity to attract new Customers from the foundation construction industry as well as marine engineering and civil engineering sectors.



EMIRATES STEEL SUPPLIES HIGH-STRENGTH SUSTAINABLE REBAR FOR WORLD'S LARGEST RESIDENTIAL TOWER

EMSTEEL has delivered its innovative ES600 rebars to the ground-breaking Al Habtoor Tower project. This tower, set to be the largest residential building in the world, will be the first in the MENA region to stand without traditional foundations. Instead, it will rely on advanced piling technology that penetrates three basement levels.



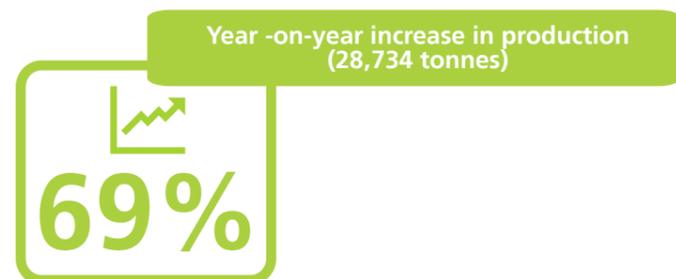
Al Ain Cement Factory (ACF)

Over the years, we have consistently improved the sustainability of our cement operations by implementing initiatives, such as the Atlas Copco's OPTIMIZER 4.0, to enhance energy efficiency and reduce idle equipment runtime. In 2023, our Cement Businesses focused on operating the factory more efficiently by utilising flexible material movement plans that adjusted to the variable quality of limestone available.

We also established a new operating model that connects sales to production, enhancing inventory management practices. We maintained operations at the Emirates Cement Factory quarry while addressing environmental and regulatory challenges. Despite producing less in 2023 compared to 2022, due to changes in market demand, our commitment to sustainability remains unwavering as we strive to minimise our impact on the environment.

Products	Production (tonnes)			Availability	Yield
	2022	2023	Y-o-Y		
Ordinary Portland Cement (OPC)	1,301,641	1,452,003	12%	95%	61.3%
Sulphate Resistant Cement (SRC)	102,371	72,550	-29%	95%	61.3%
Portland Limestone Cement (PLC)	164,395	137,578	-16%	95%	61.3%
Clinker (OPC)	3,101,546	2,880,745	-7%	-	-
Clinker (SRC)	142,876	82,935	-42%	-	-
Slag	59,987	64,382	7%	95%	61.3%
Total	4,872,816	4,690,193	-4%	-	-

Anabeeb



Our Anabeeb business was expanded in 2023 by introducing new High-Density Polyethylene (HDPE) production lines for a variety of applications, such as sewer and stormwater systems. We also supplied glass reinforced plastic (GRP) pipes to Poland and GRP Structural Manholes to Dubai. Our production rate increased by 69%

compared to 2022, reaching a capacity of 28,734 tonnes/year. About half of our 2023 production consisted of PVC pipes. In 2024, we plan to produce corrugated and spiral wound pipes, further expanding our sustainable product portfolio.

Products	Production (tonnes)			Availability	Yield
	2022	2023	Y-o-Y		
GRP Pipes	7,295	10,819	48%	86%	98%
GRP Fittings	-	89	-	86%	99%
PVC Pipes	12,987	14,208	9%	100%	99%
LDPE	12	68	467%	100%	99%
PPR	7	0	-100%	100%	0%
Plastic Bags	140	102	-27%	87%	98%
Paper Sacks	3,886	3,448	-11%	87%	98%
Total	17,032	28,734	69%	-	-



Emirates Block Factories (EBF)

Of our aggregates are recycled

Up to
20%

In 2023, we made strides in sustainability by incorporating up to **20% recycled aggregates**, like steel slag and recycled concrete aggregate, into our block production mix. Our dry mortar output also increased by about 20,000 tonnes compared to 2022. Conversely, the production of pavers decreased, attributable to a decline

in market demand. Surpassing our expectations, we achieved higher yields across all our products. Our focus in future is to refurbish our assets and expand the production of value-added products.

Products	Production (tonnes)			Availability	Yield
	2022	2023	Y-o-Y		
Blocks & Interlocks	70,637,941	69,841,624	-1%	94.3%	99.1%
Pavers	271,920	159,574	-41%	95.7%	98.7%
Dry Mortar	131,927	151,705	15%	98%	99.9%
Total	71,041,788	70,152,903	-1%	-	-



5.2 QUALITY OF SERVICES & PRODUCTS



GRI Standards:2 (2021)
CARES SCS:5.1 & 5.5



ISO9001:2015

All our businesses quality management systems are certified

The unwavering dedication of EMSTEEL to deliver premium products to customers regionally and globally is demonstrated through a comprehensive approach to sustainability and quality control measures. By leveraging digitalisation, EMSTEEL meticulously captures quality data from raw material procurement to final product assembly.

Implementing barcoding for serial identification and meticulous scanning of materials at each stage gate safeguards against mix-ups. The company maintains comprehensive status records for future reference and employs stringent quality control measures by monitoring the final product at frequent intervals. In alignment with international standards, EMSTEEL showcases the superior quality of its pipes, rebars, and wire rods in catalogues to establish credibility, foster Client trust, and adhere to stakeholder expectations. Moreover, the operations are certified under the ISO 9001:2015 Quality Management System, underscoring our steadfast commitment to excellence and sustainability practices.



Emirates Steel

Some of the standards and certifications we abide by include, but are not limited to, those listed below.

International



The confidence in CARES certified products is delivered by the effective operation of Product Certification Schemes, including Technical Approvals and post-tensioning installation schemes.



ISO9001:2015

All our businesses quality management systems are certified

MENA Region



The Emirates Authority for Standardisation and Metrology (ESMA) grants a conformity mark to products that demonstrate compliance with relevant UAE National, Regional, and/or International Standards.

Europe



The Ministry of Infrastructure in Italy oversees a network of accredited bodies that perform conformity assessments for specific sectors, e.g., construction materials.



TÜV NORD focuses on testing and inspection activities in process technology, manufacturing technology and buildings.



The Abu Dhabi Quality and Conformity Council (QCC), a government entity, grants quality classifications to Abu Dhabi exports and products to ensure a quality infrastructure in-line with global standards.

Asia



The Public Works Laboratories (PWL) Civil Engineering and Development Department (CEDD) provide an extensive range of materials testing services for the construction industry in Hong Kong.



The Construction Industry Development Board (CIDB) is the Government Agency entrusted to enforce the Malaysia Standard mandated on the importation of construction products.



The Bureau of Indian Standards (BIS) implements conformity assessment schemes and recognises and runs laboratories for conformity assessments.



TÜV Rheinland provide impartial consulting, assessment, testing and monitoring in safety and transportation technology, energy technology, and environmental protection in Singapore.



Standard and Industrial Research Institute of Malaysia (SIRIM) is Malaysia's premier industrial research and technology organisation, playing a crucial role in ensuring product quality and safety through its comprehensive testing and inspection.

Australia



The Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) is the leading certifier of steel quality for the Australian and New Zealand construction industry.



Our wide range of products proudly carries prestigious quality marks, like the CE Mark (Europe), UK CA Mark, Kuwait Quality Mark, Saudi Quality Mark, Emirates Quality Mark, ISI Mark (India), and Product Conformity Mark, which signify compliance with stringent health, safety, and environmental norms in their respective countries. Our laboratories hold ISO 17025 accreditation to ensure robust testing standards.

We prioritise the maintenance and operational integrity of our facilities through scheduled inspections and adherence to standardised operating procedures, which are all subject to regular reviews and demonstrate our unwavering commitment to sustainability and performance excellence for our customers.

Emirates Steel Achieves International Certifications

Emirates Steel (steel business) obtained three international product certifications from KIWA Inspecta for rebar products. These certificates showcase our dedication to high-quality products that meet international standards. This emphasis on quality fos-

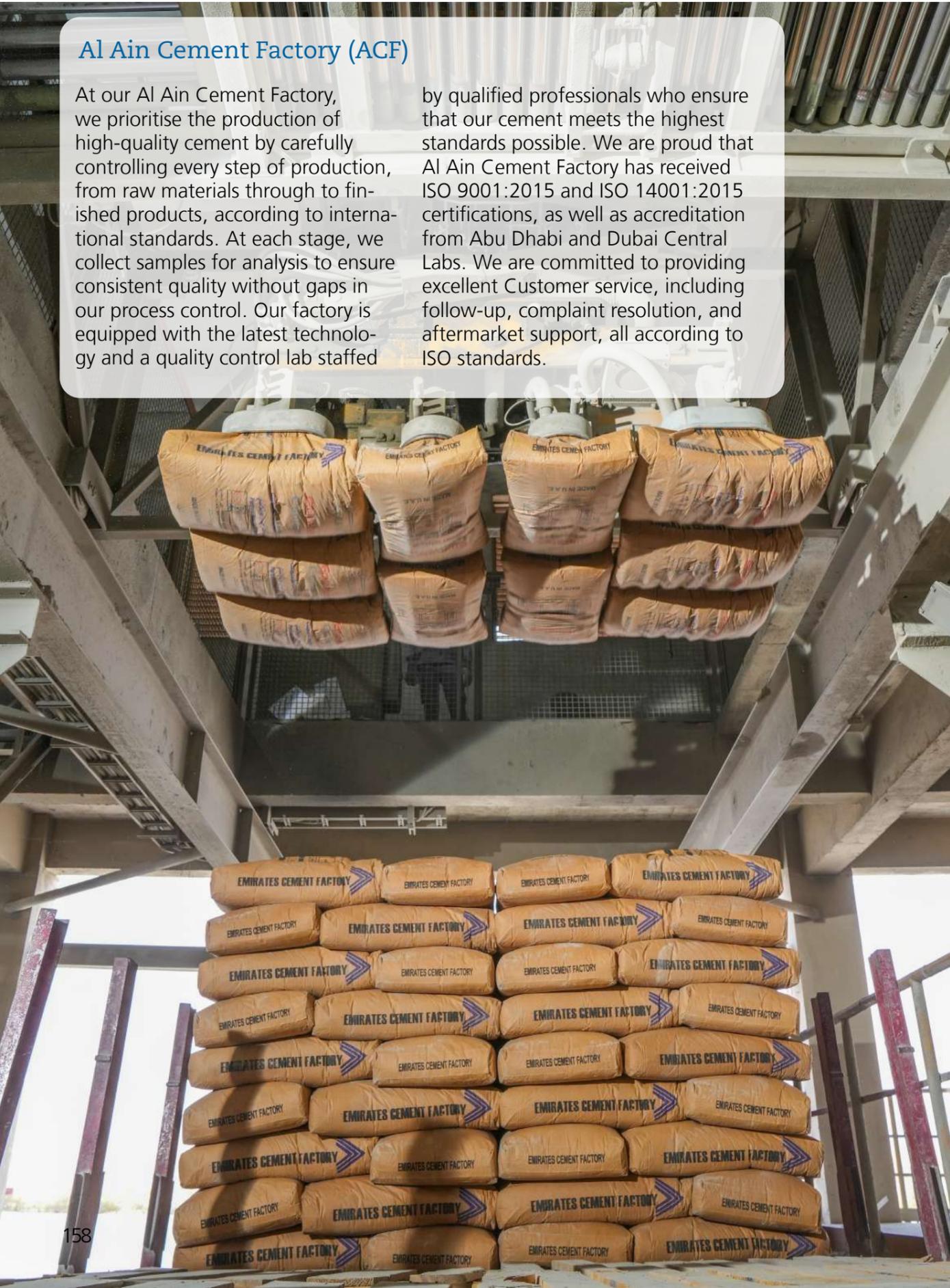
ters sustainable practices by prioritising product reliability and quality.

This achievement is the result of a detailed seven-month evaluation of our quality management and production controls.

Al Ain Cement Factory (ACF)

At our Al Ain Cement Factory, we prioritise the production of high-quality cement by carefully controlling every step of production, from raw materials through to finished products, according to international standards. At each stage, we collect samples for analysis to ensure consistent quality without gaps in our process control. Our factory is equipped with the latest technology and a quality control lab staffed

by qualified professionals who ensure that our cement meets the highest standards possible. We are proud that Al Ain Cement Factory has received ISO 9001:2015 and ISO 14001:2015 certifications, as well as accreditation from Abu Dhabi and Dubai Central Labs. We are committed to providing excellent Customer service, including follow-up, complaint resolution, and aftermarket support, all according to ISO standards.



Anabeeb

All of our Anabeeb products are Kitemark certified (BS Standard), a trusted independent indicator of quality assurance. We uphold product quality through regular testing to meet both local standards and Client needs, with short- and long-term tests conducted for all finished goods and raw materials based on an approved

testing plan. Our lab equipment is calibrated annually by an accredited third party, and our operations are certified by ISO 9001:2015 Quality Management System. Each pipe is assigned a unique serial number and production date, automatically generated by the machine software for full traceability and quality control.



Emirates Block Factories (EBF)

In our Blocks Businesses, we ensure that our products are produced according to project specifications that adhere to both local and international standards. To provide transparency and traceability for our customers, each product

is labelled with bundle tags that display important information, such as lot numbers and production dates. In this manner, our customers can trust that the blocks they receive are of the highest quality and meet the necessary requirements.



5.3 CUSTOMER SATISFACTION

New Digitalised Customer Relationship Management (CRM) system



100%

Resolved complaints in 2023



GRI Standards: 2-29 (2021)
CARES SCS: 5.1

EMSTEEL provides state-of-the-art steel and building material solutions to our distinguished Clients, and we are honoured to be recognised

for our contribution in the steel industry by the World Steel Association.

Capturing Customer Feedback

We prioritise our customers' satisfaction by gathering feedback at every touchpoint through multiple surveys. Our surveys cover all aspects of our business, including quarterly assessments of the purchase stage and annual evaluations of our value proposition to ensure alignment with customer needs.

We also conduct biannual competitor analyses to stay ahead of the curve in delivering exceptional services, products, and value. Our market-

ing team holds one-on-one discussions with key customers whose rating was lower than our competitors or who rated us as "less than good". We take this approach to help us improve service and the perceptions our customers and their ratings. Our customer satisfaction survey is audited annually under the purview of ISO 9001 and CARES certification, demonstrating our commitment to delivering excellent customer service.

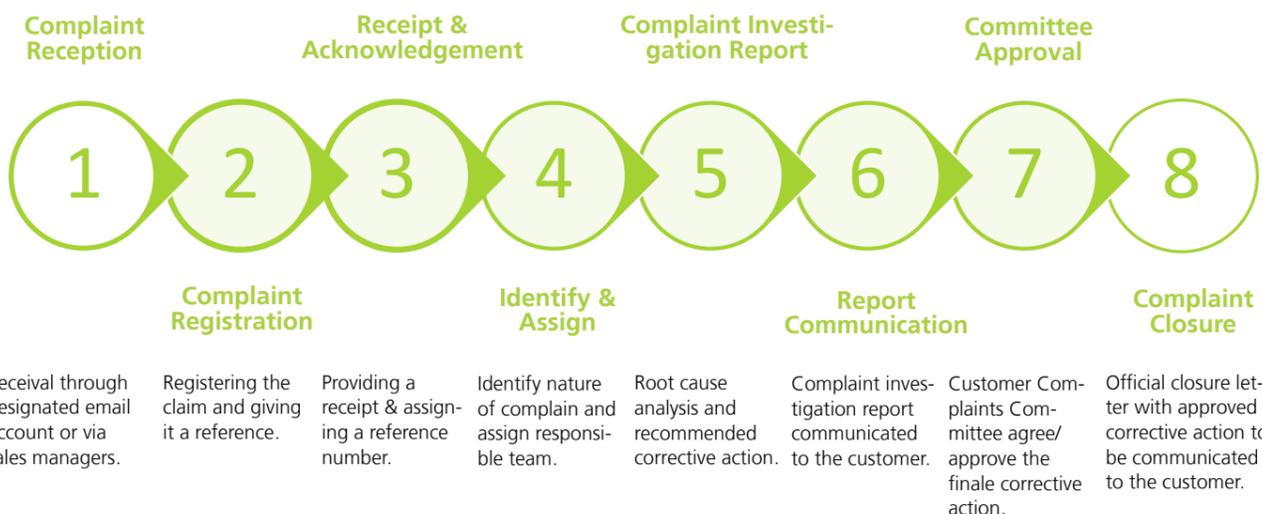
Building Customer Relationship

At EMSTEEL, our top management holds regular meetings with customer, which provide opportunities to hear their feedback. We also provide our customers and stakeholders with grievance mechanisms to report complaints through our website.



Our mandatory onboarding programme for our employees incorporates training for how to build a responsible relationship with customers and stakeholders. In future, awareness will be raised through sessions on responsible relationships with customers.

Our next customer satisfaction survey is planned to be conducted by a third party to ensure objectivity and eliminate bias.



