



قطر ستيل

**QATAR STEEL**



SUSTAINABILITY REPORT 2013

WE MAKE STEEL MATTER

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



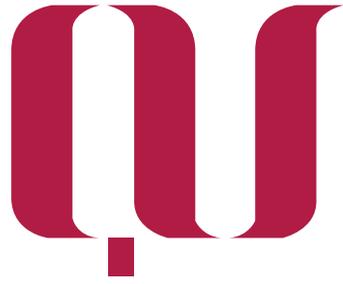
امير دولة قطر  
أمير البلاد القطري

**H.H. Sheikh Tamim Bin Hamad Al-Thani**  
Emir of the State of Qatar



صاحب السمو الشيخ حمد بن خليفة آل ثاني  
الأمير الوالد

**H.H. Sheikh Hamad Bin Khalifa Al-Thani**  
The Father Emir



قطر سستيل

**QATAR STEEL**

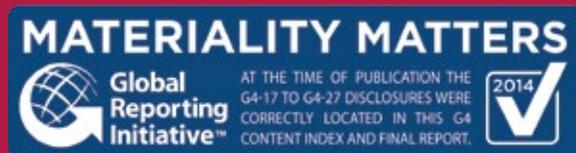


## ABOUT THIS REPORT

This report, our third sustainability report since 2011, updates our 2013 sustainability performance and provides comparable data for the previous years, 2009, 2010, 2011, and 2012, where available.

This report contains Standard Disclosures from the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines. We have prepared the report in accordance with "Core" requirements of GRI G4 Guidelines. The performance indicators against which we have reported can be found on page 67 of this report.

Qatar Steel is committed to annual reporting on the sustainability issues of greatest concern to our stakeholders. Qatar Steel encourages you to share your ideas and comments via its online feedback form <http://www.qatarsteel.com.qa/SitePages/QSHome.aspx> or direct contact on: [sustainability@qatarsteel.com.qa](mailto:sustainability@qatarsteel.com.qa)





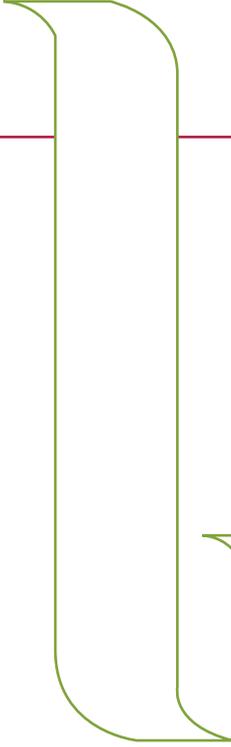


## TABLE OF CONTENTS

Message from the Managing Director and General Manager	02
Who We Are	03
Qatar Steel's Approach to Sustainable Development	11
Making Steel Matter	15
Contributing to Qatar's Development	23
Reducing Environmental Impact	29
Ensuring a Safe and Healthy Work Environment	39
Developing a High-Performing and Motivated Team	45
Instilling Good Governance and Accountability	53
Achieving Profitable Growth	59
Appendices	65
Appendix A : Scope of the Report	65
Appendix B : Stakeholder Map	66
Appendix C : Boundary Of Impact Of Material Aspects	68
Appendix D : GRI Index	69
Appendix E : IPIECA Index	71
Appendix F : Glossary	72
Appendix G : Acronyms	73



## MESSAGE FROM THE MANAGING DIRECTOR AND GENERAL MANAGER





I am pleased to present Qatar Steel's 2013 annual sustainability report. This report illuminates the progress being made by Qatar Steel to contribute to the sustainable development of Qatar, through harnessing our assets and resources to achieve operational efficiency, profitable growth and good corporate citizenship.

The steel industry internationally and in Qatar is seeing an increasing need to achieve greater productivity and operational efficiency while maintaining high quality. This is particularly important in Qatar, which is experiencing a surge of construction activity to achieve ambitious national development goals that include hosting the World Cup 2022. This in turn has generated a significant rise in the demand for re-bars.

Qatar Steel's first priority is to satisfy the demands of the Qatar market. In 2013, we continued our capacity expansion efforts. Most notably, we are bringing online our fifth Electric Arc Furnace (EAF5) with a production capacity of 1.1 million tons per annum.

As we enhance our production we are simultaneously improving our environmental performance. In 2013, we reduced our energy consumption by 2.4% and our total greenhouse gas emissions (GHGs) by 3.3% while increasing our overall productivity by 2.5%. We also introduced a number of waste management initiatives such as recycling by-products generated during production and through collaboration with some of our neighbouring companies.

We also improved our safety performance with 31% reduction in reportable injury rate for employees and zero fatalities among our employees and contractors.

Looking ahead, we have set the following strategic priorities for the integration of sustainability into our operations in the short and medium term:

- Increase investment in operations to achieve the best product quality and lifespan and to enhance customer satisfaction.
- Contribute to Qatar's development by increasing our Qatarization rate and improving our contribution to and engagement with the public and local communities.
- Reduce our environmental impacts.
- Build our human capacity and ensure a safe and a healthy work environment for our employees and contractors.

We will also continue to strengthen our accountability for results in the above priority areas. At the company level, we will continue to report publicly, allowing our stakeholders as complete a view as possible of our overall sustainability efforts. In 2014, we will furthermore establish a Qatar Steel Stakeholder Advisory Group. The purpose of this group is to better understand and serve the interests of the stakeholders they represent, and to obtain their formal opinion on our overall economic, environmental and social performance. Their opinion will be included in our next sustainability report. At the sector level, we will continue to be actively engaged in Qatar's Sustainable Development Industry Reporting (SDIR) Programme, the main national programme for advancing the Qatar energy and industry sector's performance and leadership on sustainable development.

In all our efforts, we will strive to build upon our past achievements to improve our sustainability performance for the future. I would like to take this opportunity to thank our Board of Directors and stakeholders for their contribution to our ongoing success.

*Ali Bin Hassan Al-Muraikhi*  
Managing Director and General Manager



## WHO WE ARE

QATAR STEEL IS A RECOGNIZED AND WELL-ESTABLISHED LEADER IN THE STEEL INDUSTRY WITHIN THE GCC (GULF COOPERATION COUNCIL) REGION



Qatar Steel was founded in 1974 as the first integrated steel plant in the Arabian Gulf Area. It operates an expansive mill site located in the heart of Mesaieed Industrial City (MIC), in the southern part of Qatar's capital city of Doha. Since 2003, Qatar Steel has been fully owned by Industries Qatar (IQ).



## Our Vision

---

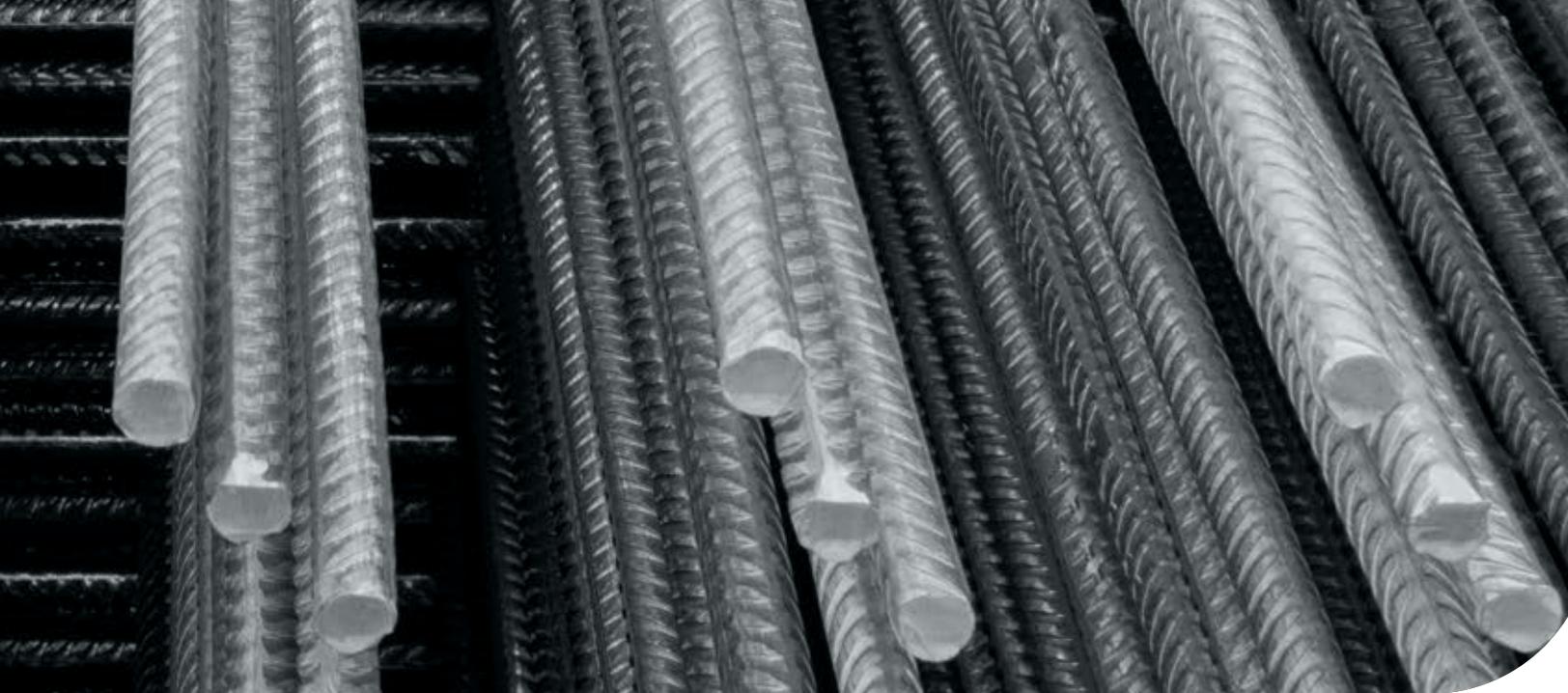
We endeavour to be universally recognized as a leading and a constantly growing force in the steel industry in the region, to be admired for our business culture, for building value for our shareholders and customers, and for bringing inspiration to our people.

## Our Mission

---

We will continue to be the first name in the region's steel industry by harnessing our assets and resources to achieve profitable growth, operational and organisational excellence and good corporate citizenship.

Qatar Steel has a committed and skilled workforce of over 2,000 individuals in both operational and administrative roles. Their tasks range from manufacturing, engineering, researching, marketing, selling, and distributing of the company's products throughout the GCC region and the world.



## Our Values

---

- A “Principal” Player.
- The drivers of our ambition:
  - Trustworthy
  - Reliable
  - Dynamic
  - Creative
  - Perceptive

## Our Purpose

---

- To reach a league where we will matter beyond normal commercial objectives.
- To become the standard for quality enterprise and to exude a winning attitude in order to make a difference in our environment.

## Our Main Products

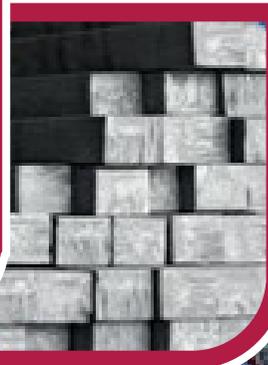
Using state-of-the-art production technology, Qatar Steel produces Cold Direct Reduced Iron (CDRI), Hot Briquetted Iron (HBI), Steel Billets and Reinforcing Steel Construction Bars (Re-bar).



(CDRI)



(HBI)



(Steel Billet)



(Re-bar)



## Our Steel-Making Facilities

We have established our operational facilities according to the best international technology that ensures efficient and high-quality production. Qatar Steel's site consists of several operational plants working together in synchronization to produce a continuous stream of high-quality steel products. These operational plants comprise:

1. Direct Reduction Plants (DRI and DR2)
2. Steelmaking Plant, which includes:
  - a. Electric Arc Furnaces and Ladle Furnaces (EAF1, EAF2, EAF3 with LF3, EAF4 with LF4)
  - b. Continuous Casting (CC) (CC1, CC2, CC3, CC4)
3. Rolling Mill Plants (RM1, RM2)
4. Calcined Limestone Plant (KILN1 and KILN2).

[Discover More About Steel-Making Process at Qatar Steel online](#)

**Qatar Steel supplies approximately 97% of all reinforcing steel construction bar requirements in the State of Qatar.**

Qatar Steel adds value and enhances its revenue stream with the sale of by-products. In 2013, Qatar Steel sold 140,992 mt of its by-products. In 2012, Qatar Steel achieved a significant increase in by-products sales as a result of the agreement with S.A.P. (Slag Aggregates Producer W.L.L.) to reuse slag. The S.A.P agreement was completed by the beginning of 2013.

Total Sales					
	2009	2010	2011	2012	2013
DRI (mt)	400,000	116,000	31,000	230,097	111,863
HBI (mt)	282,000	238,000	155,000	156,974	64,452
Steel billets (mt)	240,000	419,000	471,000	468,166	504,533
Re-bar (mt)	1,517,252	1,483,505	1,569,501	1,707,926	1,753,857
Others - by-products (mt)*	136,000	108,000	219,000	1,126,000	140,992

\*(Including Iron Oxide Fines, Mill Scale, Processed Iron Ore Fines and Raw Slag)



### Qatar Steel Company FZE (Dubai, UAE)

Qatar Steel Company FZE, 100% owned subsidiary of Qatar Steel Company, was established to meet the growing demand for re-bars and steel wire-rods within the GCC and internationally. The company operates two primary facilities at its 60,000 m2 Jebel Ali Free Zone site in the UAE. The Wire Rod Mill has a design capacity of 240,000 mt per year and the advanced re-bar mill has a design capacity of 300,000 mt per year.

Total Sales					
	2009	2010	2011	2012	2013
Wire Rod and Re-bar in Coil (mt)	117,000	113,000	134,000	111,523	160,283
Re-bar (mt)	95,341	282,981	249,955	304,916	352,632



### Qatar Metals Coating Company W.L.L. (Q-Coat) (Mesaieed, State of Qatar)

Qatar Metals Coating Company W.L.L. (Q-Coat) was established in 1990 as a joint venture between Qatar Steel Company and Qatar Industrial Manufacturing Company (QIMC) with a vision to provide a solution to concrete reinforcement corrosion with the use of fusion bonded Epoxy Coating on Qatar Steel Re-bars. The production capacity of the Q-Coat facility is 100,000 metric tons per year.

## History and Recognition

In its three decades of operation, Qatar Steel has built an outstanding reputation for unrivalled quality, consistency, and reliability. Qatar Steel celebrated its 35th anniversary in 2013, and was named by MEED organisation as one of the top four steel producers in the Middle East in 2008.

- 
- 1981** ○ Qatar Steel achieves a total production of one million metric tons from DR, EAF, CC, and RM plants.
  - 1991** ○ Qatar Steel obtains the Japanese Industrial Standards Certificate JIS, (currently, there is no renewal for this certificate).
  - 1995** ○ Qatar Steel receives ISO 9000 certificate for its Quality Management System. It is updated to ISO 9001 in 2004, and renewed in 2012.
  - 1997** ○ Qatar Steel becomes fully owned by the Government of Qatar.
  - 1999** ○ Qatar Steel obtains the ISO 14001 designation for its Environmental Management System.
  - 2003** ○
    - Fully owned by Industries Qatar (IQ)
    - Qatar Steel obtains Saudi Arabian Standards Organisation (SASO) Certification.
  - 2006** ○ Qatar Steel receives UKCARES for Quality Management System and Steel Product Conformity.
  - 2008** ○ Qatar Steel obtains Dubai Central Laboratory (DCL) Certification for Reinforcing Bars of ASTM and BS size varying from 10.0mm~40.0mm. Product Conformity in Steel Reinforcement of Concrete (BS 4449: 2005) and Carbon Steel Reinforcement of Concrete (BS 4449: 1997).
  - 2011** ○ Qatar Steel receives UKCARES Sustainable Reinforcing Steel Certification.
  - 2012** ○
    - Qatar Steel receives UKCARES Sustainable Reinforcing Steel Re-Certification.
    - Qatar Steel releases its first sustainability report, which covers the company's Operational, Environmental, Social, and Economic performance for the period of 2009-2011.
    - Qatar Steel becomes the first steel company in the region to be inducted into Palladium's Hall-of-Fame for Strategy Execution.
  - 2013** ○
    - Qatar Steel receives Qatar Petroleum's Award for Excellence in Sustainability Reporting for 2011.
    - Qatar Steel receives UKCARES Sustainable Reinforcing Steel Re-Certification.
    - Qatar Steel releases its second Sustainability Report for the year 2012.



# QATAR STEEL'S APPROACH TO SUSTAINABLE DEVELOPMENT

Steel is a vital material and a key element to almost all aspects of people's lives. At the same time, our planet is facing major environmental, economic, and social challenges, which are significantly impacting the way the industrial sector interacts with society. As a result, sustainability considerations have become imperative to companies and manufacturers. To illustrate, today's steel industry is required to:

- Operate in an environmentally responsible manner that ensures efficient use of natural resources by reducing the waste generated and maximizing recycling,
- Support social development through product and service innovation and safe operations while supporting the development of communities, and
- Create economic value for shareholders and the local communities while ensuring cost-efficiency.

Qatar Steel understands the challenges of sustainability and is committed to tackling these issues while building value for all key stakeholders.

## Engaging With Stakeholders

Comprehensive understanding of stakeholders and their needs are essential to sustainability management. Since the release of Qatar Steel's first sustainability report, we have been closely reviewing our stakeholders map to ensure we meet their expectations and create better value for them. For full Stakeholders' map, please refer to Appendix B.

To further our commitment to stakeholder engagement, we plan to create a Qatar Steel **Stakeholder Advisory Group** a group of representatives from our key stakeholder groups to act as advisors for Qatar Steel during our journey in sustainability.

We continuously seek feedback from our stakeholders on their needs and expectations to help us determine where we need to focus our future efforts. Through our newly established online feedback form, we ensure a source of advice for continual improvement of our business strategy and our sustainability direction.

*Let us hear from you*



(G4-24,G4-25,G4-26,G4-27)



## Qatar Steel's Sustainability Framework

We have identified **seven focus areas** that we need to manage in order to enhance our sustainability performance. These seven areas are captured in the framework, which clearly communicates what sustainability means to Qatar Steel.

The core of our sustainability framework is 'Making Steel Matter', a company slogan which captures the essence of our sustainability objectives.



## Identifying Sustainability Material Aspects

While identifying our material aspects under each sustainability focus area, we took into consideration the priorities highlighted in each of the following (G4-I8) :

- 1) Qatar National Vision 2030
- 2) National Development Strategy 2011-2016
- 3) Sustainable Development Industry Reporting (SDIR) Programme

The following table captures our “Sustainability Material Aspects” under each of the seven sustainability focus areas within our sustainability (G4-I9)

Sustainability Focus Areas	Sustainability Material Aspects
Making Steel Matter	<ul style="list-style-type: none"> <li>• Product Quality</li> <li>• Product Innovation</li> <li>• Operational Efficiency</li> <li>• Customer Satisfaction</li> </ul>
Contributing to Qatar's Development	<ul style="list-style-type: none"> <li>• Acquire and Build Qatari Talent</li> <li>• Local Procurement</li> <li>• Community Investments</li> </ul>
Reducing Environmental Impact	<ul style="list-style-type: none"> <li>• Environmental Management System</li> <li>• Energy and Emissions</li> <li>• Efficient Use of Natural Resources (Materials and Water)</li> <li>• Biodiversity</li> <li>• Waste Management (Solid Waste, Recycling and Reuse, Effluents)</li> </ul>
Ensuring a Safe and Healthy Work Environment	<ul style="list-style-type: none"> <li>• Safe and Healthy Work Environment</li> <li>• Emergency Response Preparedness</li> </ul>
Developing a High-Performing and Motivated Team	<ul style="list-style-type: none"> <li>• Training and Development</li> <li>• Performance-based Compensation and Rewards</li> <li>• Employee Engagement and Retention</li> <li>• Employee Welfare</li> <li>• Human Rights</li> </ul>
Demonstrating Good Governance and Accountability	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Accountability and Ethics</li> <li>• Management Systems</li> </ul>
Achieving Profitable Growth	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Strategic Expansion</li> </ul>

The boundary of impact for each sustainability material aspect differs. Appendix C captures the boundaries of the material aspects for Qatar Steel. (G4-20, G4-21)

We aim to update our priority sustainability aspects yearly, based on the results of our online feedback form for our sustainability reports, and the outputs from the Qatar Steel Stakeholders' Advisory Group to be developed in 2014.

## Commitments Moving Forward

In 2012, we established a set of objectives to improve our sustainability performance for the period 2012-2014. In many cases, we were able to demonstrate progress against these objectives in 2013.

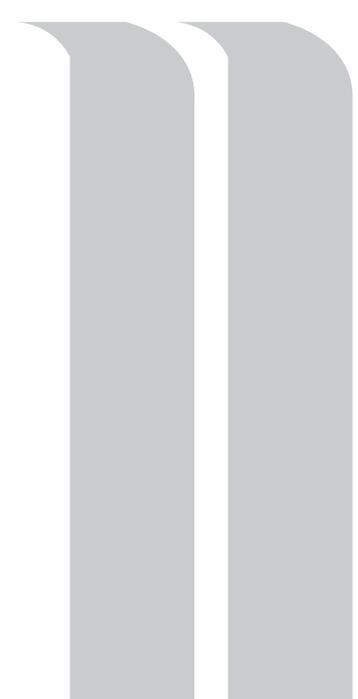
Sustainability Focus Area	Our 2013 Commitment	Status
Making Steel Matter	<ul style="list-style-type: none"> <li>Collaborate with Qatalum to use their carbon waste in Qatar Steel's EAF operations.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>Implement the ISO/IEC 17025:2005 accreditation (general requirements for the competence of testing and calibration laboratories).</li> </ul>	In progress. This was subsequently completed in Q1 2014 (during the development of this report).
	<ul style="list-style-type: none"> <li>Renovate Qatar Steel's central quality control laboratory (to start in 2013 and finish in 2014).</li> </ul>	In progress
Contributing to Qatar's Development	<ul style="list-style-type: none"> <li>Enhance Qatarization and employment rate in various fields of operations.</li> </ul>	In progress
	<ul style="list-style-type: none"> <li>Develop a community investment strategy.</li> </ul>	Planned in 2014
Reducing Environmental Impact	<ul style="list-style-type: none"> <li>Recycle the processed water from direct reduction plants in some projects in the steelmaking plants.</li> </ul>	In progress
	<ul style="list-style-type: none"> <li>Recycle operational by-products by using the agglomeration and briquetting technique and then using the resulting by-product briquettes in the Electric Arc Furnace.</li> </ul>	In progress
Ensuring a Safe and Healthy Work Environment	<ul style="list-style-type: none"> <li>Update the health and safety management plan.</li> </ul>	In progress
	<ul style="list-style-type: none"> <li>Enhance the tracking system of the company's contractors, especially the lost-time injury frequency (LTIF).</li> </ul>	In progress
Developing a High-Performing and Motivated Team	<ul style="list-style-type: none"> <li>Conduct the Organisational Culture Survey (OCS).</li> </ul>	Completed in Q1 2014
	<ul style="list-style-type: none"> <li>Create a full training and career development strategy.</li> </ul>	Completed for all Qatari employees
Demonstrating Good Governance and Accountability	<ul style="list-style-type: none"> <li>Continuously examine the company's operations units against corruption.</li> </ul>	Ongoing process
	<ul style="list-style-type: none"> <li>Develop Qatar Steel's 2013 sustainability report.</li> </ul>	Completed
Achieving Profitable Growth	<ul style="list-style-type: none"> <li>Proceed with the current expansion project of the new Greenfield SMS Facility (EAF5) with a production capacity of 1.1 million tons of molten steel yearly.</li> </ul>	Completed

**Currently, we are reviewing our corporate strategy to integrate sustainability into every aspect of our business – including all three pillars: economic, social and environmental. This aligns with our commitment to create a five-year sustainability strategy for Qatar Steel during 2014.**



## MAKING STEEL MATTER

The core of Qatar Steel's sustainability framework is 'Making Steel Matter', a company slogan that captures the essence of our sustainability objectives. Making Steel Matter means delivering top-quality and innovative steel products that meet and exceed customer expectations in the most efficient and reliable manner.





# MAKING STEEL MATTER

## Sustainability Material Aspects

- Product Quality
  - Product Innovation
  - Operational Efficiency
  - Customer Satisfaction
- 
- Product Quality

### Our commitment to quality means:

- 1) fully understanding and conforming to the requirements of customers at all times, and
- 2) delivering defect-free products and services to all customers, on time.

All products, including reinforcing bars and wire-rods, are manufactured from selected raw material with defined chemical compositions and pre-tested quality at different stages of the production cycle. This includes, among others: blending ratios, temperature, composition of chemicals, and flow rate of reducing gases. Inspections of samples are conducted throughout the manufacturing process, with 'sample testing' of output performed to ensure compliance with quality standards and customer requirements.

Qatar Steel also uses quality control laboratories equipped with the most modern computerized testing and analytical instruments, including chemical testing analysers and mechanical testing machines to ensure delivery of the best high-quality products.

See our products specifications online : <http://www.qatarsteel.com.qa/SitePages/QSHome.aspx>

### Product Certification

As a result of the company's determination to produce first-rate products, Qatar Steel has received many prestigious certifications from organisations including the Saudi Arabian Standards Organisation (SASO), Japanese Industrial Standards (JIS), UK CARES, and Dubai Central Laboratory (DCL) of Dubai Municipality for conforming to standard specifications of BS 4449: 1997 GR460B, BS 4449: 2005 GRB500B and ISO 6935-2: 2007. Qatar Steel guarantees that the quality of its products satisfies all local and international requirements. Qatar Steel's Quality Management System complies with the requirements of BS EN ISO 9001:2008 and the relevant CARES Quality and Operations Assessment Schedule. Qatar Steel is also certified as a quality manufacturer and supplier of products conforming to BS 4449:1997 Grade 460B and BS 4449:2005 Grade B500B, and ISO 6935-2/ASTM A615 Grade 60 and SSA 2/1992. In addition, Qatar Steel is working to achieve ISO/IEC 17025: 2005 Laboratory Accreditation in 2014.

## Product Quality

	2009	2010	2011	2012	2013
% of billets scrapped due to quality parameters	0.1	0.16	0.27	0.06	0.04
% of re-bar scrapped due to quality parameters	0.010	0.032	0.010	0.008	0.0

Qatar Steel's comprehensive, integrated, and standardized quality assurance processes allowed the company to achieve zero scrapped re-bar and to scrap just 0.04% of billets in 2013 due to quality parameters.

## ● Product Innovation

Qatar Steel is continuously developing innovative special length and high strength re-bar customized for the Qatari market. In 2012, we successfully conducted a rolling trial at the company for ASTM A615 Gr 75 re-bar based on a sale enquiry received; the supply of this customised re-bar started in 2013. Qatar Steel has also developed and supplied armour cable grade wire rod to the Omani market in 2013.