Our Customer Feedback

2023 Customer satisfaction rates per business:



Products from our Anabeeb Businesses reached all 7 Emirates during 2023. We successfully addressed capacity challenges and met customer needs with controlled pricing and reliable delivery volumes.

Cultivating customer loyalty is essential at our Blocks Businesses. We foster connection through dedicated networking events, deepen trust, and spread brand awareness, and we boost customer loyalty through our loyalty programmes. Moreover, we offer existing customers discounted prices on Dry Mortar products in recognition of their loyalty.



The customer relationship management policy in our Cement Businesses outlines how we interact with customers. The Wala'a (Loyalty) Programme rewards customers by offering discounts and benefits based on their monthly purchase volume and payment terms.

A section in our 2024 Customer Satisfaction Survey will be dedicated to our customer's perception of EMSTEEL's responsible relationship with customers.

Products	Customer Feedback Rate	Customer Satisfaction Rate	Complaints			
			No.	Resolved	Customer Satisfaction Score	
Emirates Steel*	100%	-	62**	100%	-	
Al Ain Cement Factory (ACF)	95%	90%	5	100%	95%	
Anabeeb	GRP	96%	87%	2	100%	95%
	PVC	95%	90%	3	100%	88%
Emirates Block Factories (EBF)	85%	75%	4	100%	75%	

* The customer satisfaction rate for our Steel Businesses will be calculated early 2024.

** This was verified by a third party (Auditor).



EMIRATES STEEL HONOURED AS VALUED NPCC SUPPLIER OF THE YEAR 2023

Emirates Steel was awarded the prestigious "Valued NPCC Supplier of the Year 2023" title. The accolade was presented during the National Petroleum Construction Company (NPCC) Supplier Forum.



5.4 TECHNOLOGY, PRODUCT & PROCESS INNOVATION



GRI Standards: 2 (2021)

CARES SCS: 5.3

At EMSTEEL, we prioritise innovation and technology to strengthen our global presence and enhance the competitiveness of Emirati products. In 2023, we invested heavily in innovation and technology, spending 9 million AED on innovative products and new technologies (including R&D). We are proud to have successfully re-certified our ISO 56002:2019 Innovation Management system.

Moving forward, we are excited to collaborate with leading academic institutions, such as Mohammed Bin Zayed AI University, Khalifa University, Abu Dhabi University, and Technology Innovation Institute (TII), to work on innovative technologies related to decarbonisation, energy recovery, and other areas. In the ener-

gy sector, we have established collaborations with industry leaders to enhance sustainability efforts, focusing on waste heat recovery, renewable energy integration, conversion of plastics, biomass, and waste into valuable resources, as well as exploring natural gas cracking for hydrogen and graphene production.

We believe that being open to new ideas and adapting plans as needed is crucial for innovation. Our vision includes leveraging model development for energy efficiency by using data-driven and computational approaches to optimise and enhance energy consumption in various processes. We are committed to staying at the forefront of innovation and technology to maintain our market leadership.





Masdar AND EMSTEEL TO DEVELOP MENA REGION'S FIRST GREEN-HYDROGEN BASED PROJECT

EMSTEEL has partnered with Masdar, a UAE-based renewable energy and sustainability company, to develop a ground-breaking green hydrogen to steel demonstration project in the UAE. This innovative initiative is the first-of-its-kind in the Middle East and North African region and has the potential to significantly reduce CO₂ emissions in the steel-making process when scaled-up.



EMSTEEL SIGNS STRATEGIC COLLABORATION ON HYDROGEN RESEARCH AND DEVELOPMENT

EMSTEEL, Ohmium International, and Khalifa University of Science and Technology joins forces in 2024 in a strategic partnership focused on advancing hydrogen research and development. This collaboration is endorsed by the UAE Ministry of Industry and Advanced Technology. We have established a collaboration agreement with Khalifa University to explore various research themes and topics, demonstrating our commitment to sustainability and cutting-edge innovation in the UAE.



EMSTEEL PARTNERS WITH e& TO ELEVATE SUSTAINABILITY THROUGH ADVANCED TECHNOLOGY

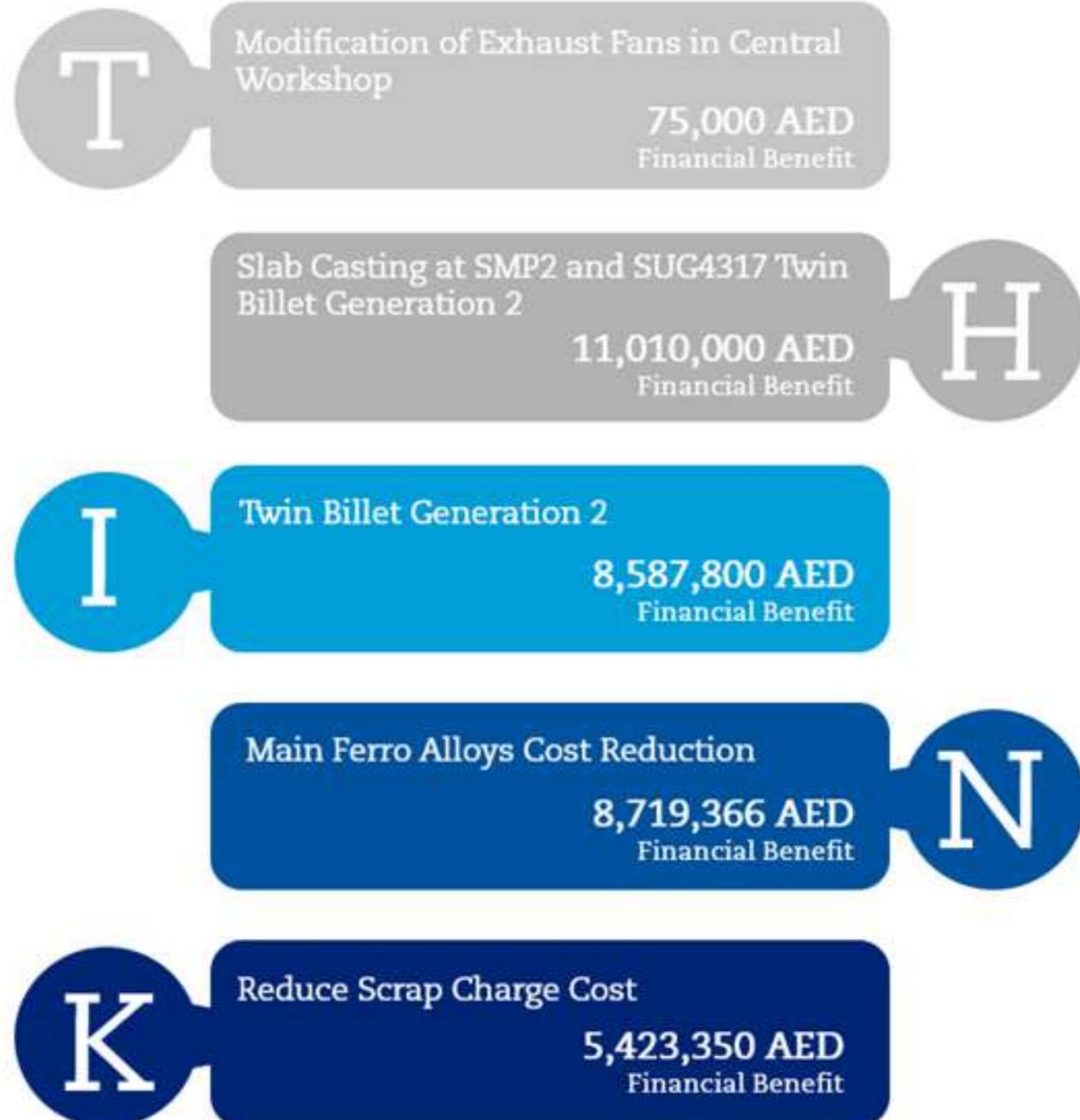
EMSTEEL has taken a significant step toward sustainability by signing a Memorandum of Understanding (MoU) with telecommunications giant e&. This partnership is set to revolutionise the company's manufacturing facilities with the implementation of 5G network services and robust digital security measures.



Think Smart Initiatives

To encourage innovation, we incentivise individuals to pitch ideas to improve our processes through our "Think Smart" platform, which provides our collaborators the opportunity to

discuss their ideas. Individuals are rewarded if their ideas move to implementation. In 2023, approximately 5,161,020 AED was spent on implementing Think Smart initiatives.



Namaa' 2.0 Project

The Namaa' 2.0 project at EMSTEEL, a key element of our sustainability goals, organises all our ideas for improving operations and business performance into a single platform that is closely monitored. By incorporating input and suggestions from our employees, we are enhancing our business processes, facilitating better collaboration between departments, and ultimately achieving positive commercial outcomes.

This year, EMSTEEL held an informative workshop with various internal and external members of the entire Namaa' 2.0 s Team to discuss, deliberate, and decide the path to realising the vision of Namaa' 2.0. Furthermore, Namaa' 2.0 launched its Digital Academy designed specifically to foster a comprehensive understanding of the digital world among our staff.



EMSTEEL holds external workshop with Namaa' 2.0 Stakeholders

Namaa' 2.0 Al Ain Cement Factory (ACF) Gas Consumption Reduction

In 2023, an initiative within the Namaa' 2.0 programme successfully targeted an effort to reduce specific gas consumption in Al Ain Cement Factory (ACF) kiln. This project exemplified the commitment of EMSTEEL to both environmental sustainability and financial prudence by achieving a substantial savings of AED 5.3 million.

5.5 DIGITAL TRANSFORMATION



At EMSTEEL, we recognise the pivotal role that digital transformation plays in promoting efficiency, sustainability, and competitiveness. By embracing digitalisation, we are able to optimise our use of materials and enhance traceability and transparency throughout our

operations. This not only benefits our business but also contributes to a more sustainable future for our industry and the environment.



EMSTEEL TO UTILISE IBM ESG SOFTWARE TO HARNESS THE TRANSFORMATIVE POWER OF TECHNOLOGY

EMSTEEL and IBM will be leveraging the advanced capabilities of IBM Envizi ESG Suite software to streamline the sustainability reporting process as part of its digitisation strategy to capture value and increase productivity and efficiencies.

This year, EMSTEEL has implemented a Sales and Operations Planning (S&OP) project to optimise production capacity, reduce inventory costs, and enhance customer satisfaction. Optimised production scheduling, enabled by precise S&OP,

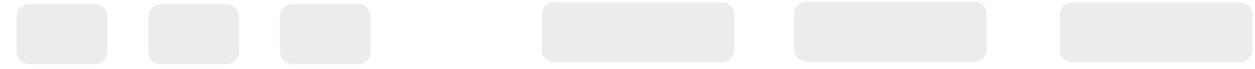
minimises material waste and energy consumption, while streamlined inventory reduces storage and transportation demands for a smaller carbon footprint.

The page features a decorative header at the top with a series of colored bars in shades of grey, blue, and green. The background is a dark blue gradient with a network of white nodes and lines, and a glowing orange and yellow globe held in a person's hands. The globe is surrounded by blue bokeh lights and orange particles.

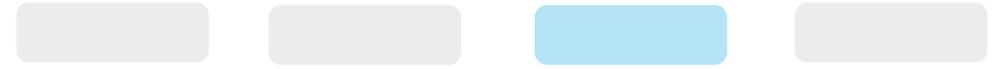
Customer Relationship Management (CRM) Digitalisation

In 2023, EMSTEEL took a significant step toward enhancing our customer experience by implementing the first phase of a cutting-edge digital Customer Relationship Management (CRM) system. This system will be fully operational by 2024, with phase 2 set to follow soon after. The new CRM system will provide a streamlined system for registering complaints from start to finish. This will significantly re-

duce response times while eliminating human errors that could negatively impact Customer satisfaction. By digitalising our CRM system, we will be able to significantly reduce our paper consumption through electronic documentation while providing real-time data access and contributing to a more sustainable and accountable business model.



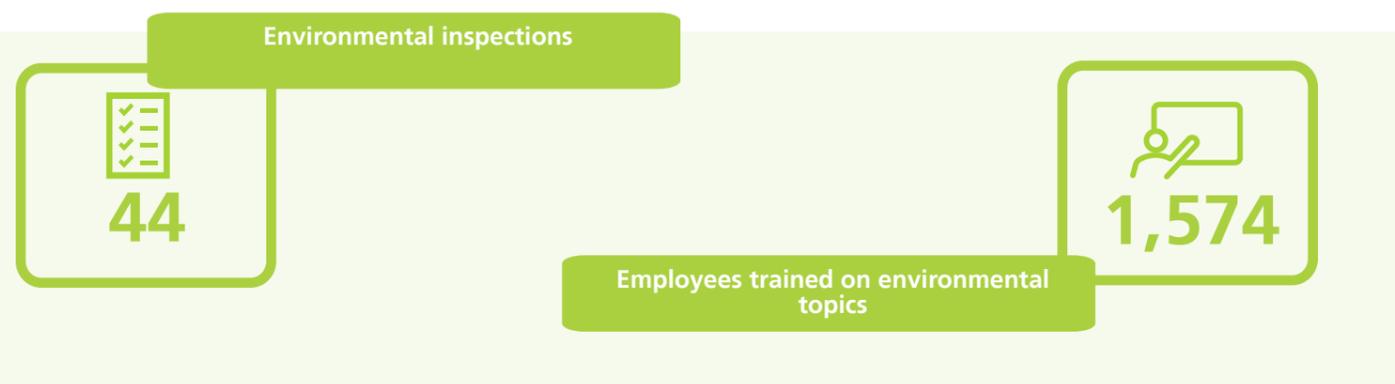
6. ENVIRONMENTAL STEWARDSHIP



At EMSTEEL, sustainability is a core value. Our dedicated adherence to ISO 14001 compliance ensures constant enhancement of our environmental performance. We minimise our

ecological footprint by identifying and addressing environmental risks, cultivate a culture of responsibility among our team and stakeholders, and proactively contribute to a greener future.

6.1 ENVIRONMENTAL CONTROLS & MANAGEMENT SYSTEMS



At EMSTEEL, we operate under a robust environmental framework that adheres to UAE federal guidelines and international standards, e.g., ISO 14001 and ISO50001. In 2023, we introduced our Group Environment, Social, and Governance (ESG) Policy, which guides our approach to environmental and sustainability management. We've developed a sustainability plan that outlines specific goals and measures aimed at improving our overall performance in these areas. Our Integrated Management System (IMS) serves as a comprehensive guide to help us minimise our environmental impact. As a steel industry leader, we prioritise energy efficiency through technological advancements, renewable sources, and adherence to energy management standards. We also focus on water conservation via efficient technologies, recycled water usage, and meticulous monitoring.

Waste management practices emphasise reduction, reuse, and recycling across our businesses and operations. We conduct proactive environmental assessments, including transportation and ecological evaluations, to inform sustainable initiatives that mitigate pollution and protect biodiversity. By promoting sustainable land use practices and supporting conservation efforts, we contribute to a healthier planet for future generations.

At EMSTEEL, we prioritise environmental compliance and adhere to government-approved guidelines by conducting regular assessments, inspections, and audits. Our commitment to a clean and safe working environment is strengthened by advanced technologies. In 2023, we successfully carried out 44 inspections, showcasing our dedication to maintaining high standards.

Our Operation Environmental Management Plan (OEMP) features a comprehensive quarterly monitoring schedule. Covering various aspects, as listed below, the OEMP ensures our ongoing commitment to sustainability and environmental responsibility.

- Ambient air
- Ambient marine water
- Stack emissions (stationary sources)
- Marine sediment
- Workplace air quality
- Wastewater discharge
- Ambient noise
- Recycled water for irrigation
- Groundwater
- Sludge

At EMSTEEL, we cultivate an environmentally conscious workplace culture through targeted training sessions. Our employees receive comprehensive education on topics such as Environmental Pollution and Waste Management, Environmental Permits, Environmental Impacts, and Energy Management Systems. In 2023, we introduced innovative training programmes on Sustainability (ESG) and Decarbonisation, reflecting our commitment to a greener future.

To further our sustainability efforts, we are transitioning to a paperless approach by moving our training programmes to computer-based formats starting from 2024. This initiative not only reduces our environmental footprint but also enhances accessibility and efficiency. In 2023, we successfully trained 1,574 employees, demonstrating our dedication to fostering a sustainable workforce.

6.2 ENERGY & EMISSIONS



As the leading steel manufacturer in the UAE, EMSTEEL acknowledges our crucial role in combating climate change. We support the UAE decarbonisation efforts by developing a comprehensive Decarbonisation Strategy. Our dedication goes beyond mere involvement, as demonstrated by our signing of the UAE Climate-Responsible Companies Pledge and our active contribution in COP28 that was held in the UAE in 2023.

To further emphasise our environmental stewardship, we recently established a strategic partnership with Masdar on a ground breaking green hydrogen project. This collaboration, which is aimed to significantly reduce CO2 emissions in the steel-making process, showcases our commitment to a sustainable future.