In 2013, as part of our Research and Development efforts, we commenced significant initiatives and programmes in the area of waste reuse and recycling, which have added more value to our company. (For more details on initiatives included in our Research and Development efforts, refer to page 37).



## ● Operational Efficiency

Our approach to achieving plant operational efficiency is twofold: using the most modern and efficient technology available, and implementing an advanced maintenance system to prevent unplanned interruptions in the production and operational process. We regularly assess our performance and set clear initiatives and targets in relation to operational efficiency through our corporate strategy.

In 2013, Qatar Steel implemented several improvement and modification projects at different plants to improve productivity, enhance process control and plant safety, and stabilise product quality. Qatar Steel is also focusing on implementing condition-based maintenance instead of time-based maintenance. This will improve the identification of operational problems, enhance the life of equipment, decrease production loss and improve plants' reliability and availability. In 2013, condition-based maintenance was implemented at RM-2 plant.

In 2013, operational efficiency projects included, among others:

- Introducing new cast roll material (composite rolls) which will increase productivity, reduce the frequent operational stoppage of the mill, and reduce the total amount of DR processed water.
- Mass spectrometer installation and commissioning.
- Main air blower discharge piping and control system improvement.
- Transition zone natural gas line up-gradation.
- Cooling zone natural gas line upgrading.
- Automation of control loops.
- Plant operating system upgrading (DCS).
- Hydraulic system upgrading.
- High pressure nitrogen backup from DR2



**Efficient and reliable operations are the central to achieving sustainability at Qatar Steel, as they directly affect our productivity and sales. We continuously invest in improving our plants' efficiency and reliability with the use of best-in-class technology and proactive maintenance.**



We acknowledge that we still have several opportunities to improve overall availability, efficiency, and productivity in our plants. Qatar Steel also understands the importance of good maintenance. The company places great emphasis on both predictive/preventive maintenance and swift and decisive reactive maintenance. Qatar Steel's strong relationships and lines of communication with its vendors ensure that they carry out regular and routine preventive maintenance, as well as updating their equipment.

Availability					
	2009	2010	2011	2012	2013
DR availability, average (%)	92.79	87.43	90.39	92.74	88.79
EAF availability, average (%)	88.19	87.85	87.32	89.89	89.62
CC availability, average (%)	90.49	91.43	88.74	90.74	91.25
RM availability, average (%)	84.80	77.24	84.65	90.70	88.69

Productivity					
	2009	2010	2011	2012	2013
DR productivity (tons/day)	6,245	6,359	6,677	7,159	7,151
EAF productivity (tons/day)	5,343	6,156	6,370	6,693	6,948
CC productivity (tons/day)	5,076	5,868	6,092	6,466	6,716
RM productivity (tons/day)	4,401	4,460	4,681	4,832	4,967

Despite the decline in our availability in 2013, due to increased planned and unplanned shutdowns, we managed to maintain our productivity and, in some cases, to improve productivity as a result of implementing several projects that enhanced our plants' efficiency and productivity.

In 2013, we upgraded the DR-1 Plant DCS system to the latest Honeywell DCS to increase the reliability of the DR-1 plant's operations. The implementation of this project was completed in 36 days, which affected the overall availability of DR Plant.

## ● Customer Satisfaction

**Qatar Steel believes that building long-term relationship with its customers is best achieved by working closely with them and remaining attentive to their needs and expectations, which will yield higher customer satisfaction and business sustainability.**

Qatar Steel consistently records high sales performance, drawing strength from the company's longstanding customer relationships, efficient communication strategies, and market intelligence.

### ***Enhancing our Customer Experience – Online Customer Portal***

The company's customer service efforts are not limited to conventional interactions with customers and distributors. As part of on-going efforts to enhance customer experience, Qatar Steel launched an online Customer Portal System in 2009 - the first of its kind in the region.

**Customer service is critical to our business. To meet our customers' needs, we must be flexible and solution-oriented. To this end, our online customer portal provides a convenient communication channel to our customers.**

[Discover More Online about Our Customer Portal](#)

Qatar Steel's customers include distributors who deliver products to end-users in Qatar and across the GCC region. Qatar Steel also supplies re-bar to Q-Coat and markets their finished product (fusion bonded epoxy coated re-bar) through distributors. Qatar Steel also serves end-user requirements directly through its processing unit (re-bar fabrication facility).

### Online Distribution Schedule

Qatar Steel shares its distribution requirements on the company's online customer portal, where all distributors can respond to our distribution requirements by submitting their truck's availability. This system provides more transparency with our distributors and helps to achieve better distributor satisfaction. End users can also check on the progress and status of their shipment.

## 96.7% of Qatar Re-bar Market

Market Share for Re-bar (%)					
	2009	2010	2011	2012	2013
Qatar	96.98	98.31	98.05	97.33	96.63
Exports (GCC)	5.37	8.39	7.47	8.70	8.30
Overall GCC	13.76	15.41	13.87	16.03	16.29

In 2013, Qatar Steel supplied 96.63% of the Qatar's re-bar requirements and 16.29% of the total GCC re-bar market (Qatar, United Arab Emirates (UAE), Kuwait, Oman, Kingdom of Bahrain, and Kingdom of Saudi Arabia).

## Managing Customers Relationship

**Qatar Steel strives to maintain positive relationships with its distributors. As company representatives on the ground, distributors are ideally suited to ensure that the end-user receives the highest-quality service.**

In 2013, the Customer Relationship Management (CRM) implemented a non-conformity tracking system through ERP for internal tracking, and the same will be extended to our customers for registering through customer portal during 2014 as part of enhancing facilities in the existing customer portal system, which we introduced in 2009.

As part of Qatar Steel's marketing strategy to enhance our ties with Qatar Steel's local and regional accredited traders, we have been hosting a Traders' annual gathering which is attended by Qatar Steel's Managing Director and General Manager and management staff. Qatar Steel celebrated the 10th Annual Traders Gathering at the St. Regis Hotel, Qatar, in 2013, an event in honour of all Qatar Steel's traders and their devoted efforts. The event also marked the 35th anniversary of Qatar Steel's start of commercial production.

### 81.2% Customer Satisfaction

Customer Satisfaction					
2009	2010	2011	2012	2013	
N/A	78.2	80.6	80.0	81.2	

**In 2013, Qatar Steel's overall performance was rated 4.06 out of 5 (81.2%), higher than the previous year, mainly due to improvements in product quality, delivery time and customer service.**



# CONTRIBUTING TO QATAR'S DEVELOPMENT

Steel is an important component of Qatar's current physical and economic development. It also plays a vital role in the country's long-term social, human, and environmental development. Qatar Steel aims to continue as a positive force contributing to sustainable development in this country.





# CONTRIBUTING TO QATAR'S DEVELOPMENT

## Sustainability Material Aspects

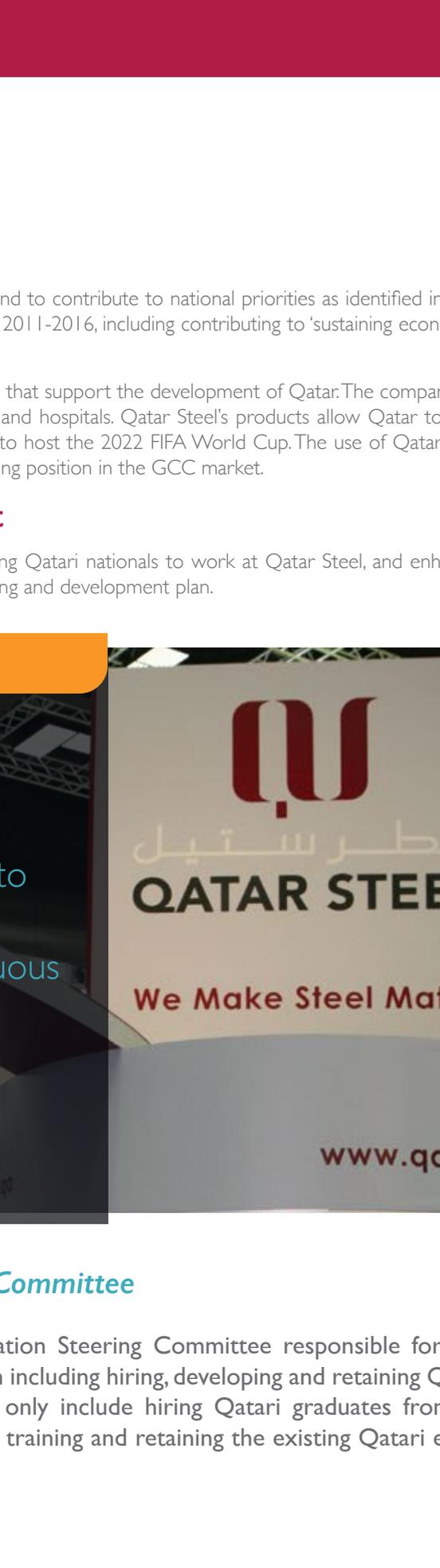
- **Acquire and Build Qatari Talent**
- **Local Procurement**
- **Community Investments**

Qatar Steel always aims to support national development and to contribute to national priorities as identified in the Qatar National Vision 2030 and the Qatar National Development Strategy 2011-2016, including contributing to 'sustaining economic prosperity' and 'promoting human development'.

Qatar Steel provides the building blocks for many structures that support the development of Qatar. The company's high-quality steel is used for construction of schools, bridges, homes, offices, and hospitals. Qatar Steel's products allow Qatar to continue to rapidly develop and meet goals such as creating the infrastructure to host the 2022 FIFA World Cup. The use of Qatar Steel's products for major projects in the region helps retain the company's leading position in the GCC market.

## ● **Acquire and Build Qatari Talent**

Our Qatarization strategy consists of the following: attracting Qatari nationals to work at Qatar Steel, and enhancing the skills and qualifications of each Qatari employee through a clear training and development plan.



We are committed to empowering more Qataris to enter our workforce and providing them with continuous career development.

## Qatar Steel Qatarization Steering Committee

Qatar Steel has created a central Qatarization Steering Committee responsible for overseeing the overall Qatarization strategy implementation including hiring, developing and retaining Qatari employees in Qatar Steel. Its responsibilities will not only include hiring Qatari graduates from High Schools, Technical Colleges and Universities, but also training and retaining the existing Qatari employees in the company.

## Attracting Qatari Nationals

Our hiring criteria prioritize skilled Qatari nationals. We also work continuously to attract more Qatari employees by participating in campus open houses and partnering with technical schools and universities.

In 2013, Qatar Steel participated in the Qatar Career Fair; the Energy and Industry Career Fair; the Independent Technical School's Career Fair; the Al-Wakra Secondary School Career Fair; and the 8th Sponsorship and Internship Career Forum.

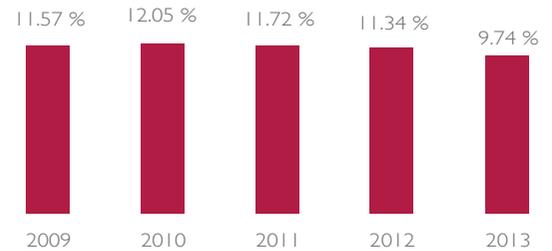
## Training and Development for Qataris

We recognize that attracting Qatari nationals is only one part of our efforts and that we need to consistently work on retaining them through offering continuous career development opportunities. Therefore, Qatar Steel works diligently to build Qatari human resources by providing highly specialized training and development programmes with the right balance of theory, practical application, and industry best practices.

We also encourage our Qatari employees to pursue their higher education. In 2013, we registered 12 of our Qatari employees in various scholarship programmes. We are also implementing individual development plans for almost our entire Qatari workforce.

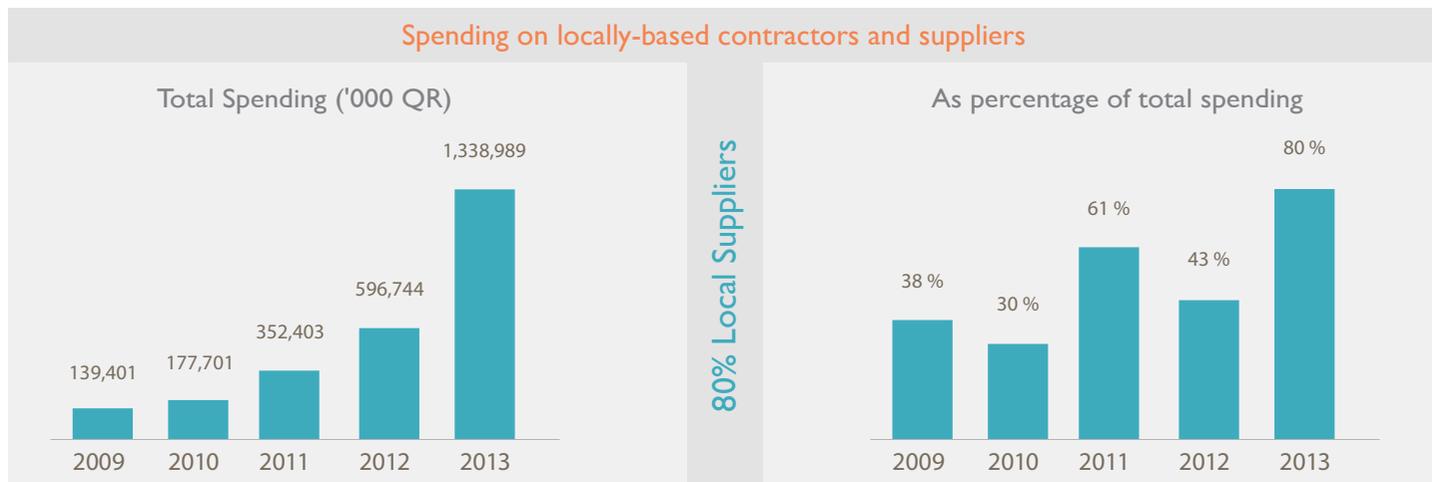
In 2013, our Qatarization rate was 9.74%, compared to 11.34% in 2012. The reduction is due to the increase in our total number of employees by 15%, while the number of Qatari employees slightly decreased in 2013 by 1%.

### Qatarization



## ● Local Procurement

Natural gas for the company's operations is supplied exclusively by Qatar Petroleum. Where possible, Qatar Steel also sources materials locally, including all scrap steel and office supplies. If materials are not available in Qatar, e.g., iron ore pellets, limestone, dolostone, the company purchases them from countries where they are readily available.



In 2013, our spending on locally-based contractors and suppliers reached around QA 1,339 million, representing 80% of our total spending on contractors and suppliers, not including raw material procurement.

## ● Community Investments

Qatar Steel invests in various initiatives in the local community focusing on society, culture, health, sports, and environment.

In 2013, Qatar Steel sponsored and participated in several community activities. Our main goal is supporting social causes as part of our promise to enrich the lives of our communities in Qatar.

### Fourth Civil Defense Exhibition and Conference

An agreement was signed between Qatar Steel and the General Directorate of Civil Defense to sponsor all activities related to the 4th Civil Defense Exhibition and Conference held at QNCC.

### Donation to Qatar Charity

In 2013, Qatar Steel made a donation to Qatar Charity Society on the occasion of Qatar National Day celebration for Al Khor Community Development Center.

### Qatar Steel Extend Supports to Qatar Society for Rehabilitation of People with Special Needs

Qatar Steel extended its support to the Qatar Society for Rehabilitation of People with Special Needs during 2013.

### Sponsoring Qatar Sports Day 2013

As part of our support of sports activities in Qatar, Qatar Steel participated in sports activities organised by Qatar Petroleum.

### IT Support

In 2013, Qatar Steel also provided schools and charities with 100 computers and laptops that were replaced as per Qatar Steel's policy. Our IT department provided internship programmes to two college graduates, who spent three months each to enhance their IT awareness.



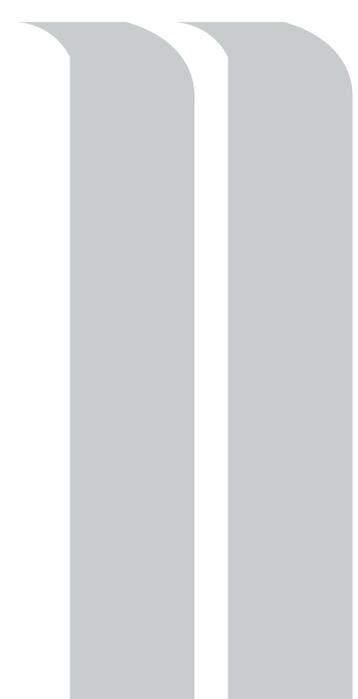
Community Investments (QR.)





## REDUCING ENVIRONMENTAL IMPACT

Qatar Steel is working to reduce its environmental impact by investing in cutting-edge technology and continuous efficiency improvements. These actions reduce Qatar's overall environmental impact, enhance customer loyalty, and support Qatar Steel's promise of Making Steel Matter.



# REDUCING ENVIRONMENTAL IMPACT

## Sustainability Material Aspects

- Environmental Management System
- Energy and Emissions
- Efficient Use of Natural Resources ( Materials and Water )
- Biodiversity
- Waste Management ( Solid Waste, Recycling and Reuse, Effluents )
- Environmental Management System

Qatar Steel aspires to achieve the best results for all of its stakeholders, including those most vulnerable to environmental disruptions. We are committed to reducing our environmental impact, via compliance with all of Qatar's current environmental standards and regulations and proactively working to meet future legislation applicable to Qatar Steel.

Our Environmental Management system was developed in alignment with ISO 14001 standards, which we have acquired and maintained since 1999. By implementing this system, Qatar Steel is ensuring that we are following standardized protocols and procedures in facing any environmental challenges in our operations.

Qatar Steel follows a stringent approach to managing its environmental impacts by implementing a policy for Identification and Evaluation of Environmental Aspects. Environmental Aspects related to Qatar Steel activities and products are identified and evaluated in order to control those identified as significant. Additionally, Qatar Steel's Environmental Monitoring Programme ensures compliance with applicable external requirements, such as the Ministry of Environment's Consent to Operate, and provides Qatar Steel's management with up-to-date information on the company's environmental impact and mitigation

Seeking the most eco-friendly technologies in our sector remains one of our top priorities. Unlike scrap-based steel plants, which often face emission-control challenges resulting from heavy metals and toxic chemicals present in the scrap, Qatar Steel's production is based on DRI, one of the cleanest raw materials available. This has enabled us to maintain very low levels of heavy metal and dioxin emissions.

## ● Energy and Emissions

*Steel is fundamental to the sustainability of the global economy. While greenhouse gas emissions are a natural by-product of steel manufacturing today, Qatar Steel continues to take steps to increase energy efficiency while remaining competitive in the global steel marketplace.*



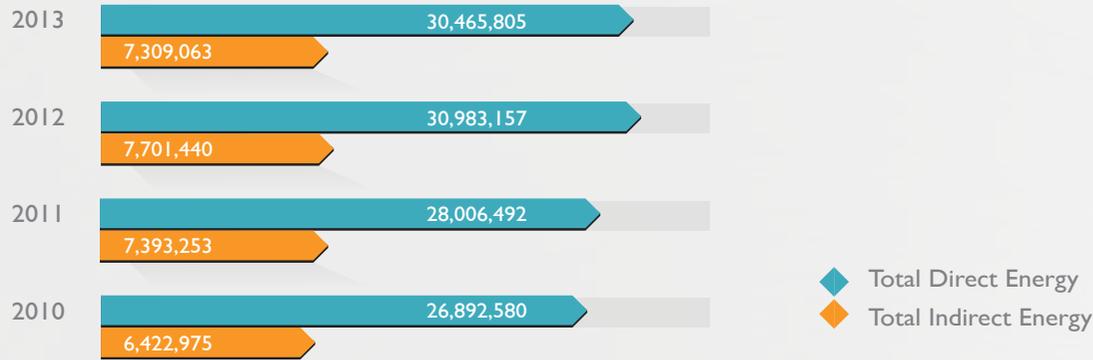
Qatar Steel's operations emit various types of GHG emissions and particulate matter. These emissions are controlled and monitored either automatically or manually. Knowing that Qatar Steel's plant emissions are within the specified limits of Qatar's Ministry of Environment, we are firmly committed to continuously enhancing our environmental efficiency for the benefit of Qatari society and the company's different stakeholders.

Qatar Steel's operations generate GHG emissions through the company's direct and indirect energy consumption. Electricity is supplied by Kahramaa and it is utilized in various processes. Fuel is consumed by our fleets, and natural gas is utilized in our daily plant operations.



## 2.4% Reduction in Our Total Energy Consumption Since 2012

### Direct and Indirect Energy Consumption (GJ )



**We are committed to managing the air emissions resulting from our operations. In 2013, we installed additional emissions monitoring systems and created clear procedures for monitoring emissions as a first step to reducing negative emissions from Qatar Steel's plant.**

In 2013, our total direct energy consumption decreased by 1.7% compared to 2012. Moreover, our electricity consumption was reduced by 5.1% from 2012 due to oxygen injection in the EAF4 and higher productivity (tons/day).

In 2013, Qatar Steel conducted an in-depth study to understand the high gas consumption at the RM1 reheating furnace. Qatar Steel carried out several actions that ultimately helped reduce natural gas consumption by 11.7% in 2013.

## 3.3% Reduction in Our GHG Emissions Since 2012

### GHG Emissions ( Mt of CO<sub>2</sub>e )



In 2013, Qatar Steel's operations (including natural gas consumption in all plants, vehicles' fuel consumption, and electricity consumption) resulted in 3,808,920 Mt of GHG emissions, compared to 3,937,775 Mt of GHG emissions recorded in 2012; a reduction of 3.3%, in line with our reduction in energy consumption in the same year.

## Other Air Emissions

Qatar Steel has implemented several measures to control air pollutants resulting from Qatar Steel's activities at the source of emission.

In 2013, we reviewed our SO<sub>x</sub> and NO<sub>x</sub> monitoring systems and implemented new updates. This has reflected in the quality of air emissions analysis and Qatar Steel's established monitoring procedures. We expect that this new system will result in more accurate air emissions monitoring in the future.

Other Air Emissions (average tons per year)					
	2009	2010	2011	2012	2013
NO <sub>x</sub>	174	675	642	498	657
SO <sub>2</sub>	65	34	45	21	12
Particulate matters	78	63	52	41	25

(1) Particulate matters were not measured in May and June 2013 due to calibration of the measuring devices. In September 2013, DR-1 was under shutdown.

(2) A new sampling and calculation method was implemented in 2013.

## ● Efficient Use Of Natural Resources

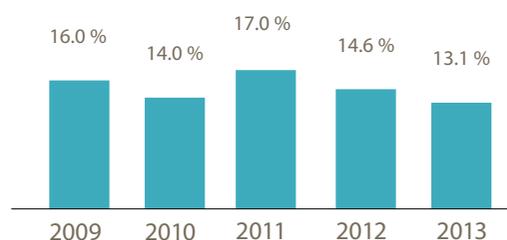
### Material Consumption

As a company that works in steel making, we acknowledge that material consumption is a significant part of our impact on the environment. Nonetheless, such consumption is deemed a necessity for development, and we are working on addressing this in the most balanced way possible. This includes work on two fronts: using efficient and clean raw materials that are less harmful to the environment, and, whenever possible, reusing steel scrap as input material while not compromising the quality of our products.

Materials Used					
	2009	2010	2011	2012	2013
Raw materials for operations (mt)	3,440,499	3,600,809	3,686,088	3,990,908	3,940,837
Operation Gases					
Natural gas (NM3)	650,343,765	670,073,549	698,084,208	771,962,522	758,735,391
Oxygen (NM3)	43,614,474	59,333,800	59,743,104	66,608,837	76,965,439
Nitrogen (NM3)	6,543,357	6,630,645	6,373,635	5,800,526	8,733,544
Compressed Air (NM3)	122,649,621	140,394,393	147,198,503	159,560,203	175,912,059
Argon (NM3)	176,544	214,593	241,890	250,420	265,857
Utility and Maintenance Material (kg)	361,616	369,341	354,360	399,808	443,468
Utility and Maintenance Material (litres)	355,593	442,993	429,145	320,936	362,492

While DRI is Qatar Steel's main raw material, steel scrap remains necessary for producing steel. Qatar Steel works hard to collect scrap from local markets and to recycle all scrap generated from its operations. In 2013, 323,888 mt of total scrap was consumed in our operations. The company's total scrap consumption in 2013 made up 13.1% of the total raw materials used. To the best of the company's knowledge, Qatar Steel recycles nearly 100% of all scrap generated in the State of Qatar

Percentage of Scrap From Total Steel Input



In 2013, we carried out a project to optimize ferroalloys (an input material used to achieve the chemistry as per customer requirement) consumption at EAF3. Several design modifications were implemented, through which we managed to reduce ferroalloys consumption by 6.5% compared to the 2012 consumption rate. The related cost saving was about 3 million Qatari riyals in 2013.

## Water Consumption

Qatar Steel uses seawater in its operations and fresh water for domestic utilities for employees.

As part of Qatar Steel's 2014 corporate strategy review, we plan to seek ways to reduce the quantity of consumed water and increase recycling of wastewater where possible, which will be covered in Qatar Steel's Sustainability Report 2014.

### 0.5% Reduction in Water Consumption Since 2012

#### Fresh Water Consumption (m<sup>3</sup>)



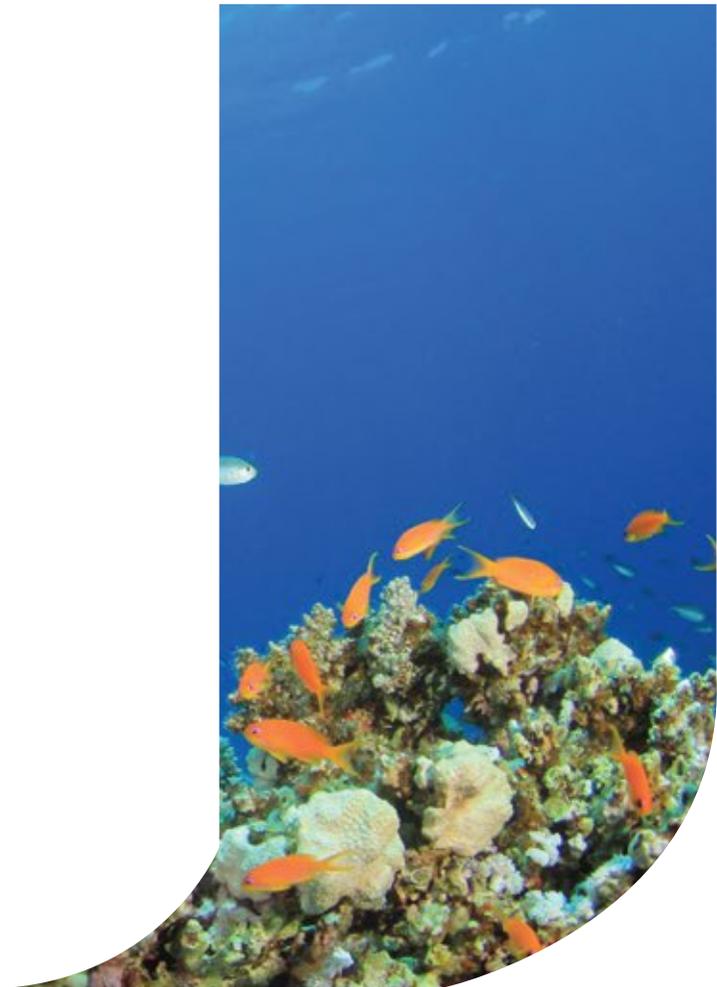
In 2013, Qatar Steel's fresh water consumption decreased slightly (0.5%) compared to 2012. The main reason behind the increase in our water consumption in 2012 was due to our focus on increasing the green area and the number of gardens within our plant and accommodation. In 2013, we used water from Kahramaa for irrigation; however, in 2014, we aim to build an onsite grey water treatment plant, with a capacity of 300 m<sup>3</sup> of wastewater per day, which will produce effluent water that is suitable for irrigation. In addition to reducing Qatar Steel's fresh water consumption from Kahramaa and the related cost, the grey water treatment plant will help us reduce the transportation required to take the grey water from our plant to the authorized MIC or other municipal tipping area.