Energy

Increase in energy consumption from renewable energy sources through clean energy certificates



45%

At EMSTEEL, we are dedicated to enhancing energy performance by adopting energy-efficient technologies, incorporating renewable energy sources, and adhering to ISO 50001 standards for effective energy management. Our IMS, certified by ISO 50001, ensures continuous monitoring, reporting, and optimisation of energy consumption across all operations.

We maintain a robust framework for tracking energy and emissions-related key performance indicators (KPIs) throughout our facilities. To foster a culture of energy conservation among employees, we utilise visual aids, posters, and targeted training sessions.

EMSTEEL effectively leverages technology and digitalisation to achieve real-time monitoring of our energy consumption and to promote transparency and continuous assessment. Furthermore, our Environmental Impact Assessment (EIA) evaluates the environmental consequences of our energy usage across all facilities. By translating these insights into actionable measures, we optimise equipment and reduce consumption, which ultimately enhances efficiency.



AL AIN CEMENT FACTORY (ACF) WINS THE 2023 ENERGY MANAGEMENT INSIGHT AWARD

Al Ain Cement Factory (ACF) was awarded the 2023 Energy Management Insight Award by the Clean Energy Ministerial (CEM) for producing a high-quality case study for implementing an energy management system certified to the global ISO 50001 Energy Management standard.

In 2023, EMSTEEL made substantial strides in transitioning towards renewable energy sources. Our energy consumption from renewable sources increased by 45% compared to 2022. This notable advancement underscores our dedication to environmental preservation and our focus on energy efficiency and resource conservation, which not only contribute to a greener future but also reflect our commitment to minimising our ecological footprint.

EMSTEEL, in collaboration with Abu Dhabi Municipality, sponsored the Earth Hour competition to encourage the audience to preserve energy sources and protect the planet.

Aware of the energy-intensive nature of our operations, we meticulously monitor our energy intensity as it relates to the tonnage of products produced across our businesses. In 2023, we achieved significant improvements in energy efficiency. At Anabeeb, energy intensity decreased by 14% compared to 2022, reaching an impressive 1.53 GJ/tonne. Likewise, the energy intensity at Al Ain Cement Factory (ACF) was 3.47 GJ/tonne, 4% lower than 2022. These achievements demonstrate our dedication to enhancing sustainability within our operations.

We have undertaken several initiatives in EM-STEEL to minimise our energy footprint:

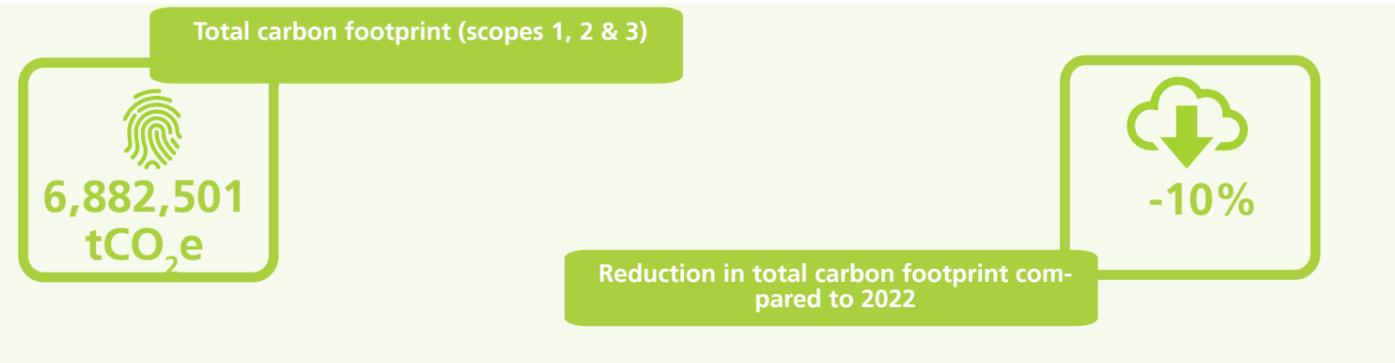
- Pursuing ISO 50001 certification, which involves multiple energy-saving projects in the steel business.
- Al Ain Cement have obtained their ISO 50001
- We have started developing a demonstration project for green hydrogen to be introduced in DRP1.
- Increase the utilisation of scrap materials in SMP2 to minimise the energy consumption in the steel industry.
- Foster a culture of energy conservation among employees, we utilise visual aids, posters, and targeted training sessions.

Conversely, the energy intensity at Emirates Steel was slightly higher than 2022 (approximately 3%), reaching 17.43 GJ/tonne.

Description	Unit	2022	2023	Y-o-Y
Total fuel consumption from non-renewable sources (e.g., gasoline, diesel, jet fuel, natural gas, LPG)	GJ	57,186,621	58,708,837	3%
Total Electricity consumption	GJ	9,781,695	9,735,251	-0.5%
Total energy consumption	GJ	66,968,316	67,842,818	1%
Energy consumption (by business)	Unit	2022	2023	Y-o-Y
Emirates Steel	GJ	54,433,080	56,427,760	4%
Al Ain Cement Factory (ACF)	GJ	11,555,456	10,481,342	-9%
Blocks	GJ	44,059	42,939	-3%
Anabeeb	GJ	42,940	45,534	6%
Energy intensity (by business)				
Emirates Steel	GJ/tonne	16.95	17.43	3%
Al Ain Cement Factory (ACF)	GJ/tonne	3.6	3.47	-4%
Anabeeb	GJ/tonne	1.77	1.53	-14%



Emissions



Transparency and accountability are at the heart of EMSTEEL's approach to greenhouse gas (GHG) emissions. We calculate and monitor our carbon and energy intensity across our facilities, in adherence with GHG protocol and ISO 14404 standards for iron and steel production. To further enhance our performance, we calculate our GHG emissions to consistently track progress towards our decarbonisation goals.

Our commitment to sustainability is reflected in our annual sustainability report, in which we disclose our GHG performance.

We also communicate this vital information to our key stakeholders, including Abu Dhabi Development Holding Company (ADQ), the Industrial Development Bureau (IDB), and the UAE Ministry of Climate Change and Environment (MOCCA). This open dialogue fosters trust and reinforces our dedication to environmental responsibility.

Emirates Steel (steel business unit) has established its own definition for green steel products with low emissions intensity up to 0.35 kg CO₂ per tonne of steel produced, and the product emissions are verified by third party to ensure transparency and credibility.

EMSTEEL SIGNS ALDAR'S REAL ESTATE CLIMATE PLEDGE TO SUPPORT UAE DECARBONISATION EFFORTS

EMSTEEL is committed to working alongside esteemed partners, such as Aldar Properties and the Ministry of Climate Change and Environment (MOCCA), on our shared efforts to drive positive change. Together with 29 other real estate and construction companies across the UAE, EMSTEEL joined forces by signing the Aldar Real Estate Climate Pledge, which signifies a strong dedication to addressing climate change concerns.

By committing to disclose their individual decarbonisation targets prior to COP 28, companies that have made this pledge demonstrate their shared responsibility towards environmental sustainability. This collaborative approach highlights the industry's commitment to making a significant impact on the environment.

In alignment with EMSTEEL's commitment, we actively integrate the four pillars outlined by the Task Force on Climate-Related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, and Metrics and Targets.

Through the adoption of state-of-the-art technologies and strategic partnerships, we lead the industry's transition towards sustainability, in alignment with the UAE's decarbonisation efforts.

Additionally, we finalised our climate financial model to assess the climate-related risks impacting our steel business, and we have developed a robust strategy to ensure alignment with the UAE's ambitious decarbonisation efforts. For more details, please refer to Appendix B.

Our ambitious targets include drastically reducing our carbon emissions by 2030 and striving to fully decarbonise by 2050. Through our dedication to sustainability and responsible practices, we contribute to a brighter, more environmentally conscious future for all.

As part of our long-term commitment to decarbonisation, we have been in partnership with ADNOC since 2016, collaborating on their Al Reyadah Carbon Capture, Utilisation, and Storage (CCUS) facility, which processes CO₂ captured from our operations. Pioneering in the region, we have been verified for the LEED green building system documentation, demonstrating our dedication to sustainability. We continuously work towards implementing our decarbonisation strategy targets and undergoing annual third-party audits through reputable bodies to verify our sustainability data.

EMSTEEL Received the Green Industries Label

In 2023, EMSTEEL proudly received the prestigious Green Industries Label from the Environment Agency – Abu Dhabi's Green Industries Labelling Programme, showcasing our dedication to reduce our ecological footprint. The agency bestows this accolade to foster sustainable facilities in Abu Dhabi.





EMSTEEL COLLABORATION FOR CEMENT DECARBONISATION

EMSTEEL is proud to support the UAE's decarbonisation efforts by partnering with A³&Co.® to spearhead an innovative decarbonisation project at our Al Ain Cement Factory (ACF). This comprehensive, multi-phase collaboration includes Decarbonisation Baseline, Decarbonisation Scenario Building & Roadmap, CBAM Compliance, and expert guidance for SBTi Carbon Footprint Certification.

In alignment with GHG protocol, we meticulously calculate and monitor our carbon and energy intensity. Our performance is managed through adherence to decarbonisation and ISO 50001 action plans.

As a committed member of the Worldsteel Climate Action Programme and Worldsteel Sustainability Charter, our products adhere to esteemed eco-friendly rating systems, such as LEED, ESTIDAMA, and Pearl. Moreover, our innovative ES600 steel rebar reduces steel consumption by 18-24%, significantly decreasing associated GHG emissions.

In 2023, our total carbon footprint across all operations and facilities decreased by 10% compared to 2022, from 7,657,754 tCO₂e to 6,882,501 tCO₂e. We were able to signifi-

cantly reduce our scope 1 direct emissions and scope 2 indirect emissions by 13%, compared to 2022. However, our scope 3 indirect emissions decreased by 4% compared to 2022. At Emirates Steel, we achieved an 8% reduction in the intensity of our total scope 1 and 2 emissions compared to 2022. Additionally, when considering scope 1, 2, and 3 emissions, we achieved a 4% reduction compared to 2022. These reductions place us below the Worldsteel benchmark for the DRI-EAF route, which stands at 1.37 t CO₂e/t steel and below the global benchmark for steel industry 1.91 t CO₂e/t Steel. In Al Ain Cement Factory (ACF), the intensity of our total scope 1 and 2 emissions decreased by 7% compared to 2022, while the intensity of scope 1, scope 2, and scope 3 emissions decreased by 5%, compared to 2022. For more details on Emirates Steel's Climate Resilience, read Appendix A.

Table on Emissions in Emirates Steel

Description	Unit	2022	2023***	Y-o-Y
Total direct scope 1	tCO ₂ e	2,193,637	2,105,053	-4%
Total indirect scope 2 (location-based)*	tCO ₂ e	624,637	614,082	-2%
Total indirect scope 2 (market-based)*	tCO ₂ e	411,159	100,455	-76%
Total indirect scope 3**	tCO ₂ e	2,041,077	1,928,242	-6%
Scope 1 + 2 intensity (market-based)	tCO ₂ e/tSteel	0.78	0.72	-8%
Scope 1, 2 and 3 intensity	tCO ₂ e/tSteel	1.39	1.34	-4%

* In 2023 & 2022, the emission factor for scope 2 was used from the published EWEC (Emirates Water & Electricity Company) statistical reports, and Scope 2 emissions were reduced using clean energy certificates.

**Scope 3 covers: Purchased goods and services, fuel and energy-related activities, upstream transmission and distribution, waste and water, employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products.

***This was verified by a third party (Auditor).

In 2023, Emirates Steel consumed 2 million MWH (25% are from renewable sources) of clean energy through IREC redeemed certificates, which increased by 45% from 2022 purchased clean energy, the renewable energy increased by 50% from 2022.

Table on Clean energy certificates in Emirates Steel

Description	Unit	2022	2023	Y-o-Y
Nuclear	MWH	1,061,334.30	1,520,000	43%
Solar	MWH	350,829.70	526,322	50%
Total Clean energy certificates	MWH	1,412,164	2,046,322	45%

Table on Emissions in Al Ain Cement Factory (ACF)

Description	Unit	2022	2023	Y-o-Y
Total direct scope 1	tCO ₂ e	2,296,921	2,028,789	-12%
Total indirect scope 2 *	tCO ₂ e	65,319	62,752	-4%
Total indirect scope 3**	tCO ₂ e	483,755	490,892	1%
Scope 1 + 2 intensity	tCO ₂ e/t	0.68	0.64	-7%
Scope 1, 2 and 3 Intensity	tCO ₂ e/t	0.83	0.79	-5%

* In 2023 & 2022, the emission factor for scope 2 was used from the published EWEC (Emirates Water & Electricity Company) statistical reports

** Scope 3 covers: Purchased input materials, other upstream activities, and downstream activities

Table on Emissions in Emirates Blocks Factories (EBF)

Description	Unit	2022	2023	Y-o-Y
Total direct scope 1	tCO ₂ e	11,890	11,867	-0.2%
Total indirect scope 2 *	tCO ₂ e	2,033	2,054	1.0%
Total indirect scope 3**	tCO ₂ e	82,010	79,967	-2.5%

* In 2023 & 2022, the emission factor for scope 2 was used from the published EWEC (Emirates Water & Electricity Company) statistical reports

** Scope 3 covers: Purchased input materials, other upstream activities, and downstream activities

Table on Emissions in Anabeeb

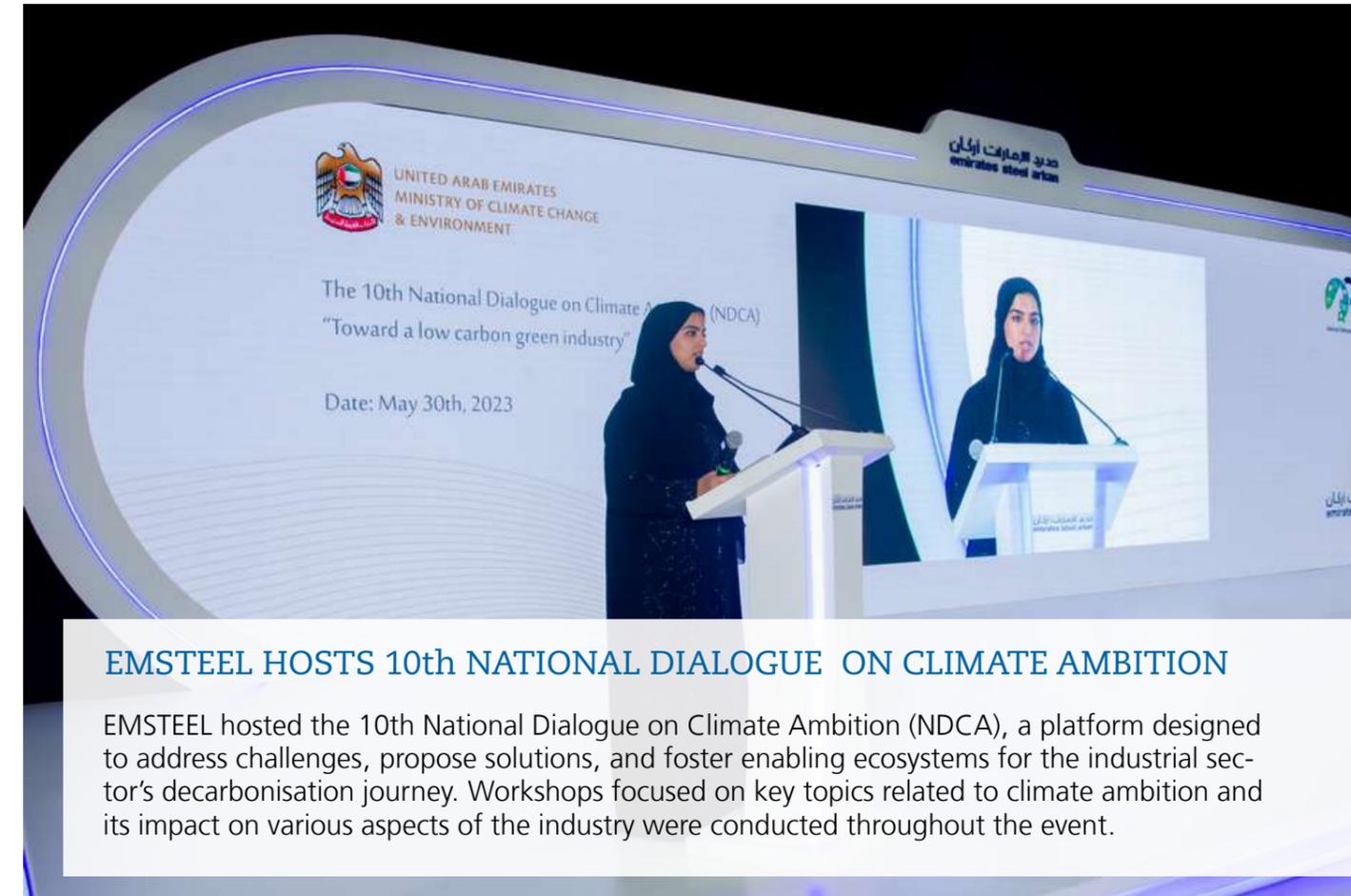
Description	Unit	2022	2023***	Y-o-Y
Total direct scope 1	tCO ₂ e	3,964	1,711	-57%
Total indirect scope 2 *	tCO ₂ e	2,679	2,960	10.5%
Total indirect scope 3**	tCO ₂ e	63,311	67,759	7%

* The reduction can be attributed to the following reasons:

- The package units installed in 2004 were very old, leading to frequent compressor damage and condenser leaks. As a result, gas refills were necessary. However, in recent years, most of the package unit condensers have been replaced, eliminating the need for gas refills.
- Previously, the ELECTRICAL ROOM, CAFETERIA, STORE, and MAINTENANCE WORKSHOP were equipped with older Petra units that required regular maintenance, especially condenser and compressor replacements, resulting in gas refills. With the installation of new units in these areas, gas refills are no longer required.