## ● Biodiversity

Qatar Steel's operations area is not considered an area of high biodiversity value. There are no IUCN Red List Species with habitats in the area, and National Conservation can't be applied to the Qatar Steel Plants. The Species' Biological Taxonomy and Conservation States Plan aren't applicable either.

Committed to Qatar's biodiversity composition, we made a firm decision to stop discharging the blown-down water (waste water from DR1 and DR2) to the sea and instead use or recycle it in other applications such as:

1. EF3 Spray Water system within EF3 Fume Treatment Plant water
2. EF3, EF4 & EF5 Slag Quenching Waste Water Spray System
3. New Briquetting Plant Under Construction
4. EF5 Quenching Tower within EF5 Fume Treatment Plant.
5. Remaining unutilized waste water has already been considered under "ZERO LIQUID DISCHARGE" project which is expected to be implemented by end of 2016.



## ● Waste Management

### Solid Waste

Steel scrap and EAF slag remains the most significant solid waste generated by our activities. Dust is another significant product of our operations, and has a significant impact on the environment and the health of people near our plants. This is attributed to the 1970s technology utilized in our facilities.

Operational Waste Generated and Disposed					
	2009	2010	2011	2012	2013
Operational waste generated and disposed (mt)	10,429	13,992	18,847	21,860	17,295
Operational Waste generated and sold to third-party as by-products-reused or recycled (mt)	126,793	156,651	183,384	193,741	184,045
% of waste generated that is sold as by-product	92%	92%	91%	90%	91%

### Qatar Steel Recycling and Reuse Efforts

Qatar Steel is working relentlessly to reduce its operational waste, including steel scrap, EAF slag, and various operational by-products. Steel scrap, which accounts for most of the by-product generated by our operations, is entirely utilized; all scrap is collected and classified, then stored in designated areas, and finally used as raw material in our operations. Moreover, 91% of our operational waste generated is being recycled and/or reused by selling it as by-product to third-party (as presented in the table above).



**Qatar Steel is actively engaged in recycling by-products generated from its operations, other industries, and society through its iron-making process. This is considered whenever we are investigating new opportunities for Qatar Steel, and has already brought significant outcomes in 2013.**

#### Disposing Slag in an Environmental Manner – Qatar Steel Agreement with EBM

Qatar Steel has established a joint venture with a world-renowned waste-recycling company - EBM (Environmental Building Material LLC) - to process slag. This initiative will ensure that the waste is used in the best way possible without harming the environment or the end-user. The company has already obtained a Non Objection Letter from the Ministry of Environment to use slag as aggregate in non-structural concrete and asphalt base course.

In its first phase, the company will produce 45,000 mt of slag aggregate for different applications, such as curbstone, Jersey barrier, soak away, and manhole. In the second phase the company will mobilize additional equipment to crush more slag in order to enhance production to meet market demand. Recycling of slag as an aggregate will help in reducing the overall mining of prime material.

Until the end of 2013, Qatar Steel collected dust through its collection systems and then sold it to China, where it is used to produce steel. Through Qatar Steel's Research and Development efforts, Qatar Steel has initiated the operational by-products agglomeration project to use the collected dust as input material in EAF5 operations. This project is expected to begin in December 2014 and will bring significant environmental and financial benefits to Qatar Steel.



## Collaboration with Other Industries for Sustainable Development in Qatar – Recycling Qatalum's Carbon Waste

Qatalum, located beside Qatar Steel, is producing 600,000 tons/annum of aluminium through electrolysis. During production, Qatalum's plant generates around 350 tons/month of different wastes consisting of carbon content (fixed) in the range of 70% to 96%. Since Qatalum's start, these materials have occupied a great deal of space in its yard while Qatalum looked for a permanent disposal.

Qatar Steel explored using these carbon-bearing materials from Qatalum in its steel melting shop as replacement for lump coke and recarburizers. Results of the trial, conducted at the electric arc furnace, were encouraging. The process, now streamlined, recycles 750 tons of different carbon wastes at Qatar Steel's furnaces each month.

### Cold Briquetting Plant

Qatar Steel has awarded a contract to a Korean company (JEIL) to supply and erect a cold briquetting plant. This project, upon completion, will further enhance Qatar Steel's efforts at waste recycling. All iron-bearing by-product and waste (EAF dust, mill scale, DR slurry, and iron oxide fine) will be briquetted and re-melted in the electric arc furnace. The expected benefits of this project are as follows:

- 140,000 tons of extra steel produced by recycling 200,000 tons of by-products annually.
- Reduced volume of raw material procurement for EAF5 project.
- Added CO<sub>2</sub> credit with 100% recycling waste to produce sustainable steel in alignment with QNV 2030.
- Qatar Steel to be the first recycling facility among GCC.
- 600 X 60 metres of space freed up that is presently occupied by different by-products.
- Additional storage capacity available for EAF5 raw materials.
- Drastically reduced burden on export system and equipment.
- Drastically reduced amount of EAF dust generation.

Recycling will generate additional revenue compared to by-product sale and raw material import for EAF5. The engineering phase of the project is done, and the briquetting plant should be operating by the end of 2014.

We also generate wood waste, which results from packaging materials for production-related items and equipment used at Qatar Steel plants. We will start recycling our wood waste in Q2 2014. Recycling our wood waste will avoid about 1,000 mt of wood waste being sent to the landfill, leaving more space for other types of waste that cannot be recycled and reducing the transportation of wood waste.

## Effluents

We regularly assess the quality of the effluents generated from our plants to ensure that they meet the regulatory requirements. This assessment includes regular monitoring of processed water and wastewater quality parameters. Effective chemical dosing, treatment and testing is done prior to discharge.

We have successfully utilized DRI blown-down water at Qatar Steel's EAF 3 automated spray jets project to cool fume gases (170 m<sup>3</sup>/ day), EF 3, EF 4, EF 5 slag quenching spray system (230 m<sup>3</sup> / day), new briquetting plant which is under construction (200 m<sup>3</sup>/ day).

For DR 2, we will apply the same practice to use DR 2 blown down water in EF 5 quenching tower to cool fume gases (250 m<sup>3</sup> / day) and the remaining balance quantity has already been considered under 'ZERO LIQUID DISCHARGE' project which is expected to be implemented by end of 2016.

We neutralize our chemical waste by adding caustic soda and then sending it to the MIC waste treatment facility.

Qatar Steel has experienced no oil or chemical spills during the past five years, and takes all precautions to maintain that record.

3.6% Reduction in Process Wastewater Discharge to The Sea Since 2012  
 151% Increase in Total Recycled DRI Blown-Down Water Since 2012

Water discharge					
	2009	2010	2011	2012	2013
DRI and DR2 process wastewater discharged to the sea (m3)	564,530	862,657	784,993	856,812	826,152
Total recycled DRI blown-down water in the slag cooling area (m3) <sup>(1)</sup>	-	-	-	28,665	71,898
Sewage water discharge (m3)	52,120	63,500	62,640	60,090	61,532

<sup>(1)</sup> Recycling DRI blown-down water in the slag cooling area started in 2012.

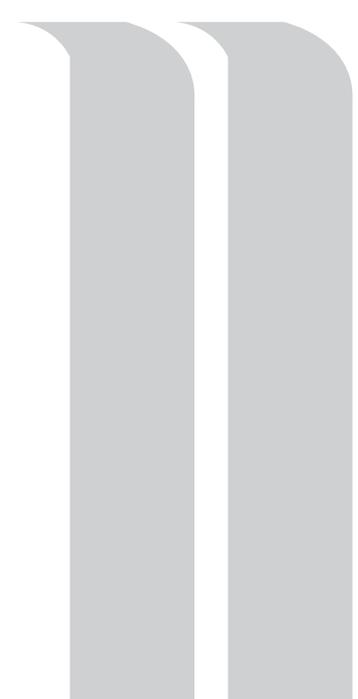
Chemical waste					
	2009	2010	2011	2012	2013
Chemical waste (litres)	1,770	1,130	450	540	550





# ENSURING A SAFE AND HEALTHY WORK ENVIRONMENT

The safety of employees, contractors, and physical assets are of vital importance to Qatar Steel. Making health and safety a top priority ensures that everyone shares Qatar Steel's success.





# ENSURING A SAFE AND HEALTHY WORK ENVIRONMENT

## Sustainability Material Aspects

- Safe and Healthy Work Environment
- Emergency Response Preparedness
- Safe and Healthy Work Environment

**Qatar Steel aims to create a work environment that not only supports production but is safe for all our employees and contractors.**

Doing so requires that we work on three different fronts: 1) creating clear company protocols and procedures to ensure staff and contractor safety as well as maintenance of safety and performance standards at the plant, 2) continuously strengthening technical and operational integrity in identifying risk areas, and 3) capacity building in safety and improving the safety behaviours of our employees and contractors.

In 2013, Qatar Steel made significant safety improvements at all plants. This resulted in zero fatalities, a 30% reduction in total personal accidents, and a drastic reduction in near-misses.

These improvements included the provision of necessary training, guidelines, procedures, regulations, motivation awards, and HSE support to all employees. HSE motivation/appreciation awards at Qatar Steel include:

- Quarterly and yearly near-miss reporting awards (cash and certification)
- Yearly "No LTA" awards (cash and trophies)
- House-keeping awards (five times in 2013)
- Safety Slogan Competition Awards (cash)
- Safety and environment posters competition awards (cash)
- Safety performance yearly awards (cash and trophies)
- Internal auditors motivation awards (cash)
- Safety committee and representatives appreciation awards

### Online Near-Miss Application

Health and safety performance cannot be improved without proper and full reporting for all near-misses and incidents. In 2013, Qatar Steel initiated an online near-miss reporting application that allows any employee at any place in our plant to go online and report any near-miss events. Even at our EAF, DR, RM, or other sites, any employee can go to any of the control rooms and submit a near-miss report. The new online reporting system has generated awareness of new risks. In 2013, we investigated all reported near-misses and closed all cases.



## Employee Safety

We are continually working towards achieving 'zero incidents'. In 2013, we initiated a programme to enhance 'behavioural safety procedures' which will be implemented in 2014. The programme is expected to reduce minor safety incidents, mostly attributed to work misconduct by our employees. Additionally, we conducted a total of 152 HSE training sessions in 2013.

### HSE Committee

Qatar Steel's Health, Safety, and Environment Committee consists of 53 employees representing different departments.

The HSE Committee is responsible for:

- Promoting and communicating safety issues to increase safety awareness among employees
- Reviewing workplace safety inspections
- Reviewing accident and injury reports
- Promoting plant safety activities
- Providing training on specific business activities
- Identifying workplace hazards and instructing employees in performing effective accident investigation
- Forecasting possible accidents and taking precautions to avoid them
- Reviewing safety proposals with top management

#### LTIF and TRCF - Employees



Our approach has already been proven successful, with zero fatalities among our employees to date.

In 2013, our lost-time injury frequency rate increased to 0.9, while our total reportable cases frequency rate decreased by 31% since 2012. We maintained our record of zero fatalities among our employees.

## Contractor Safety

At Qatar Steel, we hold ourselves accountable for the safety of our contractors, who are hired for low-risk support services such as cleaning, catering, security, and maintenance. In past years, we have been proactive in mitigating health risks by increasing training requirements, using new safety technologies and equipment, and implementing additional procedures. To continue to provide a high level of safety for contractors and to address potential safety threats, Qatar Steel will continue to work with our contractors to enhance their safety performance and data-gathering.

Driven by our belief that tracking performance is the first step to enhancing performance, Qatar Steel has initiated a stringent system for tracking safety performance indicators for our contractors. This will let us see how we are performing against our targets and will serve as the basis for future plans. We are proud that we had no fatalities among our contractors in 2013.

Safety – Contractors			
	2011	2012	2013
Lost-time injury frequency (LTIF)	N/A	N/A	0.6
Total reportable cases frequency (TRCF)	N/A	N/A	1.6
Number of work-related fatalities	0	1	0

## A Healthy Work Environment

All Qatar Steel employees and contractors participate in health and safety awareness sessions and training as part of their orientation. Specific awareness campaigns are also implemented to help reduce ailments such as heat stress. To protect the hearing health of our employees and contractors, a regular survey is conducted to measure noise in areas that present a high risk. An exploratory committee is also investigating ways to limit source-noise levels.