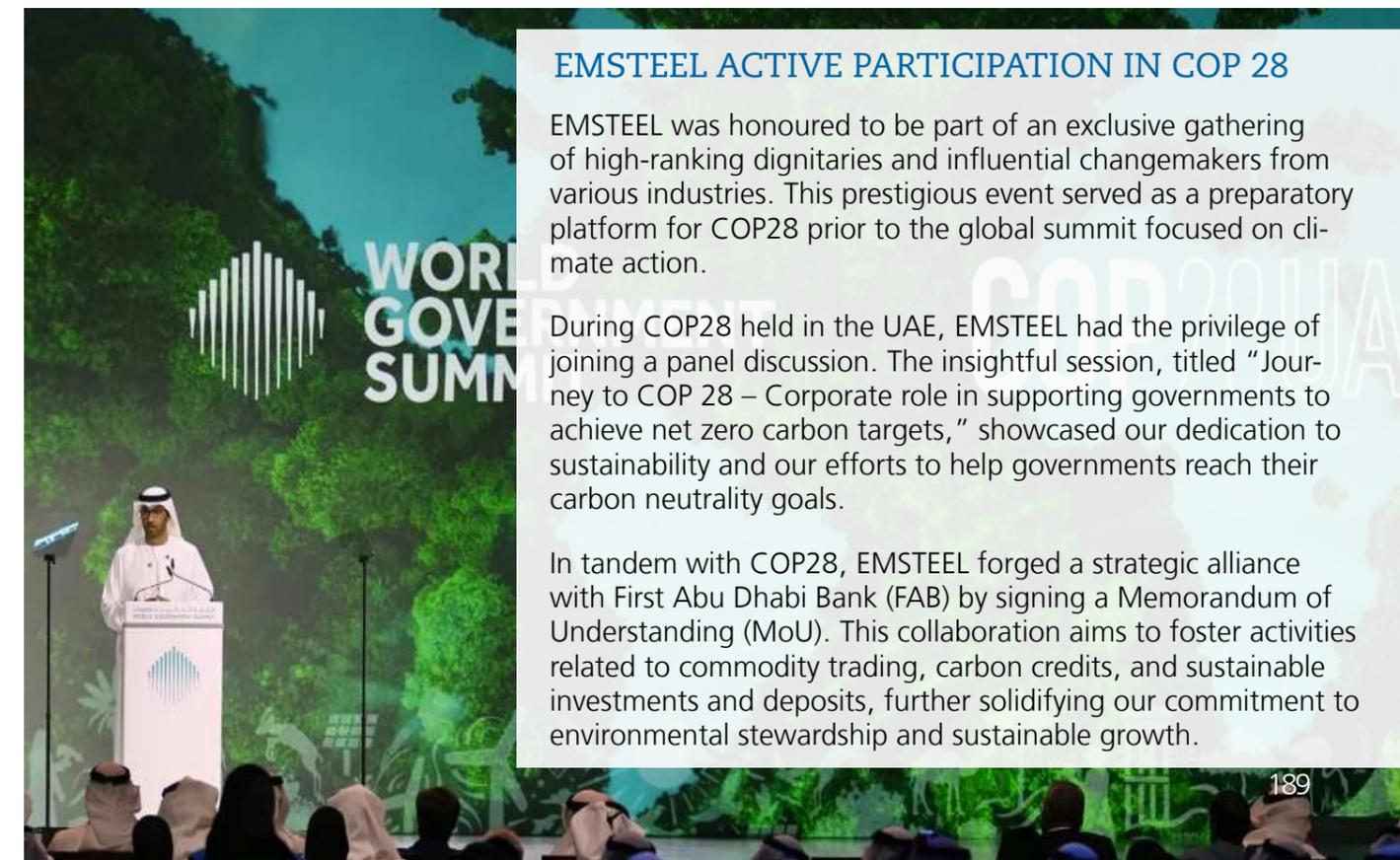
** In 2023 & 2022, the emission factor for scope 2 was used from the published EWEC (Emirates Water & Electricity Company) statistical reports

***Scope 3 covers: Purchased input materials, other upstream activities, and downstream activities



EMSTEEL HOSTS 10th NATIONAL DIALOGUE ON CLIMATE AMBITION

EMSTEEL hosted the 10th National Dialogue on Climate Ambition (NDCA), a platform designed to address challenges, propose solutions, and foster enabling ecosystems for the industrial sector's decarbonisation journey. Workshops focused on key topics related to climate ambition and its impact on various aspects of the industry were conducted throughout the event.



EMSTEEL ACTIVE PARTICIPATION IN COP 28

EMSTEEL was honoured to be part of an exclusive gathering of high-ranking dignitaries and influential changemakers from various industries. This prestigious event served as a preparatory platform for COP28 prior to the global summit focused on climate action.

During COP28 held in the UAE, EMSTEEL had the privilege of joining a panel discussion. The insightful session, titled "Journey to COP 28 – Corporate role in supporting governments to achieve net zero carbon targets," showcased our dedication to sustainability and our efforts to help governments reach their carbon neutrality goals.

In tandem with COP28, EMSTEEL forged a strategic alliance with First Abu Dhabi Bank (FAB) by signing a Memorandum of Understanding (MoU). This collaboration aims to foster activities related to commodity trading, carbon credits, and sustainable investments and deposits, further solidifying our commitment to environmental stewardship and sustainable growth.



EMSTEEL PARTICIPATION IN UAE NATIONAL HYDROGEN STRATEGY DISCUSSION DURING THE 2nd UAE ENERGY FORUM 2023



EMSTEEL SIGNS MoUs TO DRIVE SUSTAINABLE GROWTH IN UAE'S LOW-CARBON

EMSTEEL signed a MoU with the Abu Dhabi Department of Economic Development (ADDED) and ITOCHU Corporation to pursue studies focused on the establishment of an integrated steel production complex in Abu Dhabi that will play a significant role in the global supply chain for low-carbon iron.

EMSTEEL also signed a MoU with DNV, Business Assurance Group, that formalised the intention of both parties to collaborate on various initiatives, including steel decarbonisation, ESG and energy transition.

Other Air Emissions

At EMSTEEL, we are dedicated to preventing and continually reducing adverse emissions to ensure compliance with permissible limits through the utilisation of advanced technologies, such as the on-line Continuous Emission Monitoring System (CEMS) and regular stack sampling. Our goal is to reduce real emission exceedances by 20% compared to the baseline, effectively monitoring our progress via an emission log sheet that tracks exceedances and closure actions and conducts trend analysis.

In 2023, we effectively deployed and utilised a range of systems, techniques, instruments, and technologies to reduce our environmental impact. Our initiatives such as the "Dust Suppression System" and "internal dust control measures" specifically target the mitigation of fugitive dust and particulate emissions arising from our operations, thereby notably enhancing air quality, and ensuring a safer workplace environment.

Furthermore, last year saw the successful integration of 10 Continuous Emissions Monitoring Systems (CEMS) with our Environment Agency – Abu Dhabi (EAD), enabling round-the-clock monitoring and management.

Description	Unit	2022	2023	Y-o-Y
Particulate Matter (PM)	tonnes	173	210	21%
Sulfur Oxides (SOX)	tonnes	533	283	-47%
Nitrogen Oxides (NOX)	tonnes	1,075	835	-22%
Carbon Monoxide (CO)	tonnes	1,497	2250	50%

Transport Impacts

At EMSTEEL, we are dedicated to monitoring and reducing the environmental impacts of transportation. We consistently evaluate our transport effects using the Environmental Impact Assessment (EIA) and the Operations Environmental Management Plan (OEMP). To address inefficiencies and conges

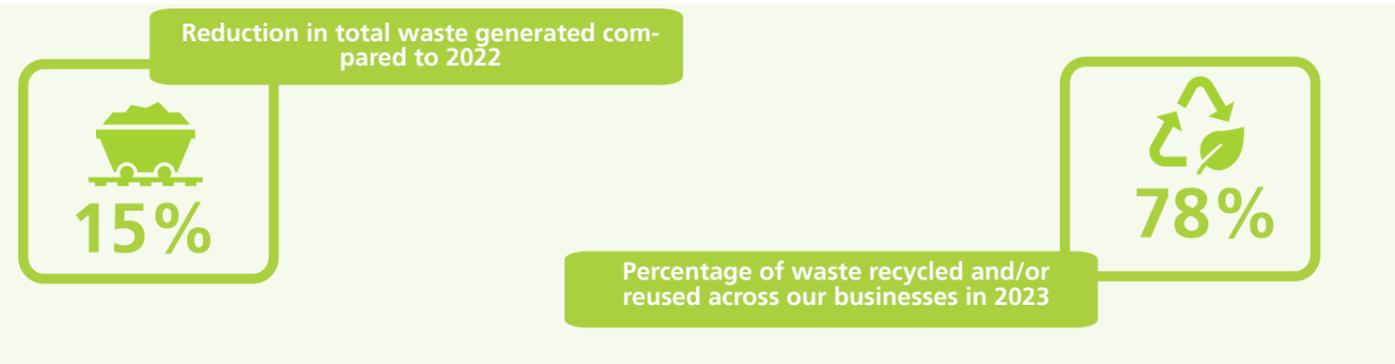
At EMSTEEL, we are dedicated to monitoring and reducing the environmental impacts of transportation. We consistently evaluate our transport effects using the Environmental Impact Assessment (EIA) and the Operations Environmental Management Plan (OEMP). To address inefficiencies and congestion, we initiated Project Falcon, which focuses on optimising truck flow and managing waiting times. We regularly monitor our transport and logistics activities through selected supply chain management KPIs, simultaneously aiming to reduce costs and environmental impacts.

We developed online sourcing tool (supplier management, strategic sourcing, and procurement tool) and a new long-term strategy for

land transportation to minimise our transport impacts and achieve the best possible options, including shipment in bulk options and dealing with sustainability by adopting companies, such as Maersk. We tested the usage of electric cars instead of petrol cars to visit our plants, thus providing an opportunity to reduce our carbon footprint and ultimately prevent pollution and protect our environment. We are also working on integrating carbon emission performance of the suppliers in the evaluation process.

We estimate our employee transport patterns and record business travels per employee travel requests on SANAD (our HC digital transformation project) to ultimately record and assess our transport impacts.

6.3 WASTE & CIRCULAR ECONOMY



GRI Standards:306 (2016)
CARES SCS: 3.7

At EMSTEEL, we are dedicated to enforcing responsible waste management and reduction practices, which contributes to minimising our environmental footprint. Our waste management system prioritises waste minimisation through initiatives like reusing scraps and packaging materials. We ensure efficient waste segregation through meticulous classification and categorisation that maximise recycling opportu-

nities. On-site facilities provide convenient waste collection and storage, while authorised service providers, approved by the Centre of Waste Management Abu Dhabi (CWM), manage collection, transport, treatment, and disposal. We maintain waste inventories and documentation to ensure compliance with all applicable laws and regulations.



EMSTEEL COLLABORATES WITH TADWEER ON RECYCLING

As part of EMSTEEL's efforts to reduce waste, we partnered with Tadweer, the leading waste management authority in Abu Dhabi, to establish a paper recycling initiative across our facilities.

We adopt a proactive approach to waste management across our supply chain. By optimising procurement processes, we order raw materials in bulk when possible, reducing unnecessary packaging materials. We also prioritise preventative maintenance schedules for our machinery, which minimises waste from unexpected break-

downs (e.g., lubricants, oils). Our EIA and OEMP detail the assessment of waste generated from our facilities and operations. The by-product and Waste Management Procedure outline the different waste streams and how they are managed and monitored.

Waste Handling

We collaborate with long-term service providers for the collection of both hazardous and non-hazardous waste. These providers adhere to the waste management regulatory procedures set by the Abu Dhabi waste management authorities, including the use of waste manifests through Tadweer, the waste management regulatory body in Abu Dhabi.

for environmental management to meticulously monitor waste generation and provide on-site recycling stations for diverse waste generators within the plant.

Our comprehensive waste management approach involves identifying and tracking waste and by-product streams. We utilise the SAP tool

We actively promote a circular economy by implementing recycling initiatives. Monthly awareness sessions are conducted to ensure proper waste segregation, reducing the need for extensive sorting efforts. Regularly, we circulate environmental posters to enhance awareness among our employees.



EMSTEEL IMPLEMENTED SAP- WASTE TRACKING SYSTEM

In 2023, we developed an integrated system to manage all waste streams through SAP that allow the following:

- Waste categorisation by unit/plant: Identify waste types generated in each department or facility.
- Waste disposal tracking: Monitor the movement of waste from collection points to final disposal.
- Waste inventory reports: Gain real-time insights into current waste levels across the company.
- Waste trend analysis: Identify patterns and opportunities for improvement in waste reduction and diversion.

A waste recycling programme for paper, plastic, and aluminium cans through colour coded waste collection bins was implemented in 2023 and managed through a CWM registered service provider (RSP). As a result, waste going to landfills was reduced by 7% in Emirates Steel in 2023 compared to 2022, and the amount of waste that went to incineration was decreased by 59% compared to 2022.

Furthermore, we diligently work on launching awareness campaigns to cultivate an environmentally conscious workplace and increase the amount of waste segregated at the source.

In 2023, a total 3,868 and 222,078 tonnes of hazardous and non-hazardous waste, respectively, were generated across our Group.

Waste Type	Breakdown by	Unit	2022	2023***	Y-o-Y
Steel Business					
Hazardous waste		tonnes	4,509	3861	-14%
Non-hazardous waste		tonnes	255,275	216,674	-15%
Al Ain Cement Factory (ACF)					
Hazardous waste		tonnes	0	0	0
Non-hazardous waste		tonnes	1,051.6	289.6	-72%
Emirates Blocks Factories (EBF)					
Hazardous waste		tonnes	0	0	0
Non-hazardous waste		tonnes	3681	3540	-4%
Anabeeb					
Hazardous waste		tonnes	0	7	-
Non-hazardous waste		tonnes	1,089.0	1,574.0	45%

Circular Economy

We strive for optimal environmental efficiency across our operations and facilities. Emirates Steel embraces sustainable steel production by integrating in-house and purchased scrap into its manufacturing process. Through an efficient shredding and recycling system, Emirates Steel transforms collected scrap into high-quality steel products. This approach conserves resources, reduces energy consumption, and aligns with circular economy principles, promoting a more environmentally responsible and resource-efficient steel production process. In 2023, Emirates Steel implemented a new approach for handling by-products, enabling direct sales from the plant on a daily basis. This initiative resulted in zero

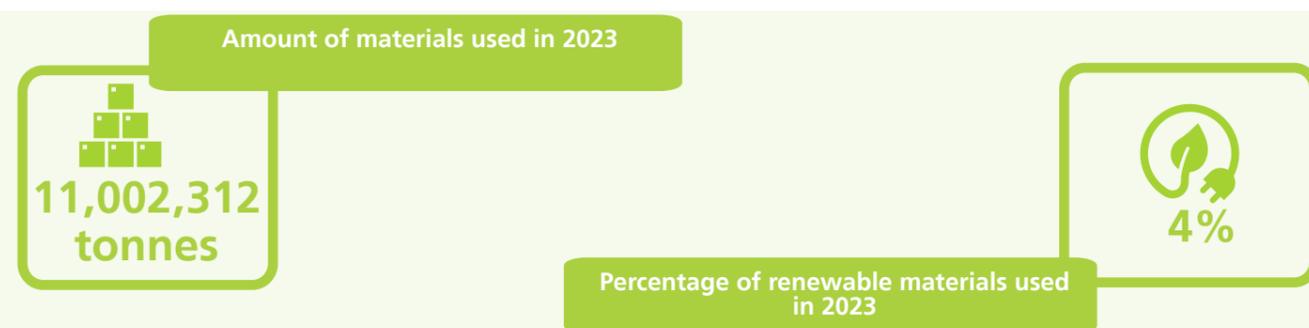
by-product stock in the storage bunkers. As a direct outcome, there was a remarkable 225% increase in total by-product sales, amounting to 326,605 tons compared to 145,234 tons in 2022. Consequently, our Material Efficiency Key Performance Indicator (KPI) surged to 99.3%, surpassing the Worldsteel benchmark of 97.65%.

In Anabeeb, we crush the polyvinyl chloride (PVC) pipes for reuse as raw materials, while the Glass Reinforced Plastic (GRP) pipes are cut into small pieces, which are later disposed of in a landfill by a third-party service provider.

Waste and by-product in Steel Unit	Unit	2022	2023	Y-o-Y
Steel Business				
Sold/Recycled*	tonnes	721,037	981,878	36%
Reuse	tonnes	301,231	245,328	-19%
Incinerated	tonnes	822	339	-59%
Landfilled	tonnes	27,117	25,253	-7%
Al Ain Cement Factory (ACF)				
Landfilled	tonnes	363	290	-20%
Emirates Blocks Factories (EBF)				
Landfilled	tonnes	3,681	3,540	-4%
Anabeeb				
Sold/Recycled*	tonnes	26	30	15%
Landfilled	tonnes	1,063	1,551	46%

* Sold waste is the waste that we sell to third-party or interested buyers. This waste can be recycled or reused after repair.

6.4 MATERIALS



GRI Standards:301 (2016)
CARES SCS: 3.2

At EMSTEEL, we understand that environmental stewardship is not just an idea, but a method of operating our businesses by integrating it into our daily operations. We recognise the vital importance of safeguarding our natural resources. As a result, we are committed to reducing our material consumption by utilising scraps and implementing technologies that enable more efficient operations.

In 2023, Emirates Steel employed a total of 5,899,936 tonnes of materials, with 8% sourced from renewable resources. This marks an increase compared to the 2022 proportion

of renewable materials at 5%. Al Ain Cement Factory (ACF) used 2,123 tonnes of materials with 23% originating from renewable sources, which represented an increase compared to the 2022 renewable materials proportion of 19%.

In our Emirates Blocks Factories (EBF), less than 1% of our total materials consumption comes from renewable resources, while no renewable materials are used in Anabeeb. We acknowledge the crucial role of integrating renewable materials in our production processes and will work towards exploring new technologies and initiatives to enhance this proportion in the future.

Breakdown by Type	Unit	2022	2023	Y-o-Y
Steel Business				
Non-renewable materials	tonnes	5,151,708	5,449,286	6%
Renewable materials	tonnes	276,151	450,650	63%
Al Ain Cement (ACF)				
Non-renewable materials	tonnes	5,561,934	5,062,296	-9%
Renewable materials	tonnes	1,589	1,374	-14%
Emirates Blocks Factories (EBF)				
Non-renewable materials	tonnes	1,510	1,640	9%
Renewable materials	tonnes	364	484	33%
Anabeeb				
Non-renewable materials	tonnes	26,659	36,583	37%
Renewable materials	tonnes	NA	NA	

6.5 WATER AND EFFLUENTS



GRI Standards:303 (2018)
CARES SCS: 3.3

EMSTEEL, situated in a water-scarce region, prioritises efficient water management. We consistently evaluate our water impact and assess our social and environmental consequences from project inception to completion. To achieve this, we employ various methodologies, including Environmental Permit Application (EPA), Environmental Impact Assessment (EIA), Operation Environmental Management Plan (OEMP), and Construction Environmental Management Plan (CEMP). External auditors conduct OEMP audits four times a year to ensure compliance with OEMP requirements, while the EAD monitors and reviews these audit reports quarterly.

To optimise water usage, we have invested in advanced water treatment infrastructure. Seawater and effluent are treated by Reverse Osmosis (RO) plants and used across our facilities and operations. On-site Water Treatment Plants (WTPs) are available for cooling water treatment. Wastewater is stored in septic tanks and collected regularly by an approved Environment Service Provider (ESP).

EMSTEEL actively promotes water conservation practices within our facilities through collaborations, such as with the Abu Dhabi Distribution Company (ADDC). Our water management initiatives include an operation and maintenance agreement for efficient water usage, a dedicated meter for precise monthly monitoring of irrigation water and exploring solutions like recycling and reusing sewage and stormwater for irrigation purposes. This demonstrates our commitment to continuous improvement and sustainable water management.

In 2023, our water withdrawal reached 45,712,628 cubic metres, which is slightly less than our withdrawn amounts in 2022. However, our water consumption increased by 3% due to production increase in steel and cement. In Anabeeb, we significantly reduced our water intensity compared to 2022, reaching 1.28 m³/tonne.

In 2024, a water footprint and efficiency study will be completed to identify areas of water reduction potential.

Water Consumption Data (EMSTEEL: Group)	Unit	2022	2023	Y-o-Y
Water Withdrawal	m3	45,697,935	45,712,628	0.03%
Third-party water*	m3	1,356,099	1,402,062	3%
Seawater	m3	44,341,836	44,310,566	-0.1%
Water Discharge	m3	32,660,136	32,285,613	-1%
Third-party water	m3	74,418	76,580	3%
Seawater	m3	32,585,718	32,209,033	-1%
Water Consumption	m3	13,037,799	13,427,015	4%
Water Use (breakdown by business)				
Emirates Steel	m3	12,587,889	12,943,036	3%
Al Ain Cement Factory (ACF)	m3	329,272	371,177	13%
Emirates Blocks Factories (EBF)	m3	75,983	74,645	-2%
Anabeeb	m3	44,655	38,157	-15%
Water Use Intensity (breakdown by business)				
Emirates Steel	m3/tonne	3.92	4	2%
Al Ain Cement Factory (ACF)	m3/tonne	0.10	0.11	10%
Anabeeb	m3/tonne	1.84	1.28	-30%

* Third party water is the water from municipal water supplies or other public or private water utilities. Only Emirates Steel use sources other than third party water (seawater).



6.6 COMMITMENT TO ENVIRONMENTAL COMPLIANCE

Environmental non-compliance sanctions since operation



GRI Standards: 2-27 (2021)
CARES SCS: 2.1

At EMSTEEL, we are dedicated to upholding the highest environmental standards, starting with our ISO 14001 certification in environmental management systems across all our sites and offices. We continuously strive to enhance our environmental performance by improving our environmental management system. We adhere to all national and international laws and regulations that impact environmental management in our businesses.

As part of our environmental assurance journey, we underwent evaluation by the Environment Agency – Abu Dhabi (EAD) and were granted an Environmental Permit for our business operations. We diligently monitor and report our environmental performance on a monthly basis across our facilities and operations. We take great pride in our unblemished record at EMSTEEL, as we have never been fined or sanctioned for non-compliance with environmental laws and regulations. Furthermore, we have zero recorded major spill inci-

dents across our operations and facilities. Our goal is to maintain this baseline of zero incidents and complaints.

We are committed to preventing and continuously reducing noise and vibration. In accordance with our OEMP, ambient noise monitoring is conducted every three months, while occupational noise monitoring is carried out on a monthly basis as part of inspection activities. In addition to preventive maintenance for equipment, we deploy engineering controls and noise damping solutions.

We implement spill prevention and clean-up procedures for minor spill incidents. Oil-contaminated surfaces and materials are disposed of as hazardous waste with approved environmental service providers, following guidelines from local authorities. All spills are documented and reported through mySHEQ/inspection report, EIA/OEMP, and inspections.

EMSTEEL ALIGNS WITH TCFD AND CDP DISCLOSURES

In 2023, EMSTEEL embarked on a transformative journey towards enhanced transparency and compliance in environmental and climate change management. As part of this commitment, we began reporting in alignment with both the Task Force on Climate-Related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP) platform. For 2023 CDP, EMSTEEL received a "B-" score which is in the Management band. This is higher than the Asia regional average of C, and the same as the Metal smelting, refining & forming sector average of B-.

These efforts contribute to our understanding of how to reduce our environmental impacts. By adhering to these reporting frameworks, we provide clear insights into our environmental performance and climate-related risks, and foster trust and accountability among our stakeholders. This approach aligns with our vision for a sustainable future, where businesses play a crucial role in mitigating climate change and preserving the planet for generations to come.

6.7 PRODUCT & SERVICES ENVIRONMENTAL IMPACTS



GRI Standards: 304 (2016)
CARES SCS: 3.4

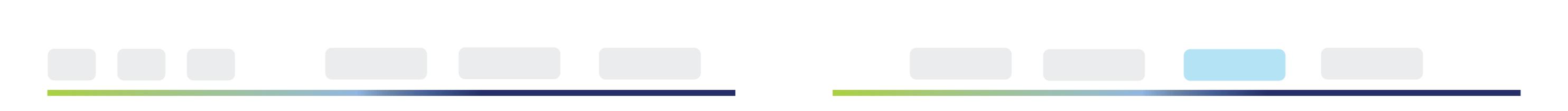
At EMSTEEL, we are proactively addressing the environmental impacts associated with our products and services. Our comprehensive EIAs encompass a thorough evaluation of local biodiversity, as well as terrestrial and marine ecological assessments (specifically for Emirates Steel). This holistic approach ensures we consider the environment's diverse ecosystems and the surrounding ecology.

Furthermore, our OEMP incorporates continuous monitoring and implementation of measures to minimise the environmental impact of our activities on the surrounding ecology. By integrating these practices, we demonstrate our commitment to fostering a sustainable future, where businesses play a vital role in preserving the planet's delicate balance.

At EMSTEEL, we have completed numerous environmental projects aimed at reducing dust emissions, which could contribute to air pollution or settle in land water, potentially causing contamination. Our focus on responsible waste management ensures that most by-products are sold for recycling or reuse, rather than disposal.

To further enhance our eco-friendly approach, we have implemented greenbelt trees and landscaped areas across our facilities. These initiatives not only improve vegetation but also help reduce windblown dust and noise pollution on-site. Additionally, they contribute to increased carbon sequestration, benefiting the environment.

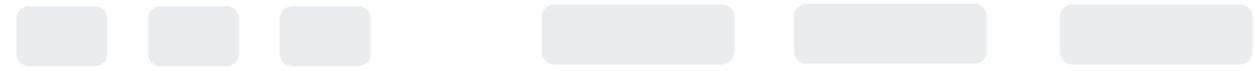
In 2023, our commitment to a greener future led us to plant 5,760 trees, fostering a healthier and more sustainable environment for all. By embracing these practices, we demonstrate our dedication to reducing our ecological footprint and promoting a harmonious coexistence between industry and nature.



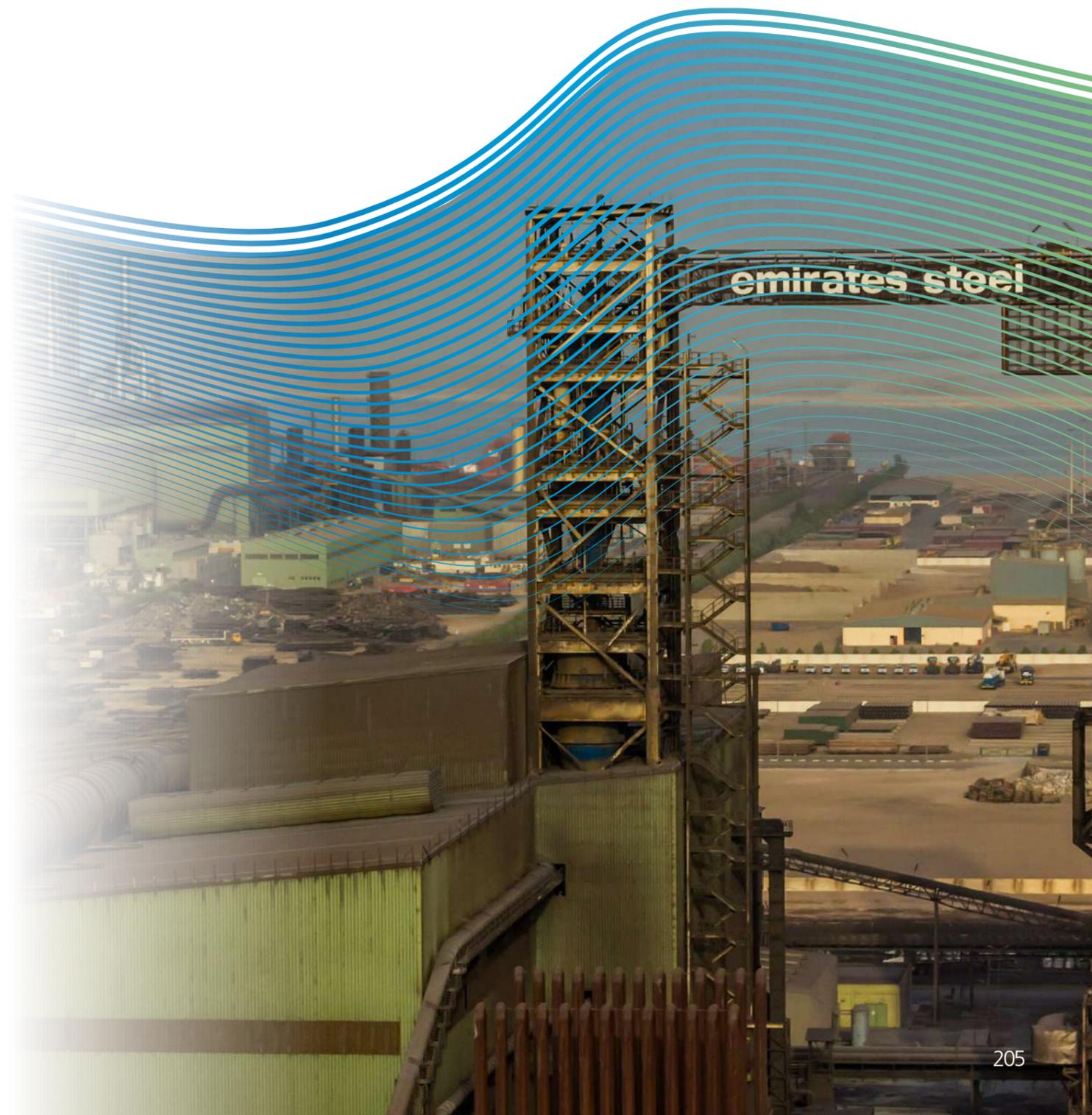
Mangrove Restoration

In 2023, EMSTEEL actively contributed to the Mangrove restoration and plantation initiative in partnership with the Environment Agency – Abu Dhabi (EAD). Our collective efforts resulted in the successful planting of 500 Mangrove trees and played a vital role in preserving and revitalising these crucial ecosystems.

This collaboration showcases our commitment to environmental conservation and our dedication to supporting local wildlife and habitats. By participating in such initiatives, we demonstrate our responsibility towards a sustainable future, where businesses and communities work hand-in-hand to protect and enhance the environment.



7. Appendices



7.1 Appendix A: List of Abbreviations

Abbreviation	Definition
GBN	Green Business Network
GCEO	Group Chief Executive Officer
GHG	Greenhouse Gas
GJ	Giga Joule
GRI	Global Reporting Initiative
GROW	Get Ready for Opportunities at Work
GRP	Glass Fibre Reinforced Polyester
HAAD	Health Authority of Abu Dhabi
HC	Human Capital
HDPE	High-Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
HR	Human Resources
HSE	Health, Safety and Environment
ICV	In-Country Value
IDB	Industrial Development Bureau
IEEE	Institute of Electrical and Electronics Engineers
ILO	International Labour Organisation
IMS	Integrated Management System
IREC	Interstate Renewable Energy Council

Abbreviation	Definition
ISO	International Organisation for Standardisation
IT	Information Technology
JSA	Job Safety Analysis
KPI	Key Performance Indicator
KSA	Kingdom of Saudi Arabia
LDPE	Low Density Polyethylene
LEED	Leadership in Energy and Environmental Design
LMS	Learning Management System
LOTO	Lockout Tagout
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MENA	Middle East and North Africa
MITE	Make It in The Emirates
MOCCAEC	Ministry of Climate Change and Environment
MWH	megawatt hour
NDCA	National Dialogue on Climate Ambition
NFPA	National Fire Protection Association
NOX	Nitrogen Oxides
OEMP	Operation Environmental Management Plan



Abbreviation	Definition
OHS	Occupational Health and Safety
OPC	Ordinary Portland Cement
OPEX	Operating Expense
OSHAD	Occupational Safety and Health System Framework
OT	Operational Technology
PLC	Portland Limestone Cement
PM	Particulate Matter
PPE	personal Protective Equipment
PPR	Polypropylene Random Copolymer Pipe
PVC	Polyvinyl Chloride
RM	Rolling Mill
RMC	Risk Management Committee
RO	Reverse Osmosis
RPO	Recovery Point Objective
RSP	Registered Service Provider
RTO	Recovery Time Objective
S&OP	Sales and Operations Planning
SASO	Saudi Standards, Metrology and Quality Organization
SBTi	Science Based Targets initiative



Abbreviation	Definition
SCA	Securities and Commodities Authority
SCS	Sustainable Constructional Steel
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SMP	Steel Making Plant
SOP	Standard Operating Procedure
SOX	Sulphur Oxides
SPC	Specific Power Consumption
SRC	Sulphate Resistant Cement
TCFD	Task Force on Climate-Related Financial Disclosures
TRIFR	Total Recordable Injury Frequency Rate
UAE	United Arab Emirates
UAE-NESA	UAE National Electronic Security Authority
UK	United Kingdom
UN	United Nations
USA	United States of America
USD	United States Dollar
WSA	World Steel Association
WTP	Water Treatment Plant

7.2 Appendix B: Emirates Steel's Climate Resilience

Emirates Steel aligns its decarbonisation efforts with global climate requirements, integrating TCFD and CDP requirement into its practices for Governance, Strategy, Risk Management, and Metrics & Targets. Moreover, the company's expertise in evaluating climate change impacts and addressing associated risks underscores its dedication to environmental stewardship and resilience.