Our onsite facilities offer immediate treatment for minor injuries. The onsite clinic also conducts pre-employment and periodical medical exams for employees. To better serve employees, Qatar Steel is also working on a future initiative to expand the clinic to handle more medical responsibilities.

At Qatar Steel, we consider a healthy work environment key to a happy and productive workplace. In 2013, we implemented:

- 1) A full-time food-hygienic officer, through which we achieved zero food-poisoning cases in 2013.
- 2) A weight-loss programme, which has been welcomed by our employees.

We intend to continue to initiate such programmes in the future.

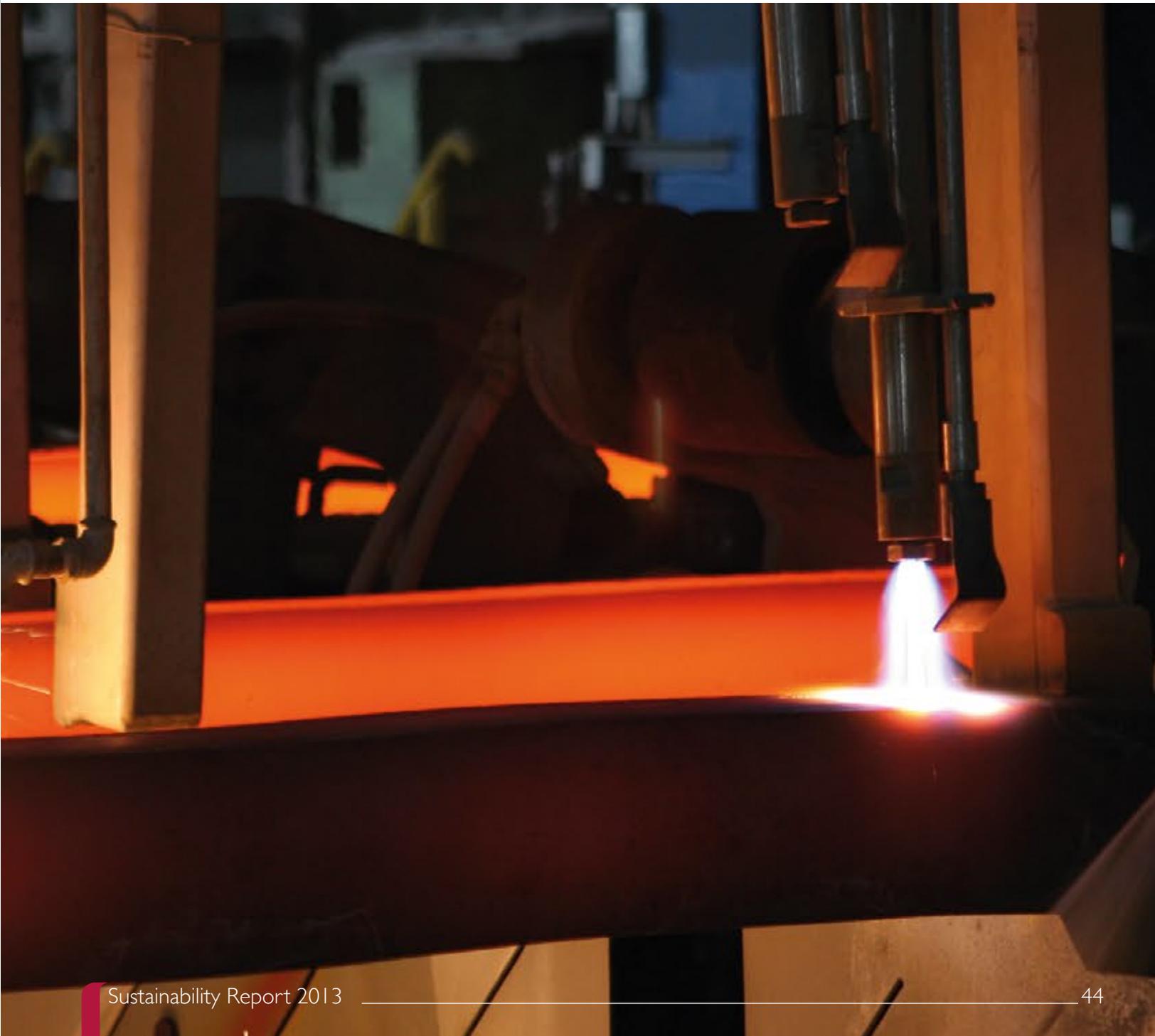
Occupational Health Indicators				
	2010	2011	2012	2013
Employee occupational illnesses	12	4	30	8
Occupational risk monitoring assessment (completed vs. planned)	83/137	18/30	298/408	72/85
Health screening (completed vs planned)	269/412	240/271	448/513	332/366

## ● Emergency Response Preparedness

We maintain a strong focus on fire safety and are constantly looking for ways to strengthen our fire safety procedures. To ensure the best emergency preparedness, we conduct various emergency drill scenarios including:

- 1) Rescue drill (accident with serious injuries or fatalities)
- 2) Fire in dust collection system
- 3) Molten steel leakage
- 4) Radiation drill
- 5) Fire in electrical installation
- 6) Gas leak and fire/explosion
- 7) Evacuation drill

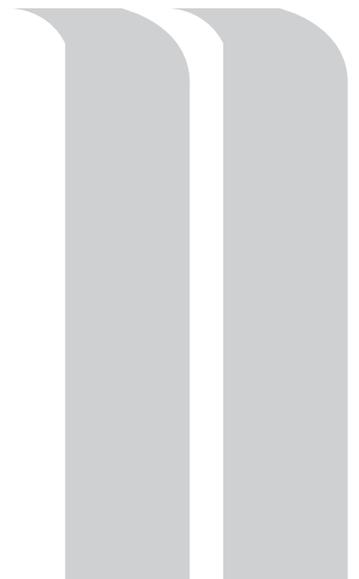
To reduce Qatar Steel's fire risks, we conducted several trainings and awareness sessions for our employees and contractors in 2013: induction training, do's and don'ts during emergencies, job-related contractor safety training, and others. Priority was given to prevention, detection and quick response training to potential fires which are paramount to the safety of our employees and the protection of our livelihood.





## **DEVELOPING A HIGH-PERFORMING AND MOTIVATED TEAM**

Qatar Steel's highly skilled team consistently delivers quality products to satisfy our valued customers. We invest heavily in our employees through training and development, and we aim to continuously engage and reward them.





# DEVELOPING A HIGH-PERFORMING AND MOTIVATED TEAM

## Sustainability Material Aspects

- Training and Development
- Performance-based Compensation and Rewards
- Employee Engagement and Retention
- Employee Welfare
- Human Rights



Qatar Steel's proactive and dedicated team is critical to the company's success. Employee development, via intensive engagement, training, and support, is one of Qatar Steel's highest priorities.

Through focused human resources management systems and planning, Qatar Steel strives to develop more skilful, motivated, and satisfied teams in order to construct the most efficient steel community.

## Our Workforce

Qatar Steel's Management Approach revolves around 'developing a high-performing and motivated team' and maintaining a diversified workforce, which we see as the engine for our success as a company.

Qatar Steel's recruiting procedures ensure that the company hires the best available talent while giving priority to qualified Qatari nationals and recent Qatari graduates. Qatar Steel is committed to internal promotion of suitable and qualified employees to fill vacant positions.

The company prioritizes employee development and engagement by providing training and learning opportunities and various support programmes. Employees are engaged through regular feedback to ensure the quality of training and support programmes.

At the end of 2013, the company workforce was composed of 2,104 full-time employees from 12 different countries, with a Qatarization rate of 9.74%.

Qatar Steel uses short-term contractors for support services within different areas of work; however, Qatar Steel also hires contractors who work full time to support different work at the plant and the main offices. The number of full-time contractors at Qatar Steel in 2013 amounted to 350 individuals.



### 15% Increase In Total Workforce since 2012



Total full-time employees at Qatar Steel in 2013 reached 2,104, an increase of 15.2% over 2012, as a result of operating our new Electric Arc Furnace (EAF5).



## ● Training And Development

**At Qatar Steel, we see the knowledge and expertise of our people as the key for maintaining our competitive position in the market and, therefore, achieving our success.**

The objective of Qatar Steel's training activities is to enable employees to perform their daily duties safely and effectively. It's also a good way to create positive attitudes through clarifying expected behaviours.

Upon joining the company, all employees undergo initial orientation in order to define and clarify work assignments, roles, and responsibilities of each Qatar Steel department. They may also receive job-related and English-language training.

Due to the immense growth of the steel industry, we recognize that we must develop our employees to handle more work roles and responsibilities. Such development will increase the efficiency of the current business processes and contribute to fulfilling employees' career aspirations.

### Scholarship Programme for Qatari Employees

Qatar Steel has established scholarship programmes to meet our future organisation's manpower requirements. Our main purpose is to develop more young Qatari nationals to work as qualified engineers, technicians, and other specialists. The scholarship programmes will have multiple benefits for the company, Qatari graduates, and for our employees seeking to complete further studies in engineering, operations, and support services.

In 2013, 12 of our Qatari employees received scholarships to pursue their education in Qatar and abroad.

## 71% Increase in Average Hours of Training per Employee Since 2012



A total of 37,589 hours of training were completed as of December 2013, with an average of 19.5 hours of training per employee. This total training time represents an 81% increase over 2012's total, and a 71.1% increase in average hours of training per employee. Qatar Steel achieved this dramatic increase in average training hour per employee by approving a higher training budget in 2013, driven by Qatar Steel's management commitment to the development of our people.



## ● Performance-based Compensation And Rewards

Qatar Steel uses the Balanced Scorecard system for all departments and operations, setting performance targets that are aligned with company-wide business strategy and employee capabilities. Qatar Steel helps employees to reach these targets by developing specific and informative job descriptions, which assist employees in understanding their duties and managers in correcting deviations or misunderstandings.

To achieve better organisational performance, Qatar Steel conducts yearly performance appraisals and rewards the best performers with merit increases and bonuses. Employee compensation is calculated according to a basic scheme of salary, bonuses, and awards and recognition. Additional allowances for Qatari and non-Qatari employees are granted when appropriate.

Qatar Steel also reviewed and updated the minimum salary scale in 2013; all salaries were modified, or adjusted to meet the new scale. The Education allowance was revised for all eligible employees. We also reviewed the allowances for trainees and scholarship holders for Qatari employees.

We reward our best-performing employees through different channels, including the QC-Circle reward for best-performing teams, an annual bonus, and HSE-related awards.

## ● Employee Engagement And Retention

Continuous engagement with a focus on information sharing and social networking builds team spirit and loyalty at Qatar Steel. Employees and management at different levels meet frequently to discuss several technical and non-technical issues. These meetings include:

- 1) Daily, weekly, and monthly meetings at the departmental level.
- 2) Quality Control Circle Activities, through which several workers from the same department voluntarily get together and choose a leader by consensus. They hold periodic meetings to discuss specific challenges related to production methodology and quality. QC-Circle also expands and enriches the personality of employees.

- 3) Balanced Scorecard (BSC) meetings, focus on training employees on the importance of BSC, how to use and update BSC, and how to report on performance against BSC's indicators.

- 4) Social gatherings, which utilize Qatar Steel's website portal for promotion of events such as our family day.

A company's turnover rate is often considered a proxy measure of employee satisfaction. We are proud to report that Qatar Steel continues to be an employer of choice and that we have maintained a low turnover rate in 2013, at 3.6%.

### 57% Reduction Since 2009



In 2013, the overall turnover rate was maintained below the 4% level.

## ● Employee Welfare

Qatar Steel is responsible for the living accommodation of its employees' and their families, and we make a priority to provide large, safe and clean spaces whenever possible. We also offer our employees and their families free club memberships for different entertainment activities and centres. Bachelor accommodation is also offered, with several recreational facilities for basketball, football, and cricket. We also offer a gym, a reading room, and areas for indoor recreational activities, such as table tennis and snooker.

### Qatar Steel Accommodation

Qatar Steel has 52 buildings that offer family and Bachelor accommodations (for 214 families and 670 bachelors respectively). We offer a variety of sizes and types of flats and rooms for families and individuals.

We are committed to making our employees' lives easier and fun, therefore we provide some simple services that can make a difference for our people. These include:

- 1) An in-plant travel office to help employees and their families with travel arrangements, including airport drop-offs and pick up.
- 2) A daily shopping trip to Doha.
- 3) A full-time hygiene officer to ensure the food consumed at Qatar Steel is of the best quality.

Qatar Steel also provides the following benefits to its employees:

- Housing allowances
- Transportation allowances
- Mileage allowances
- Health insurance
- Location allowances
- Air tickets
- Employee leaves - annual, compassionate, Haj, Marriage, Maternity, and Special leaves
- Company accommodations
- Loans for furniture, cars, and marriage (for Qatari Employees only)
- Official holidays
- End of service benefits
- Education and transportation benefits for children

In 2013, Qatar Steel spent 523 million QR on employees' wages and benefits, compared to 483 million QR in 2012.

Employees' wages and benefits (Million QR)			
2010	2011	2012	2013
362	428	483	523

## ● Human Rights

At Qatar Steel, we comply with all laws and regulations concerning the rights of our employees. Preservation of human rights is an issue of extreme gravity and importance, and all components of this issue are outlined in Qatar Steel's Code of Ethics and Business Conduct. The Code defines 'fairness' as an area of great concern; it refers to consistent standards of equal and equitable treatment of individuals.

Child or compulsory labour is strictly prohibited at Qatar Steel, and no cases have been reported during our company's operations. Similarly, in 2013, we had no reports of discrimination by any employee or stakeholder.