In 2023, EMSTEEL established an Environment, Social, and Governance (ESG) Board Committee to ensure that environmental, social, and governance principles are integrated into all aspects of our operations. This committee oversees our company's strategies and initiatives, and the development of an ESG strategy focusing on climate change and long-term sustainability. Additionally, we implemented an ESG policy that outlines our dedication to environmental stewardship, social responsibility, and governance, which guide all our business activities.

Risk management is fundamental to Emirates Steel's operational continuity and the realisation of its long-term objectives and vision. Accordingly, Emirates Steel has formulated a comprehensive approach to assess climate-related financial risks and opportunities across varying timeframes – short, medium, and long term. These risks and opportunities are identified through a multifaceted risk assessment process, incorporating structured evaluations, collaborative brainstorming sessions, and inputs from all key stakeholders.

The following table shows the criteria that Emirates Steel utilised to identify and evaluate climate-related risks and opportunities.

Time horizon	<p>Short term: 2022 to 2025</p> <p>Medium term: 2026 to 2030</p> <p>Long term: 2031 to 2050</p>
Assessment of risks and opportunities	<p>Likelihood of occurrence.</p> <p>Level of severity of financial Impact.</p> <p>Residual Risk Rating</p>
Types of risks and opportunities	<p>Transition risks: Policies and laws, technology, market, reputation</p> <p>Physical risks: Acuteness, chronicity.</p> <p>Opportunities: Resource efficiency, energy sources, technology, and market resilience.</p>
Setting a climate scenario	1.5°C scenario

Climate Risk Impact and Resilience

Potential financial impact	Risk Impact and Resilience	Risk Type
40~50 million USD	Extreme weather events, such as heatwaves, heavy winds, and heavy rainfall, have the potential to disrupt the steel industry's supply chain, resulting in reduced productivity across the entire value chain of steel products. This disruption may manifest as delays in the supply of raw materials, decreased production volumes, and a decline in demand for finished steel products. Moreover, heatwaves are projected to decrease global working hours by over 2% by 2030, as reported by the International Labour Organisation, translating to potential annual financial losses of approximately \$40 million. Considering a conservative annual growth rate of 1%, the decline in sales could reach \$50 million per year by 2030.	Acute physical
100 ~ 240 million USD	Risk of flooding and sea level rise were considered in our Climate Risk register, especially since our operation facilities are located in coastal area. This risk could affect our productivity and have the potential to impact our RO plants' operation and our jetty equipment operation. We collaborate with the UAE government to monitor climate risks, which are assessed within the UAE's Climate Adaptation Plan. Various measures are proposed to address priority risks to the infrastructure sector under different scenarios of temperature increase.	Chronic physical
45~90 million USD	The global green steel market is forecasted to grow significantly, reaching approximately \$100 billion by 2030 with an annual growth rate of around 70%. ES anticipates strong growth in its green steel business, contingent upon achieving substantial emissions reductions by 2030. Failure to meet climate goals could result in missed revenue opportunities ranging from \$45 to \$90 million per year. To address this risk, ES conducts ongoing analysis of steel industry trends to anticipate impacts on demand and supply chains. Recognising the potential for reduced market share and higher capital expenditures, we are considering accelerating our Carbon Neutral strategy as a countermeasure.	Market

Potential financial impact	Risk Impact and Resilience	Risk Type
280 million USD till 2030	EMSTEEL adopted DRP technology which is less in CO ₂ emission by 50% from BF route which puts less burden on our strategy for huge emission reduction compared to blast furnaces. However, we understand that technological advancements are crucial for decarbonisation. Our strategy, requiring a minimum of USD 280 million between 2024-2030, targets intermediate reductions by 2030. Yet, it's prudent to acknowledge that actual costs might surpass this projection, especially if adopting costlier solutions becomes imperative to decarbonise our operations. Consequently, EMSTEEL estimates a requirement of over \$700 million to decarbonize completely.	Technology
50~250 million USD	In our materiality assessment, market presence and company reputation emerged as significant concerns. Recognising the risk of market share loss due to failure in CO ₂ reduction, we incorporated it into our risk register and tailored our carbon reduction strategy to align with stakeholder expectations. Research from Clarity AI highlights the financial impact, suggesting that companies facing ESG controversies may underperform by 2-5% compared to peers with strong ESG performance, with potential market value losses of 2-9% for those with poor environmental reputations. Factoring in these insights, we anticipate market losses for ES ranging from \$50 to \$250 million. To comply with emission expectation, we've developed an ambitious yet feasible decarbonisation strategy, prioritising energy efficiency, renewable electricity, scrap utilisation, and green hydrogen to meet our interim reduction goals by 2030.	Reputation
120~650 million USD	One of the most significant risks that has been identified is carbon emission cost and non-compliance with Emission trade mechanism such as CBAM. Also, Carbon taxes policy will be imposed soon by UAE government which will cause cost increase on our products. So, failure to reduce our direct and indirect emission will lead to applying more cap and taxes on ES's product and loss the competitive advantage in global market. Anticipating future carbon taxes, we estimate potential carbon costs ranging from \$20 to \$105 per ton of CO ₂ , similar to EU-ETS and CBAM allowances. Using the CBAM methodology, we project production cost increases of \$120 to \$650 million between 2026 and 2034. This underscores the importance of strategic planning to navigate evolving carbon regulations effectively.	Emerging regulation

Emirates Steel Decarbonisation Strategy

Emirates Steel's "Decarbonisation Strategy" aims to achieve a substantial reduction in emissions by 2030 compared to the 2019 baseline and aiming at ultimately decarbonising our emissions by 2050. Emirates Steel aims to not only meet UAE targets but also enhance its competitiveness in global markets demanding lower carbon steel materials. The success of this plan relies on factors such as the availability and pricing of scrap materials, as well as the cost of green hydrogen.

Key levers in our decarbonization strategy

- 
CCUS₂
 Maximize the utilization rate of the Al Rayadah CCUS facility
- 
Clean Energy
 Increase the share of clean electricity sourcing to 100%
- 
Energy Efficiency
 Reduce NG consumption in steel melting plants and rolling mills
- 
Scrap
 Increase the share of scrap to reduce overall carbon intensity
- 
Hydrogen
 Use of clean hydrogen in DRP's

7.3 Appendix C: Stakeholders Engagement Map

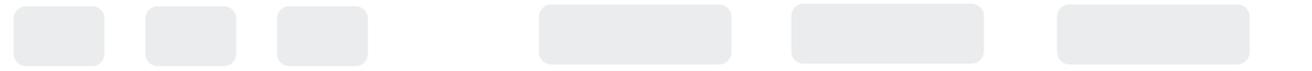
Ensuing from our understanding of the importance of effective stakeholder engagement, we have developed a stakeholder engagement map, identifying our key stakeholder groups, their priority issues

and expectations, methods, and frequency of engagement with them, along with the actions and outcomes of our engagements with them.

Stakeholders (Interested Parties)	Key Issues	Expectations	Engagement Method (Frequency)	Actions/Outcomes
Category				
Shareholders, Board of Directors	<ul style="list-style-type: none"> Corporate Governance. Sustainable Business, Growth. Quality, Environmental, Health & Safety, Social, Financial Performance. Improved operational efficiency. Robust financial and non-financial performance across parameters. Consistent returns. 	<ul style="list-style-type: none"> Sustainable growth and shareholder return. Contribution to local economy. Leading steel manufacturer. Excellent management of the investment portfolio. Contributing to growth and development policy. 	<ul style="list-style-type: none"> Board Information Pack (quarterly, annual). Board/Committee meetings (quarterly, as required). Site visits and correspondences Media releases and publications. Joint programs & partnerships. Business Visit shareholder meetings and roadshows. 	<ul style="list-style-type: none"> Developed and integrated corporate governance policies to core business activities. Identified key business risks. Defined management plans. Developed long-term and short-term strategic goals and objectives. Corporate Social Responsibility programs Namaa' project High standards of corporate governance and risk management. Compliance with global ESG norms and setting benchmarks in key areas.
Top Management	<ul style="list-style-type: none"> Company's vision, mission, and core values. Company's Culture and Ethics. Business strategy and planning. Company BSC/ KPIs. Customer satisfaction. Risk and opportunities. Quality, Environmental, Health & 214Safety, Social, Financial Performance. Improved operational efficiency. Management of change. Internal & External Communications. Employees' safety culture. Employees Happiness. 	<ul style="list-style-type: none"> Understanding of company's vision, mission, and core values across the organisation. Strictly adhere to company's ethics and culture. Strong safety culture and safety excellence. Achievement of company BSC/ KPIs. High customer satisfaction. Improved business performance. Mitigation of risks and taking advantage of opportunities. Mitigate any adverse effects arising from unplanned changes. Improved performance of IMS and desired outputs. 	<ul style="list-style-type: none"> EXCO/Top Management meeting. Regular progress reporting of strategy implementation, monitoring and review of BSC/ KPIs. Management review meeting (monthly/quarterly). Operation meetings (weekly/monthly). HSE EXCO Meeting (monthly). Operations Function HSE Meetings (monthly). Non-operation Function HSE Meeting (monthly). 	<ul style="list-style-type: none"> Established Vision, Mission, Core Values and Company Policy. Code of Ethics Policy. HSE Principles and Life Saving Rules. Safety Excellence Transformation Program (AMAN). Established BSC/ KPIs. Customer feedback process, Perception Survey. Risk Management framework. Corporate Social Responsibility programs. Defined management Action Plans. Change Management plans. Improvement in IMS. Plant efficiency and capacity enhancement. Product quality improvements and conformity. Company website and Intranet (Steel Hub). Namaa' project.

Stakeholders (Interested Parties)	Key Issues	Expectations	Engagement Method (Frequency)	Actions/Outcomes
Employees	<ul style="list-style-type: none"> Employee Health, Safety & work environment. Remuneration and benefits. Effective leadership and supervision. Employee trainings and competency development. Developing high potential employees. Recognition and rewards. Effective career development program. Employee performance. Employees' engagement, empowerment, and accountability. Organisational knowledge. 	<ul style="list-style-type: none"> Opportunities for personal and professional development and success. Provide a safe, healthy and environment-friendly workplace, and welfare & wellbeing. Job security. Reward & recognition; competitive compensation. Attractive job (content, security, professional growth). Employee engagement: challenging job with accountability. 	<ul style="list-style-type: none"> Face to face communication. Emails and other correspondence. On-line Employee Services System and correspondences. Safety tours and site visits (monthly, quarterly). Internal training and toolbox talks (as per plan, as required). Participation in external training programs, seminars, conference, etc. Performance review (semi-annual, annual). Employee Engagement Survey. Internal communication email blasts. Behavioral Observations (monthly). Middle Management Meeting (quarterly). Town-hall Meeting. Accelerated Young Leaders Program. Company programs and events (as scheduled). Operations Department HSE Meeting (monthly). H&S Department HSE Meeting (monthly). Events & Recreation Program Survey (annual). Suggestion schemes and grievance procedure. Company website, press releases, social media posts. Violation Reporting. HC Forum (quarterly). Notice boards. 	<ul style="list-style-type: none"> Safety Champions Recognition. Behavioural safety tours. Increased involvement of top management in EHS programs and initiatives – Aman Safety Excellence. Review and updating of HC policies and procedures, including compensation and benefits, training and career development plans, Performance Management System, awards, and recognitions, etc. Communication of company policies, objectives, and performance. Development of talents through Bedayati Program. Future Leaders Program, Talent Acquisition Module. Think Smart (online suggestion scheme). Tamkeen – Emirati Women's Committee. SANAAD HC Digital Platform. Internal promotions and organisational changes. Enhanced competence and improved performance of employees. Career Aspiration Program. Learning Management System (LMS). mySHEQ application. Knowledge Management Hub. Risk & BCM Community. Youth Council. Yammer Platform. Safe and secure work environment. Career growth. Improved work-life balance. Fair wages and rewards. Satisfaction and motivation.
Lenders and Financial Institutions	<ul style="list-style-type: none"> Ability for repayments. Company reputation for ethical business practices. Potential liabilities due to environmental and social issues. 	<ul style="list-style-type: none"> Business performance. Transparency and corporate governance. Environmental and Social risks. 	<ul style="list-style-type: none"> Financial reports (annual). Meetings and correspondences. 	<ul style="list-style-type: none"> Corporate governance policies and procedures. Financial controls, management, and investments. Third party audits.

Stakeholders (Interested Parties)	Key Issues	Expectations	Engagement Method (Frequency)	Actions/Outcomes
Customers	<ul style="list-style-type: none"> • Products and management system certifications. • Competitive price. • Customer complaints. • Green building schemes. • Ethical Business Practices. • Value-added products. • Sustainable and low-carbon steel. • Warranties and quality assurances. 	<ul style="list-style-type: none"> • Product quality and availability. • Product Innovation and solutions. • Product cost and value creation. • Reliable and efficient customer service. • Sustainable on time delivery and availability. • Meeting the local demand for steel products. • Meeting the product specifications. 	<ul style="list-style-type: none"> • Customer meeting/visits (monthly or as required). • Perception (Customer Satisfaction) Survey • Customer complaint meeting (monthly or as required). • Events, conferences, and exhibitions (as scheduled). • Project qualification and tendering (as scheduled). • Brochures, product catalogues. • Company website, press releases and social media posts. • Violation Reporting. • Official communication channels: Advertisements, publications, website, and social media. 	<ul style="list-style-type: none"> • Effective implementation of Integrated Management System (IMS). • Market research and pricing committee. • Customer complaint management. • Product Research and Development. • Communication with authorities on product regulations and important duties. • Environmental Product Declaration reports. • Product and management system certifications. • Sustainable Constructional Steel Certification. • Corporate governance policies. • Timely delivery. • Wide range of high-quality products that meet customer requirements. • Post-sales support: Digital CRM to ensure quickly accessible customer support.
Suppliers, service providers and contractors	<ul style="list-style-type: none"> • Quality, environment, health & safety issues. • Cost reduction and value creation. • Long-term business relations. • Compliance and corporate governance policies • On time payments of invoices. • Clear two-way communication to meet delivery service level agreement of resources / material. • Transparency. • Continuity of orders. 	<ul style="list-style-type: none"> • Quality products and services. • Responsible sourcing principles. • Sustainable Supply Chain practices. • Ethical business practice. • Long term contracts to ensure sustainable demand. 	<ul style="list-style-type: none"> • Direct communications through meetings, phone calls and emails. • Inquiries, coordination, and clarification meetings. • Site visits and supplier audits (annual or as required). • Supplier Feedback's Survey (annual). • Training and awareness sessions (as scheduled). • Contractors HSE Meeting (monthly). • Awards/recognition events (as scheduled). • Company website, press releases and social media. • Violation Reporting. 	<ul style="list-style-type: none"> • Supply Chain Policies, manual and procedures. • Supplier Qualification and Registration. • Supplier audit and Performance Evaluation. • Partnership and long-term contract program. • ARIBA Digital Procurement. • Improvement of Supply Chain Functions. • Contract administration. • Code of Ethics and Whistle blowing policies. • Contractor management and safety programs. • Sustainable supply chain practices. • Local procurement.
Regulatory Authorities	<ul style="list-style-type: none"> • Emissions and discharges. • EHS Management System Implementation. • Incidents and emergencies. • Environmental complaints. • Statutory and regulatory compliance. 	<ul style="list-style-type: none"> • Regulatory Compliance. • Environment, Health & Safety performance. • Contribution to local economy. • Climate Change. • Self-regulation. 	<ul style="list-style-type: none"> • Direct communication through meetings, phone calls and emails. • Conferences, forums, and workshops. • Site visits, inspections, and audits. • Company website and publications. • Official communication channels: Advertisements, publications, websites, and social media. 	<ul style="list-style-type: none"> • Audit, inspections, monitoring and reporting. • Incident Notification, Investigation, and reporting. • Implementation of environmental projects. • Carbon capture and storage project. • Business Continuity and Emergency procedures. • Regular performance and compliance reporting. • Environmental Projects and Initiatives. • Aligning with the government to support economic development.