Human rights related clauses are incorporated into service contracts or orders indirectly. 100% of Qatar Steel's contracts and orders have standard clauses related to respecting human rights. Examples of human rights aspects that are required of our contractors' include providing decent accommodation, paying contractors' fees at the scheduled time, providing proper transportation, and providing appropriate medical services as needed.

MILHA  
 MILAHA

ear up to steer

your opportunity  
 growth and  
 right future.

QATAR STEEL  
 قطر ستيل

MA  
 OIL

Production  
 Optimisation  
 Strategy  
 OIL

Responsibilities  
 Process  
 Vision  
 Navigating  
 Business partnership  
 Team  
 Sustainable  
 Future  
 Support  
 Collaboration  
 Value



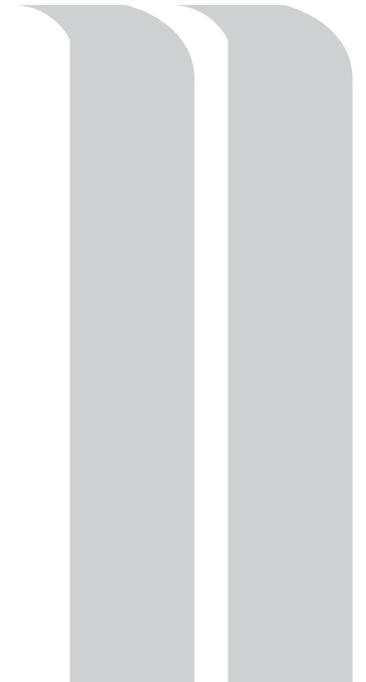
QATAR STEEL  
 قطر ستيل





# INSTILLING GOOD GOVERNANCE AND ACCOUNTABILITY

Maintaining a solid base of integrated management systems and an informed and experienced Board of Directors helps Qatar Steel to achieve better results, remain accountable to all relevant parties, and meet stakeholders' expectations





# INSTILLING GOOD GOVERNANCE AND ACCOUNTABILITY

## Sustainability Material Aspects

- Corporate Governance
- Accountability and Ethics
- Management Systems
- Corporate Governance

We are committed to the highest standards of ethical business conduct. Good governance practices are vital to ensuring that we achieve our corporate objectives and meet the expectations of our stakeholders.

Our Board is the decision-making body for all matters deemed material to the strategic and financial functioning of the company. Our Board consists of seven highly qualified individuals selected by the company's shareholders, Industries Qatar (IQ), under a General Assembly resolution that ensures that those chosen members have relevant and necessary experience.

The Board reviews Qatar Steel's performance during General Assembly meetings, where reports on the previous year's results and future prospects are presented for discussion. The General Assembly meeting further provides an opportunity to discuss discharging of Board members. The Board is mandated to meet at least four times per year.

## Board of Directors

H.E. Dr. Mohamed Bin Saleh Al-Sada	Chairman
Mr. Abdulrahman Ahmed Al-Shaibi	Vice Chairman
Mr. Ali Bin Hassan Al-Muraikhi	Managing Director and General Manager
Sh. Saoud Bin Abdulrahman Al-Thani	Director
Mr. Ibrahim Akbar Ali Mulla	Director
Mr. Ahmad Ali Abdulla Al-Mawlawi	Director
Mr. Khalid Mohamed S. Larem	Director

\* with effect from 31st December 2013

## Board Committees

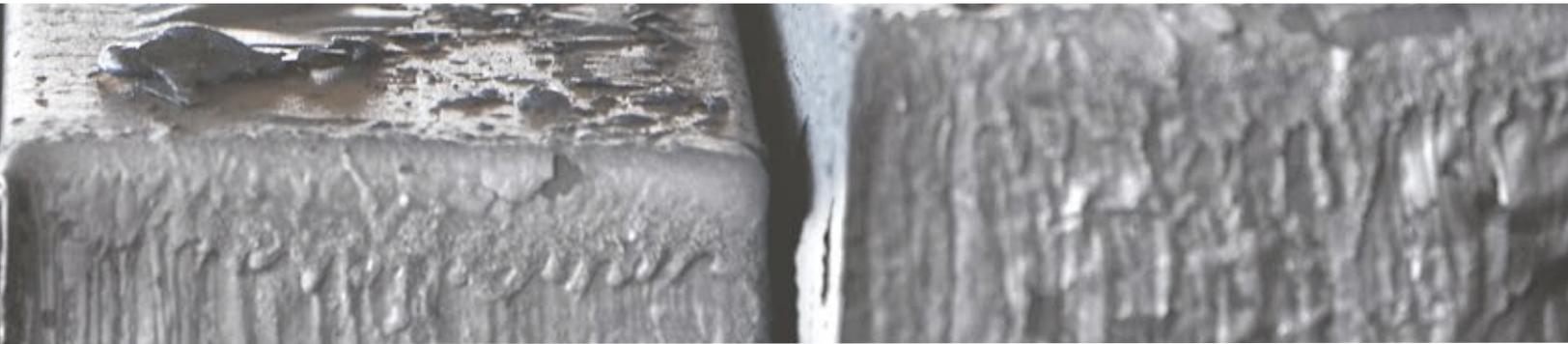
Our Board committees are formed by the Board in accordance with the company's strategic and organisational requirements. We currently have two such committees:

1. Tender Committee – a permanent committee that searches for methods of procurement with prescribed financial limits.
2. Audit Committee – a committee that reviews the effectiveness of the Internal Audit function.

### Sustainability Governance at Qatar Steel

*Responsibility for sustainability at Qatar Steel extends from our employees through department and division managers and to the Board of Directors through the Managing Director and General Manager. In 2014, we aim to develop a Qatar Steel Sustainability Team that will be formally responsible for sustainability implementation and reporting.*

*Sustainable Development Governance is integrated into Qatar Steel's strategy via a clear framework, and is well represented in our theme-based Corporate Strategy Map 2012-2014. KPIs are assigned to each sustainability issue and are being monitored and reported on regular basis. Additionally, management reports are generated and submitted to the board for review and decisions, when required.*



## ● Accountability And Ethics

*Qatar Steel has adopted good ethical standards as part of its diligent quest for excellence in every aspect of its work. The introduction of the code of ethics and business conduct represents a key tool in our efforts to make Qatar Steel an example in good corporate governance. It serves as the foundation of the superior organisational culture to which we aspire.*



Qatar Steel is committed to the ethics of fair dealing, transparency, and integrity in the conduct of all aspects of its business. This commitment is based on the requirement of law, and of the higher moral values of honesty and fairness.

All employees and members of the Board of directors of Qatar Steel are expected to conduct their operations and discharge their duties and responsibilities in a manner consistent with the company's 'Code of Ethics & Business Conduct' policy and with all applicable laws. According to this policy; the company will not permit and has never permitted a conflict of interest on the part of its employees nor its Directors. Accordingly, no employee or Director shall knowingly become involved in a conflict of interest, or upon discovery thereof, allow such a conflict of interest to continue.

## ● Management Systems

Qatar Steel's management system has achieved two ISO certifications: ISO 14001 for its Environmental Management System (EMS) in 1999 and ISO 9000 for its Quality Management System (QMS) in 1995. The continued excellence of the company's management systems is reflected in Qatar Steel's certifications, and the continuous retention of this level of reliability in the company's Quality Management System.

### Balanced Scorecard (BSC) Automation

While the manual model of BSC operation was robust, there were several opportunities to enhance efficiency by reducing data collection time, reducing scope for manual errors, following standards across the organisation, and improving communication and coordination. BSC automation software (Corporater EPM Suite) not only capitalizes on the said opportunities but also provides business users with easy to use software that drives strategy execution and delivers organisational performance.

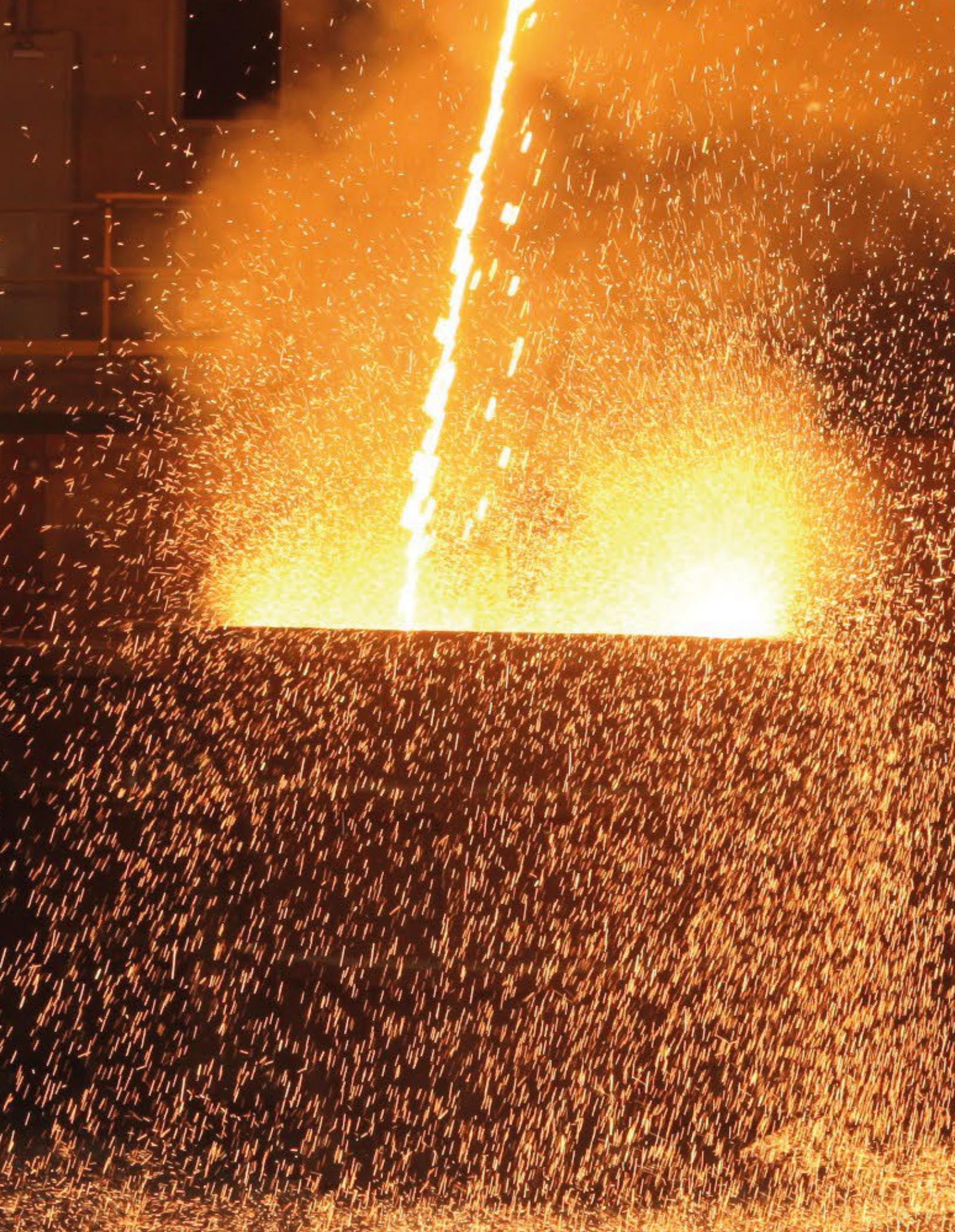


### Internal Audit

Essential to Qatar Steel's governance and management systems is its Internal Audit department, which is responsible for providing reasonable assurance to the management and the Board of Directors that:

- Satisfactory systems, policies, and procedures are in place and being followed to ensure that the company's assets are safeguarded and the company objectives are being met.
- Financial systems, procedures, and practices are in place and being followed to provide timely and accurate financial information that the directors, Management, and Stakeholders can rely upon to determine that the company's financial objectives are being met.
- Satisfactory policies and practices are in place to communicate and monitor that the company is in compliance with the appropriate laws and regulations.

The Audit Committee, appointed by the Board of Directors, oversees all internal audit activities in Qatar Steel to further assure their independence and effectiveness.





# ACHIEVING PROFITABLE GROWTH

Profitable growth is achieved by maintaining business excellence, meeting increasing consumer demand through expansion and growth, and by contributing to Qatar's infrastructure development.