Stakeholders (Interested Parties)	Key Issues	Expectations	Engagement Method (Frequency)	Actions/Outcomes
Certification Bodies	<ul style="list-style-type: none"> Effective implementation of management systems. 	<ul style="list-style-type: none"> Conformity to certification and technical standards. 	<ul style="list-style-type: none"> Direct communication through meeting, phone calls and emails. Audits, inspections, and site visits (semi-annual, annual). Conferences, forums, and workshops (as scheduled). Company website and publications. Participation in Working Group meetings. 	<ul style="list-style-type: none"> Implementation of Integrated Management System. Internal audits and inspections. Regulations, standards, and scheme reviews. Training and awareness.
Industrial sector and business community	<ul style="list-style-type: none"> Government regulations and initiatives. Industrial and economic challenges. Industry - Academic collaboration. Championing sustainability as a standard practice. Setting the tone for the development of the industry and economy. 	<ul style="list-style-type: none"> Responsible and ethical business practice. Industry best practice and benchmarking. Innovation and value creation. 	<ul style="list-style-type: none"> Meetings, presentations, and site visits. Project collaboration and studies. Technical conferences, workshops, and forums. Exhibitions, sponsorships, and industry events. Websites and social media posts. Publications and press releases, brochures, and catalogues. Joint R&D initiatives. Internship opportunities for students. 	<ul style="list-style-type: none"> Active involvement in industry and business community initiatives. Endorsement of policies to industrial sectors and authorities Sharing of best practice and benchmarking Recycling, reuse of by-products and wastes. Active participation in World Steel Association (WSA) programs. Active member of WSA Climate Action and Sustainability Programs. Benchmarking activities. Exchange of knowledge. Collaboration in R&D. industry exposure for students.
Local society and community	<ul style="list-style-type: none"> Occupational health and safety issues. Emissions and environmental complaints. Employment and Emiratisation. Promoting local products and business initiatives. Corporate Social Responsibility. 	<ul style="list-style-type: none"> Supporting community development and local economy. Environmental protection and cultural heritage preservation. 	<ul style="list-style-type: none"> Community and medical out-reach programs. Cultural events. Training and awareness sessions. Site visits, plant tours. Scholarships and internship program. Charity projects and volunteering in community services. Conferences and Seminars. Brochures, press release and social media posts. Violation Reporting. Company website and social media platforms. Partnerships in community development projects. Official communication channels: Advertisements, publications, websites, and social media. Training and workshops. 	<ul style="list-style-type: none"> Promoting health and safety program and improving EHS performance. Emiratisation and career development program for UAE nationals. Scholarships and work placement programs. Cultural, community and charity programs and sponsorships. Corporate Social Responsibility programs. Communication through social media. Local employment and procurement. Infrastructure development. Funding for community development. Contribution to local economy.
Media	<ul style="list-style-type: none"> Availability of information for market research and campaigns. Promotion of new products and innovations. Reliable and timely information. 	<ul style="list-style-type: none"> Information of latest news, trends, events, and industry practices to public or interested parties. Journalism ethics and transparency. 	<ul style="list-style-type: none"> Public and POSM advertisements. Events. Face to face meetings. Case studies. Annual reports. Press releases and social media posts. Brochures, catalogues, and flyers. Company website and social media platforms. 	<ul style="list-style-type: none"> Publishing, posting or press release of news, events, and awards. Interviews, site visits and use of reliable platforms. Follow-up and verification of information. Use of different social media platform: for Internal and External communications.

7.4 Appendix D: Maturity Matrix

Sustainability Principles	Practices	Maturity	Characteristics of the approach to sustainability in developing organisation	Objectives & Plan(s) / Programme(s)
Inclusivity	Stakeholder identification and mapping	Proactive and learning	EMSTEEL considers its existing stakeholders from within the company (employees), community, industry, national, regional, and international environment. The company is also identifying new and potential stakeholders from new markets, new customers, suppliers, impending regulations, government policies, etc. which might be relevant to the company's objectives and activities	<ul style="list-style-type: none"> Stakeholder identification and mapping reviewed on a regular basis and documented in the stakeholder engagement map
	Open engagement in various formats for various stakeholders	Proactive and learning	Different methods and platforms are used in engaging different stakeholders to ensure the effectiveness, efficiency, and timeliness of engagement activity. EMSTEEL is always seeking opportunities and the most appropriate means to reach and engage with stakeholders whether using traditional means or new technology such as personal visits, interviews, research, surveys, press releases, the internet, social media, publications, forums, conferences, meetings, events, emails, etc.	<ul style="list-style-type: none"> Stakeholder engagement map (engagement methods)
	Stakeholder issue identification	Proactive and learning	From each engagement activity, legitimate issues relevant to company activities and objectives are identified and reviewed by responsible persons in the organisation and discussed during management meetings. Action plan and programs are defined and implemented to address material issues.	<ul style="list-style-type: none"> Stakeholder engagement map (actions/outcomes)
	Communication of organisation response to issues raised	Proactive and learning	EMSTEEL has developed and implemented policies and procedures to respond to legitimate and relevant issues raised by stakeholders such as customer complaints, community complaints, supplier's concerns, employee complaints, etc. The effectiveness and timelines of response to relevant stakeholder issues are monitored and reviewed by the management during monthly meetings.	<ul style="list-style-type: none"> Stakeholder engagement map (actions/outcomes)

Sustainability Principles	Practices	Maturity	Programmes and Plans	Objectives & Plan(s) / Programme(s)
Integrity	Leadership shown - clear Accountabilities documented	Proactive and learning	As a government-owned entity, the company follows strict corporate governance policies to ensure ethical business practices and compliance with the legislation. ES is also implementing an integrated management system certified against ISO9001, ISO14001, ISO45001, OSHAD, CARES sustainability management system, BS6001, and other local and international standards. The IMS policies and procedures define its commitments, responsibilities, authorities, and accountabilities across the organisation. Emirates Steel has been awarded several recognitions and has obtained certifications and approval from different certification bodies. EMSTEEL is also an active member of world steel and regularly participates in safety and CO2 data collection programs. EMSTEEL recently became a member of the ResponsibleSteel.	<ul style="list-style-type: none"> Job descriptions (roles and responsibilities)
	Code of Conduct adopted	Proactive and learning	EMSTEEL strictly complies with laws and regulations. It is also implementing a Code of Ethics (Conduct), Fraud Control, and Whistle-blowing policies which are communicated to all employees (and the public through the company website), and also following procedures to ensure each employee conducts his activities and dealings with co-employees, customers, suppliers, authorities and the community are according to laws and regulations and highest ethical business practices. Suppliers acknowledge to abide by and follow the EMSTEEL code of conduct when they register.	<ul style="list-style-type: none"> Code of conduct declaration
	Integrity risks identified and managed	Proactive and learning	Risk assessment and management is implemented at different levels across the organisation. Risk assessments on the different aspects and activities of the company are carried out by internal teams and/or external consultants. The risk register identifies the monitoring and control measures to mitigate and reduce the risk to acceptable level. The Risk Management & Business Continuity Management (BCM) Team is identifying and monitoring the overall business risks of the company.	<ul style="list-style-type: none"> Business Continuity Management (BCM) Risk Register

Sustainability Principles	Practices	Maturity	Programmes and Plans	Objectives & Plan(s) / Programme(s)
Stewardship	Sustainable development culture	Engaged	EMSTEEL employs employees and contractors from different backgrounds, cultures, and nationalities. Hence, EMSTEEL has integrated and implemented the sustainability principles in its business, management system, policies, and procedures, it is also implementing programs to develop its employees to adopt the culture of sustainability through regular engagement, training, behavioral, and safety tours. An ESG KPIs as part of the company's balance scorecard, policy, and board committee were introduced.	<ul style="list-style-type: none"> • Introduce sustainability trainings and develop dedicated function to manage sustainability • Conduct regular ESG board committee meetings
	Responsible/Sustainable Supply chain approach adopted	Engaged	EMSTEEL is managing its supply chain to ensure the flow of materials and information and provide the highest degree of satisfaction and value to its stakeholders. Strategic partnerships and relationships are developed with suppliers with the most impact on company business and activities. Emirates Steel is collaborating with preferred suppliers and/or service providers in developing capabilities that would address existing and future needs of the company in a cost-effective manner such as by-product and waste management processes, logistics, service out-sourcing, etc. Purchasing policies and procedures are reviewed and updated to optimise the process and ensure alignment with corporate governance policies and procedures. Suppliers acknowledge to abide by and follow the ES code of conduct when they register.	<ul style="list-style-type: none"> • Introduce Supplier ESG and carbon footprint assessment as part of the supplier evaluation • Introduce responsible sourcing KPIs as part of the performance management of supplier chain managers
	Systematic Environmental Management	Proactive and learning	Emirates Steel is implementing an Integrated Management System certified against ISO 14001 and Abu Dhabi Environment, Health and Safety Management System and complying with legal regulations and other requirements. The Environmental Impact Assessment and Operation Environmental Management Plan are also implemented across the organisation. Aspect registers for each department activities have been developed to assess the environmental impacts and identify the monitoring and mitigating controls to reduce the impacts.	<ul style="list-style-type: none"> • Dedicated environmental team, ISO 14001 management system, Internal & external audits, environmental KPIs etc.

Sustainability Principles	Practices	Maturity	Programmes and Plans	Objectives & Plan(s) / Programme(s)
Stewardship	Systematic Social Management	Engaged	Emirates Steel is implementing an Integrated Management System certified against ISO45001, OSHAD Standard Framework, local regulations, and other requirements. Risk assessments are carried out by internal and external teams to identify the hazards/risk and the required control measures to reduce the risk to acceptable level. Social risk have been developed & introduce happiness and wellbeing programs Health and Safety programs are communicated implemented across the organisation to prevent injuries, illness and incidents. Emirates Steel's approach towards community development has evolved considerably over the years and increasingly became integral to company business practice in order to build trust make positive contribution to the social and economic development of the communities around its operating sites. Emirates Steel's strategy for shaping and contributing to communities focuses on three key areas: education, health, and community development. Corporate Social Responsibility (CSR) programs and initiatives are regularly carried out to address issues in the community. Emirates Steel is helping to empower the community by providing education to young, talented Emiratis and providing them opportunity to improve their skills and competency to be valuable members of the society. The work placement program also provides the scholars opportunity to join Emirates Steel's workforce where they can develop and have successful career. Emirates Steels cooperates with government and non-government organisations to share best practices and provide support to community programs. Emirates Steel is employing more than 2500 employees and hiring more than 700 contractors under service providers. The company is also actively driving its Emiratisation program aiming to increase its UAE nationals to 23% of its workforce through sponsorship and participations in job fairs. Emirates Steel is also regularly donating funds and resources to charitable institutions and health care facilities.	<ul style="list-style-type: none"> • Conduct ISO 26001 external assessment • Finalise Rehabilitation procedure • Activate the exit medical check of employees

Sustainability Principles	Practices	Maturity	Programmes and Plans	Objectives & Plan(s) / Programme(s)
Stewardship	Systematic Economic Management	Proactive and learning	Volumes of prime products shipped totaled 2,712,000 tonnes compared to 2,477,000 tonnes in 2021. In addition to a recovery in volumes, the business also witnessed a recovery in average sales prices of its finished products. In addition to these prime product sales, the Company also shipped strong volumes of semi-finished products: 447,000 tonnes of steel billets and 118,000 tonnes of direct reduced iron. As a result of the above the Steel Business reported a net profit for the year of AED 605 million, reflecting a strong turn-around against the loss of AED 35.24 million reported in 2021. In addition to the benefits of a stronger market, and the continuing agility of management to recognise and secure benefits from these market opportunities, it is also clear that progress has been made in our operational planning procedures and general levels of production efficiencies - efficiencies secured. This turnaround in profitability was also driven by enhanced volumes of high-margin export business: the major export markets serviced representing the Americas and Europe. Domestic and regional markets remained relatively quiet, but it is apparent that increasing numbers of projects are being initiated in both Abu Dhabi and Dubai which should support the Company's commodity rebar sales in 2023 and beyond.	<ul style="list-style-type: none"> Internal & external financial audit performed. Financial performance reported and made publicly available. Engagement with the shareholders.
	Skills and training	Proactive and learning	EMSTEEL invested in carving employee development plans to cater to employee skills and training through providing access to online learning platforms like Coursera, we have been able to increase training access and convenience. This resulted in 400 employees being trained via Coursera in 2022, compared with approximately 300 employees in 2021. Additionally, we plan on activating the LinkedIn eLearning platform in 2023. In 2022, we developed a new innovative learning model we call the "Learning Ladder." This learning model caters to all employees at different levels. Learning is offered through various means, including instructor-led, blended, online, and lectures by SMEs. Each category is identified based on the job level. Accordingly, the learning ladders are divided into three categories: leadership, middle management, and employees, where each category's learning demands are fulfilled through a different set of programs. The main aim of this Learning Ladder model is to empower employees for career progression, enhance employee performance, allow smarter work solutions, attain professional certificates, and accelerate personal development. The model blends conceptual learning experiences using the Coursera platform with highly ranked selected business schools (Harvard, London, and IMD). Our "Coaching Programme – The Leaders" enhances coaching skills and team efficiency between managers and staff. In 2021 the program targeted 250 delegates comprising supervisors, section heads, and managers, which we have continued to work with in 2022 in addition to adding an Executive Leadership development programme. We have continued the implementation of our "GROW" Programme launched in 2021, with 120 delegates to date. The program aims to develop behavioral and technical competencies through tailored individual development plans. GROW monitors and follows up with employees to ensure timely progress and improvement.	<ul style="list-style-type: none"> Training Need Analysis (TNA), Training plan, training records, On-line learning platforms i.e. coursera, LinkedIn learning, Coaching program, Learning ladder, GROW Program

Sustainability Principles	Practices	Maturity	Programmes and Plans	Objectives & Plan(s) / Programme(s)
Stewardship	Career development	Proactive and learning	EMSTEEL has expanded the Career Aspiration Programme (CAP), strategically designed to enhance the professional growth of UAE Nationals by upscaling their technical skills to align with their career goals. In 2022, we maintained approximately 140 delegates in the CAP and aim to expand the program year on year. We also sponsored and encouraged employee participation in the Steel Challenge-17 through our LMS. Lastly, we set forward the Masaar and Future Leaders development program for UAE Nationals to align their talents with business strategy needs, and to strengthen leadership capabilities. At EMSTEEL we developed an On-the-Job Training (OJT) Framework that connects trainees with experienced working team members. Trainees receive on-the-job mentoring and rotation under the supervision of assigned teams in Operations and Support Services. Our objective is to provide trainees with the tools to achieve their desired level of competency for the functional role set in their job description.	<ul style="list-style-type: none"> Career Aspiration Program (CAP) Masaar Program and Future Leadership Program, On the Job Trainings
	Identify appropriate metrics/ KPIs	Engaged	EMSTEEL is owned by ADQ, a government-owned entity mandated by the Abu Dhabi government to develop capital-intensive investments to contribute to Abu Dhabi's Economic Vision 2030. As a government-owned company, Emirates Steel is reporting its performance to the owners, and authorities and providing information to other interested parties upon request. Information on company performance, programs, and practices is periodically published on the company website, ADQ website, company brochures, newsletters, and press releases. ESG KPIs were introduced as part of the company balance scorecard. Sustainability KPIs reviewed on an annual basis	<ul style="list-style-type: none"> Sustainability Management Review covering the review of the Sustainability KPIs KPI performance in sustainability report
Transparency	Monitor performance	Proactive and learning	EMSTEEL has developed BSC and KPIs to measure its performance, considering global benchmarks.	<ul style="list-style-type: none"> Sustainability Management Review covering the review of the Sustainability KPIs KPI performance in sustainability report
	Publicly report management practices and performance	Engaged	EMSTEEL management practices and performance are regularly being reported to different stakeholders such as EAD, OSHAD, SCAD, IDB. ES has published its 2022 sustainability report	<ul style="list-style-type: none"> Sustainability Report Carbon Disclosure Project (CDP) Report
	Review performance	Proactive and learning	EMSTEEL has reviewed BSC and KPIs to measure its performance, considering global benchmarks.	<ul style="list-style-type: none"> Sustainability Report Carbon Disclosure Project (CDP) Report Benchmark studies Sustainability Management System Review

7.5 Appendix E: Global Reporting Initiative (GRI) Content Index

Statement of use	EMSTEEL has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI Standard	Disclosure	Location/Direct Response	Omission		GRI Sector Standard No.
			Requirement(s) Omitted	Reason	
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	14 - 22			
	2-2 Entities included in the organisation's sustainability reporting	16, 17			
	2-3 Reporting period, frequency and contact point	This report covers EMSTEEL's sustainability performance for the period 1 January 2023 to 31 December 2023.			
	2-4 Restatements of information	NA	2-4		No restatement of information in the report
	2-5 External assurance	Refer to previous sections of the report which identify the values verified by 3rd party auditor.			This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	26-31			
	2-7 Employees	68-77			
	2-8 Workers who are not employees	76			
	2-9 Governance structure and composition	110 - 118			
	2-10 Nomination and selection of the highest governance body	NA			These requirements will be considered in the future reporting cycle, if feasible.

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	112 - 113				
	2-12 Role of the highest governance body in overseeing the management impacts	112 - 113				
	2-13 Delegation of responsibility for managing impacts	110 - 116				
	2-14 Role of the highest governance body in sustainability reporting	112 - 113				
	2-15 Conflicts of interest	122 - 125				
	2-16 Communication of critical concerns	120 - 121				
	2-17 Collective knowledge of the highest governance body	NA				These requirements will be considered in the future reporting cycle, if feasible.
	2-18 Evaluation of the performance of the highest governance body	NA		2-18	Information Unavailable	Currently, EMSTEEL does not evaluate the Board of Directors' performance
	2-19 Remuneration policies	78				
	2-20 Process to determine remuneration	NA		2-20	Information Unavailable	These requirements will be considered in the future reporting cycle, if feasible.
	2-21 Annual total compensation ratio	82				
	2-22 Statement on sustainable development strategy	6, 7				
	2-23 Policy commitments	122 - 126				
	2-24 Embedding policy commitments	122 - 126				
	2-25 Processes to remediate negative impacts	199, 200				
	2-26 Mechanisms for seeking advice and raising concerns	161				
2-27 Compliance with laws and regulations	110, 122 - 125					
2-28 Membership associations	16					

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	34, 214 -221				
	2-30 Collective bargaining agreements	There are no collective bargaining agreements in EMSTEEL. However, there is room for communicating grievances or any type of feedback due to EMSTEEL's open-door policy and continuous feedback between managers and employees				
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	36				
	3-2 List of material topics	38				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	127				
	201-1 Direct economic value generated and distributed	127 - 131				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	200, 201				
	201-3 Defined benefit plan obligations and other retirement plans	NA	201-3	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
	201-4 Financial assistance received from government	NA	201-4	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	140, 141				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	NA		Information unavailable	This requirement will be considered in the future reporting cycle, if feasible.	
	202-2 Proportion of senior management hired from the local community	40% of our senior managers are Emiratis	b, c, d	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	132 - 134				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	136, 137				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	122 - 125				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	122, 123				
	205-2 Communication and training about anti-corruption policies and procedures	124				
	205-3 Confirmed incidents of corruption and actions taken	124, 125				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	196				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	196				
	301-2 Recycled input materials used	196				
	301-3 Reclaimed products and their packaging materials	NA	301-3	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	180 - 182				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	102				
	302-2 Energy consumption outside of the organisation	NA	302-2	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
	302-3 Energy intensity	102				
	302-4 Reduction of energy consumption	102				
	302-5 Reductions in energy requirements of products and services	102				

GRI Standard	Disclosure	Location/Direct Response	Omission		GRI Sector Standard No.
			Requirement(s) Omitted	Reason	
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	197			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	197, 198			
	303-2 Management of water discharge-related impacts	178, 179			
	303-3 Water withdrawal	197, 198			
	303-4 Water discharge	197, 198			
	303-5 Water consumption	197, 198			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	178, 179			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	200, 201			
	304-2 Significant impacts of activities, products and services on biodiversity	200, 201			
	304-3 Habitats protected or restored	200, 201			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	200, 201			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	179, 184 - 186			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	187, 188			
	305-2 Energy indirect (Scope 2) GHG emissions	187, 188			
	305-3 Other indirect (Scope 3) GHG emissions	187, 188			
	305-4 GHG emissions intensity	187, 188			
	305-5 Reduction of GHG emissions	187, 188			

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	NA	305-6	Information unavailable	These requirements will be considered in the future reporting cycle, if feasible.	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	191				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	192, 193				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	194, 195				
	306-2 Management of significant waste-related impacts	194, 195				
	306-3 Waste generated	194, 195				
	306-4 Waste diverted from disposal	194, 195				
	306-5 Waste directed to disposal	194, 195				
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	132 - 134				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	135 - 137				
	308-2 Negative environmental impacts in the supply chain and actions taken	135 - 137				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	70 - 73				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78				
	401-3 Parental leave	78 - 81				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	43 - 44				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43 - 44				
	403-2 Hazard identification, risk assessment and incident investigation	44				
	403-3 Occupational health services	53 - 55				
	403-4 Worker participation, consultation and communication on occupational health and safety	43 - 44				
	403-5 Worker training on occupational health and safety	47 - 52				
	403-6 Promotion of worker health	53 - 55				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43 - 44				
	403-8 Workers covered by an occupational health and safety management system	58				
	403-9 Work-related injuries	58 - 64				
	403-10 Work-related ill health	58 - 64				
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	86 - 89				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	90 - 92				
	404-2 Programmes for upgrading employee skills and transition assistance programmes	88, 89				
	404-3 Percentage of employees receiving regular performance and career development reviews	86 - 92				
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	83				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	83, 84				
	405-2 Ratio of basic salary and remuneration of women to men	83, 84				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	83, 125				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	125				
Child Labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	124, 125				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risks for incidents of child labour	137				
Forced or Compulsory Labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	125				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	137				
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	102 - 105				



GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	102 - 105				
	413-2 Operations with significant and potential negative impacts on local communities	102 - 105				
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	132 - 135				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	137				
	414-2 Negative social impacts in the supply chain and actions taken	137				

7.6 Appendix F: Abu Dhabi Securities Exchange (ADX) Content Index

Category	Metric	Calculation	Page Number (s) and/or Direct Answer
Environment	E1. GHG Emissions	E1.1 Total amount, in CO ₂ equivalents, for Scope 1	187, 188
		E1.2 Total amount, in CO ₂ equivalents, for Scope 2	187, 188
		E1.3 Total amount, in CO ₂ equivalents, for Scope 3	187, 188
	E2. Emissions Intensity	E2.1 Total GHG emissions for output scaling factor	187, 188
		E2.2 Total non-GHG emissions per output scaling factor	NA
	E3. Energy Usage	E3.1 Total amount of energy directly consumed	182
		E3.2 Total amount of energy indirectly consumed	182
	E4. Energy Intensity	Total direct energy usage per output scaling factor	182
	E5. Energy Mix	Percentage: Energy usage by generation type	182
	E6. Water Usage	E6.1 Total amount of water consumed	103, 104
E6.2 Total amount of water reclaimed		NA	
E7. Environmental Operations	E7.1 Does your company follow a formal Environmental Policy?	Yes	
	E7.2 Does your company follow specific waste, water, energy and/or recycling policies?	Yes	
	E7.3 Does your company use a recognised energy management system?	Yes	
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues?	Yes	
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues?	Yes	
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience and product development	785,260 AED	

Category	Metric	Calculation	Page Number (s) and/or Direct Answer
Social	S1. CEO Pay Ratio	S1.1 Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	NA
		S1.2 Does your company report this metric in regulatory filings?	No
	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	82
	S3. Employee Turnover	S3.1 Percentage: Year-over-year change for full-time employees	76
		S3.2 Percentage: Year-over-year change for part-time employees	NA
		S3.3 Percentage: Year-over-year change for contractors/consultants	NA
	S4. Gender Diversity	S4.1 Percentage: Total enterprise headcount held by men and women	70
		S4.2 Percentage: Entry- and mid-level positions held by men and women	N/A
		S4.3 Percentage: Senior- and executive-level positions held by men and women	N/A
	S5. Temporary Worker Ratio	S5.1 Percentage: Total enterprise headcount held by part-time employees	20%
		S5.2 Percentage: Total enterprise headcount held by contractors and/or consultants	NA
	S6. Non-discrimination	Does your company follow non-discrimination policy?	Yes
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	60-64	
S8. Global Health and Safety	Does your company follow an occupational health and/or global health and safety policy?	Yes	
S9. Child and Forced Labor	S9.1 Does your company follow a child and/or forced labor policy?	Yes	
	S9.2 If yes, does your child and/or forced labor policy also cover suppliers and vendors?	Yes	
S10. Human Rights	S10.1 Does your company follow a human rights policy?	Yes	
	S10.2 If yes, does your human rights policy also cover suppliers and vendors?	Yes	
S11. Nationalisation	Percentage of national employees	99	
S12. Community Investment	Amount invested in the community as a percentage of company revenues	0.00581%	

Category	Metric	Calculation	Page Number (s) and/or Direct Answer
Governance	G1. Board Diversity	G1.1 Percentage: Total board seats occupied by men and women G1.2 Percentage: Committee chairs occupied by men and women	Men: 71.4% Women: 28.6% Men: 100%
	G2. Board Independence	G2.1 Does your company prohibit CEO from serving as board chair? Yes/No G2.2 Percentage: Total board seats occupied by independent board members	Yes 112
	G3. Incentivised Pay	Are executives formally incentivised to perform on sustainability?	No
	G4. Supplier Code of Conduct	G4.1 Supplier Code of Conduct G4.2 If yes, what percentage of your suppliers have formally certified their compliance with the code?	Yes, it is part of the registration process. 100%
	G5. Ethics and Prevention of Corruption	G5. Ethics and Prevention of Corruption G5.2 If yes, what percentage of your workforce has formally certified its compliance with the policy?	Yes 100%
	G6. Data Privacy	G6.1 Does your company follow a Data Privacy policy? G6.2 Has your company taken steps to comply with GDPR rules?	Yes No, we are not required to comply with GDPR rules in the UAE.
	G7. Sustainability Reporting	Does your company publish a sustainability report?	Yes
	G8. Disclosure Practices	G8.1 Does your company provide sustainability data to sustainability reporting frameworks? G8.2 Does your company focus on specific UN SDGs? G8.3 Does your company set targets and report progress on the UN SDGs?	Yes Yes Yes

Category	Metric	Calculation	Page Number (s) and/or Direct Answer
		G9. External Assurance	Yes, Yes, selected data for the steel business presented on this report was verified by a third party, an independent verifier. The external verification process consisted of limited assurance of selected data of non-financial reporting with qualitative and quantitative contents being verified on a sample basis.
Governance			
7.7 Appendix G: Task Force on Climate-Related Financial Disclosures (TCFD) Index			
TCFD Recommendations			Page Number (s) and/or Direct Answer
Governance			
a. Describe the board's oversight of climate-related risks and opportunities.			112 - 115
b. Describe management's role in assessing and managing climate-related risks and opportunities.			112 - 115
Strategy			
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.			211 - 213
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.			211 - 213
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.			211 - 213
Risk Management			
a. Describe the organisation's processes for identifying and assessing climate-related risks.			210
b. Describe the organisation's processes for managing climate-related risks.			210 - 213
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.			210 - 213
Metrics and Targets			
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.			187, 188
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.			187, 188
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.			184 - 187

7.8 Appendix H: Independent Limited Assurance Statement



WHEN TRUST MATTERS

INDEPENDENT LIMITED ASSURANCE STATEMENT

to the Management of EMIRATES STEEL INDUSTRIES CO. PJSC

DNV AS - Dubai Branch ("DNV", "us" or "we") were engaged by EMIRATES STEEL INDUSTRIES CO. PJSC ("EMIRATES STEEL") to conduct a limited assurance engagement over Selected Information of Emirates Steel (steel business unit), presented in EMIRATES STEEL INDUSTRIES CO. PJSC 2023 Sustainability Report (the "Report"), covering the reporting year ended 31st December 2023.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information and is to be read in the context of this Independent Limited Assurance Statement, in particular the inherent

Selected information

The version of the 2023 EMIRATES STEEL INDUSTRIES CO. PJSC Sustainability Report that was verified by DNV was the version of 13.03.2024.

The scope and boundary of our work is restricted to the key performance indicators of Emirates Steel (steel business unit), included within the Report (the "Selected Information"). Other business was not part of our scope.

The performance indicators verified (**Annex A of this statement**) were selected from the following standards and frameworks:

- Steel Business KPIs
- GRI - Global Reporting Initiative
- CARES - Sustainable Construction Steels Scheme
- ADX - ABU DHABI Securities Exchange

Our observations and areas for improvement will be raised in a separate report to EMIRATES STEEL Management. Selected observations are provided below. These observations do not affect our conclusion set out below.

- The company has established a variety of process for collecting and consolidating the various data it reports. We have confidence in the process in place to ensure reasonable accuracy for the information presented in the report and management systems.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.



WHEN TRUST MATTERS

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the VeriSustain 6.0, DNV own protocol that is aligned with International Standard on Assurance Engagements (ISAE) 3000 revised - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed with the ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with EMIRATES STEEL's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- A site visit to Abu Dhabi facility to review process and systems for preparing site level data consolidated at EMIRATES STEEL's Head Office;
- Performing testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing the specified data collected at corporate level and statements made in the Report.
- Reviewing that the evidence, measurements and their scope provided to us by EMIRATES STEEL is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information;
- Reading the Report and narrative accompanying the Selected Information within it.

Oliveira, Mayara
Digitally signed by Oliveira, Mayara
Date: 2024.03.18 13:47:18 -03'00'
Lead Verifier

Arias, Paulo
Digitally signed by Arias, Paulo
Date: 2024.03.18 14:08:14 -03'00'
Technical Reviewer

DNV AS - Dubai Branch
Dubai, UAE
18th March 2024

DNV AS - Dubai Branch is part of DNV a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. The VeriSustain™ protocol is available on request from www.dnv.com

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by EMIRATES STEEL have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Statement.

Responsibilities of the Management of EMIRATES STEEL and DNV

The Management of EMIRATES STEEL has sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to EMIRATES STEEL in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

Annex A: list of KPIs in scope for Steel business at EMIRATES STEEL (steel business unit)

Steel Business KPIs

Total Training hours carried out	234,768	hours
Total number of grievances about social impacts filed through formal grievance system at all sites during the data collection / reporting period	1	number
Emiratis Employees number by category	Senior management = 8 Middle Management = 27 Staff - employees = 553	number
Employees number by category	Permanent = 2,021 Temporary = 714	number
Number of customer complaints raised	62	number
Percentage of customer complaints resolved	100%	percentage
Lost Time injuries (LTI) - only for employees	1	number
Total number of suppliers engaged	838	number
Number of participating volunteers in CSR initiatives	337	number
Total direct scope 1	2,105,053	tCO2e
Total indirect scope 2 (location-based)	614,082	tCO2e
Total indirect scope 2 (market-based)	100,455	tCO2e
Total indirect scope 3	1,928,242	tCO2e
Scope 1 + 2 Intensity (market-based)	0.72	tCO2e/tSteel
Scope 1, 2 and 3 intensity	1.34	tCO2e/tSteel

GRI - Global Reporting Initiative

205-1 (a - percentage only) Percentage of operations assessed for risks related to corruption	100%	percentage
308-1 Percentage of new suppliers that were screened using environmental criteria	70%	percentage
308-2 (a) Number of suppliers assessed for environmental impacts	1,018	number
403-9 Work-related injuries		
a. For all employees:		
i. The number of fatalities as a result of work-related injury (just the number)	0	number
ii. The number and rate of high-consequence work-related injuries (excluding fatalities)	1	number
	0.05	rate
iii. The number and rate of recordable work-related injuries	9	number
	0.36	rate
v. The number of hours worked	5,472,011	hours
414-1 New suppliers that were screened using social criteria	100%	percentage
414-2 (a) Number of suppliers assessed for social impacts	1,446	number

CARES - Sustainable Constructional Steels Scheme

CARES 2.10.3 Responsible sourcing evaluation scope Total mass of raw materials purchased.	5,084,674	tonnes
CARES 2.10.3 Responsible sourcing evaluation scope Total Mass of raw materials supplied from suppliers which have been evaluated for sustainability impacts.	4,942,399	tonnes
CARES 4.1.11 Grievance mechanism - The organization shall have a formal system for considering and acting on employee complaints and grievances	Yes	Yes / No
CARES 5.2.4 The organization should contribute to the economy by local employment	Yes	Yes / No

ADX - ABU DHABI Securities Exchange

E1.2) Total amount of CO2 equivalents, for Scope 2 (location based)	614,082	tCO2e
E1.3) Total amount of CO2 equivalents, for Scope 3	1,928,242	tCO2e
G1.1) Percentage: Total board seats occupied by men and women	Men: 71.4% Women: 28.6%	percentage
G1.2) Percentage: Committee chairs occupied by men and women	Men: 100%	percentage
G2.1) Does company prohibit CEO from serving as board chair?	Yes	Yes / No
G2.2) Percentage: Total board seats occupied by independent board members	86%	percentage
G3) Are executives formally incentivized to perform on sustainability?	No	Yes / No
G4.1) Are your vendors or suppliers required to follow a code of conduct?	Yes	Yes / No
G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%	percentage
G5.1) Does your company follow an ethics and / or prevention of corruption policy?	Yes	Yes / No
G6.1) Does your company follow a Data Privacy policy?	Yes	Yes / No
S8) Global health & Safety. Does your company follow an occupational health and /or global health & safety policy?	Yes	Yes / No

حديد الإمارات أركان emirates steel arkan