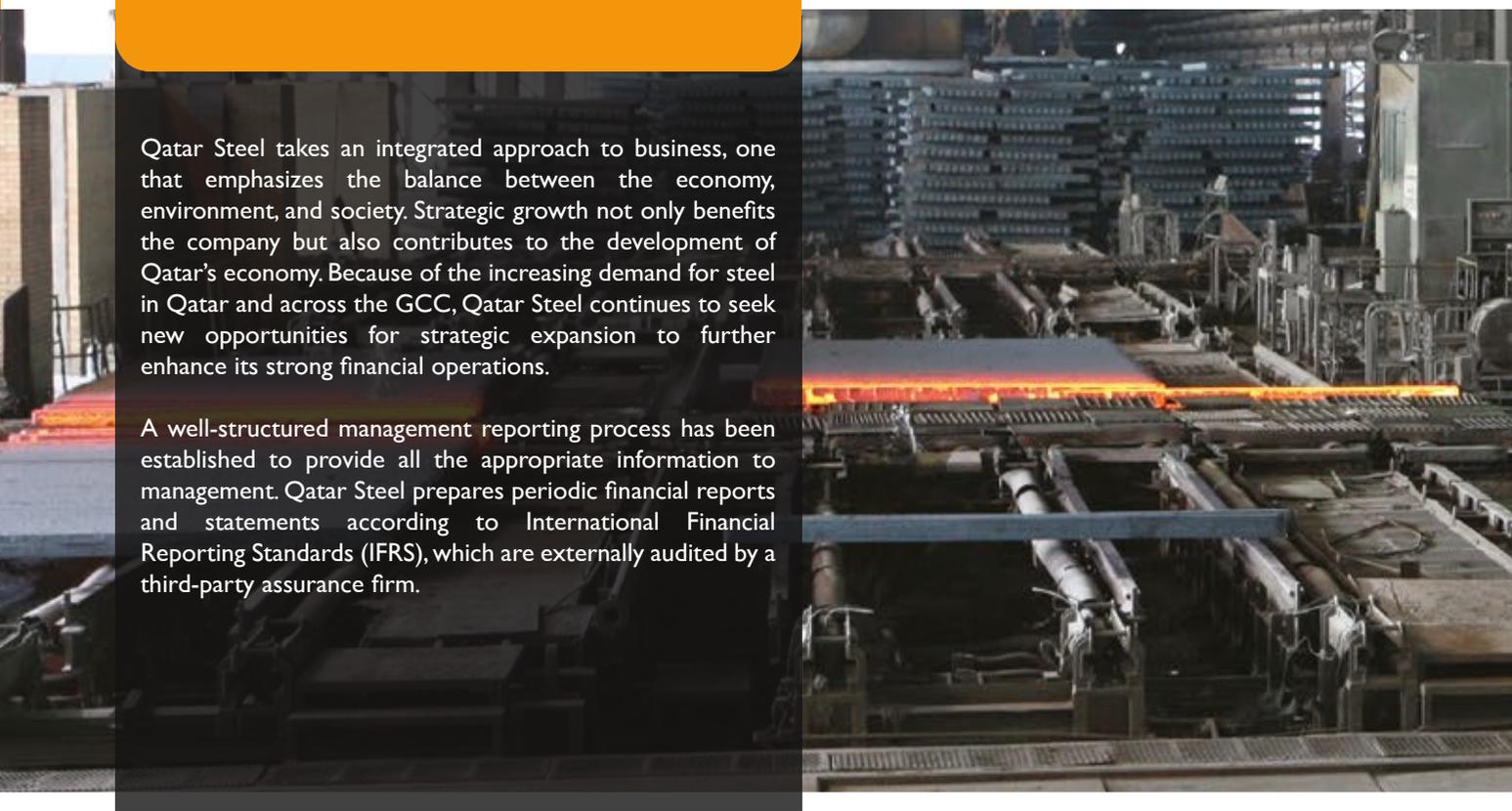




# ACHIEVING PROFITABLE GROWTH

## Sustainability Material Aspects

- **Economic Performance**
- **Strategic Expansion**
  
- **Economic Performance**



Qatar Steel takes an integrated approach to business, one that emphasizes the balance between the economy, environment, and society. Strategic growth not only benefits the company but also contributes to the development of Qatar's economy. Because of the increasing demand for steel in Qatar and across the GCC, Qatar Steel continues to seek new opportunities for strategic expansion to further enhance its strong financial operations.

A well-structured management reporting process has been established to provide all the appropriate information to management. Qatar Steel prepares periodic financial reports and statements according to International Financial Reporting Standards (IFRS), which are externally audited by a third-party assurance firm.

During the past few years, Qatar Steel has experienced significant growth in its business, both in revenue and volume of products produced, mainly due to the country's development activities. Qatar's economy has also led to higher levels of investment in infrastructure. Compared to its peers, Qatar Steel has been able to deliver both consistent and sustained growth in all aspects of business during these years.

As a foremost player in the MENA region, Qatar Steel is committed to creating value for its stakeholders by realizing and implementing various business opportunities. For this purpose, Qatar Steel has made several strategic investments in many steel companies, in addition to setting up new plants. All these efforts have resulted in healthy shareholders' funds/assets over time, which is expected to continue into the future.

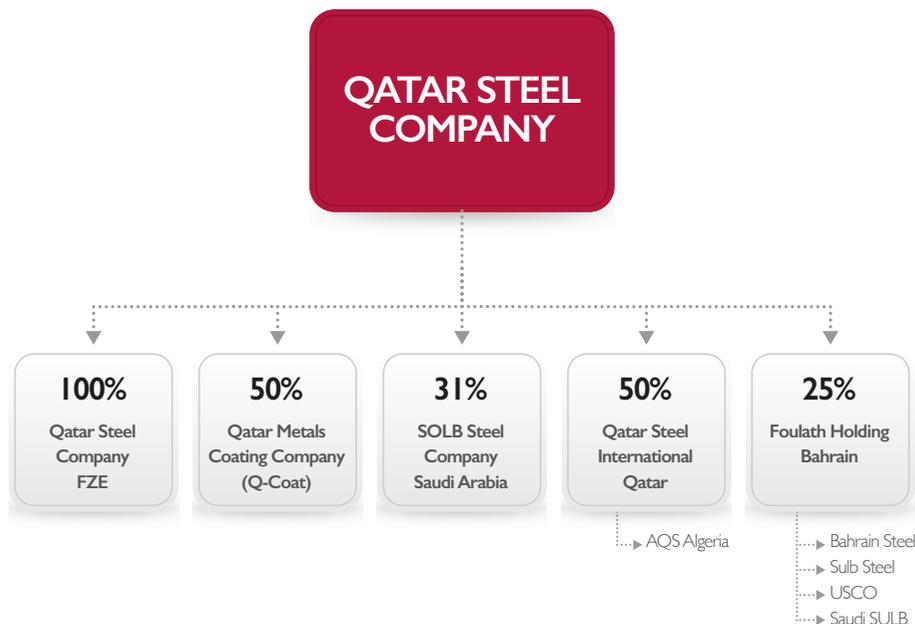


Economic performance				
	2010	2011	2012	2013
Revenues (Million QR)	5,280	6,312	6,820	6,439
Net profit (Unit: Million QR)	1,091	1,594	1,520	1,648
Other income (including investment returns, interest income, by-product and scrap sales, and other miscellaneous income) (Million QR)	121	142	106	120
Operational costs (Million QR) <sup>(1)</sup>	3,725	4,210	4,548	4,183

(1) "Operational costs" do not include the amount for "employees' wages and benefits" and "depreciation".

## ● Strategic Expansion

Qatar Steel continues to expand its production capacity in order to meet the growing demand for steel in Qatar. This also allows the company to continue to meet the demand for steel products in various export markets. The Strategic investments help the company grow by way of acquisitions and joint ventures in iron ore and steel-related production facilities. This allows the company to secure raw materials for production and to realize opportunities for down-stream products. Qatar Steel's growth strategies are addressed in the company's five-year business plan, which is re-examined and updated annually.



Qatar Steel also has shares in Qatar Navigation, Qatar Electricity and Water Company (Kharamaa), Barwa Real Estate, and Vodafone.

### Organic growth - Greenfield Project EF 5

The 1:1 Million tons per annum steel melt shop project (EF 5) was successfully completed in Dec 2013

## 2013 Updates on Investments and Joint Ventures

### Algerian Steel Joint Venture Project

Qatar Steel International [QSI] went ahead with signing of the Shareholders Agreement in March 2013 and initialized the Articles of Association on 19th December 2013. The registration of the new company in Algeria is expected to be completed in January 2014 followed by appointment of a Technical Project Management Consultant in Q2 2014.

It is a joint venture steel project between Algerian Sider (46%), National Investment Fund (5%) and Qatar Steel International (49%) with phase 1 project in Bellara, in south-east of Jijel Algeria for the construction of a Direct Reduced Iron (DRI) plant, 2 million tons meltshop and rolling mills (re-bar & wire rod) with a capacity of 2 million tons at an estimated project cost of US\$ 2 Billion.

### Solb Steel Company

Qatar Steel has 31.03% stake; the Company's steel melt shop is running at 61% capacity and rolling mill at 83% capacity; the construction of the second rolling mill has already started and production is expected to commence by end of H1-2014.

### Sphere Minerals Ltd.

Qatar Steel owns 7.52% of Sphere Minerals Ltd. shares which has iron ore mineral rights in Mauritania. GlencoreXstrata is working on finalizing their plans for developing the Askaf and Guelb el Aouj Project. Askaf project Feasibility Study is near completion and detailed engineering design has been conducted and discussions with major potential suppliers are in the final stages. The Guelb el Aouj project's Pre-Feasibility Study is expected to be completed in the first half of 2014.



# APPENDICES

## Appendix A: Scope Of The Report

**Profile:** This is Qatar Steel's follow-up sustainability report; it reflects the company's updated sustainability performance for 2013 and provides comparable data for 2009, 2010, 2011, and 2012, where available. The report covers a number of environmental, social, and economic aspects.

This report does not cover or include the information and data of any of Qatar Steel's affiliates or investments. (G4-I7)

**Scope and boundary of the report:** Qatar Steel has analysed the sustainability issues within Qatar, the industry, and the region, and has identified its sustainability material issues in all environmental, social, and economic areas, taking into consideration the QNV 2030, the National Development Strategy 2011-2016, and the SDI initiative. Qatar Steel prioritized the key material and sustainability issues to develop its sustainability approach. This report covers Qatar Steel's Qatar performance and does not reflect subsidiaries' performance in their environmental, social, and economic aspects.

This report was developed based on the Global Reporting Initiative (GRI) framework and indicators. Qatar Steel also added an index for the International Petroleum Industry Environmental Conservation Association (IPIECA).

**Stakeholder inclusiveness:** Based on Qatar Steel's understanding of the importance of stakeholder engagement, the company developed its stakeholder map identifying key stakeholder groups, their priority issues, how the company engages with them, and Qatar Steel's response to their input. Qatar Steel believes that this report covers and communicates with all of the company's key stakeholders, and Qatar Steel believes that all the identified stakeholders would be interested in reading the company's sustainability report. Qatar Steel also encourages stakeholders to provide feedback on the company's sustainability performance by contacting us via emails: [Sustainability@qatarsteel.com.qa](mailto:Sustainability@qatarsteel.com.qa).

**Comparability and balance:** This report provides data that covers Qatar Steel's performance in 2009, 2010, 2011, 2012, and 2013. This report also presents Qatar Steel's successes as well as main economic, environmental, and social challenges. This report uses the GRI G4 guidelines, which provide clear comparisons.

**Accuracy and reliability:** Qatar Steel has made all efforts to ensure that all information provided in this report is of the highest level of accuracy and reliability. Qatar Steel relied on its Balanced Scorecards, meetings with concerned departments, and other management systems to gather the information in this report.

**Clarity of information:** Qatar Steel has tried to clearly communicate its sustainability information in this report, besides using the GRI framework, which helps ease report reading and understanding.

**Assurance:** The report was not externally assured.

# Appendix B: Stakeholder Map

Stakeholder Group	Why Qatar Steel's Stakeholders Are Important to the Company	Stakeholder Priority Issues	Ways of Engaging Company Stakeholders	Qatar Steel's Response to Stakeholders Needs
<b>Customers</b> Traders	<ul style="list-style-type: none"> <li>✓ Develop innovative partnerships for sustainable growth.</li> <li>✓ Grow business.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Quality of products safety.</li> <li>✓ Innovative technology.</li> <li>✓ Environmentally sound products.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Site visits.</li> <li>✓ Customer oriented publications.</li> <li>✓ Customer satisfaction survey.</li> <li>✓ Annual customer gathering.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide quality products.</li> <li>✓ Risk sharing partnerships, help customers management their risks.</li> <li>✓ Provide innovative products that meet their needs.</li> <li>✓ Continuous efforts to maintain the plant's reliability and availability and reduce its environmental impact.</li> </ul>
<b>"End-Customer" Influence Bodies</b> Qatar construction standards, Ministry of Municipality of Urban Planning, and project consultants	<ul style="list-style-type: none"> <li>✓ Provide specifications and standardization for re-bar required for government infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ Meet re-bar demand and specification for all projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>✓ Upgrade Qatar Steel capabilities in producing new re-bar grades and sizes.</li> </ul>
<b>Employees</b> Qatar Steel has 2,000+ full time employees	<ul style="list-style-type: none"> <li>✓ Perform quality and productive leadership.</li> <li>✓ Most important asset to run the business.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employees' health and safety.</li> <li>✓ Remuneration and rewards.</li> <li>✓ Working conditions and job security.</li> <li>✓ Career development and operational quality.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Internet (Qatar Steel's website's portal).</li> <li>✓ One to one meetings and annual gathering.</li> <li>✓ Training programs.</li> <li>✓ Code of ethics.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide safe and healthy working environment.</li> <li>✓ Ensure training and development.</li> <li>✓ Competitive, compensation and benefits.</li> <li>✓ Secure career &amp; experience.</li> </ul>
<b>Government/ Regulators</b> Qatar Petroleum HSE Regulations and Enforcement Directorate (QP DG), Ministry of Environment and Ministry of Labour, and others.	<ul style="list-style-type: none"> <li>✓ Provide fair and clear competitive trading conditions.</li> <li>✓ Business continuity.</li> <li>✓ Develop innovative partnerships for sustainable growth.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Social and community development.</li> <li>✓ Investments.</li> <li>✓ Provide employment opportunities.</li> <li>✓ Compliance.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Joint programs and partnerships.</li> <li>✓ One-to-one meetings.</li> <li>✓ Audit reports.</li> <li>✓ Environmental statements.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Support national strategies and plans.</li> <li>✓ Product innovation.</li> <li>✓ Economic growth.</li> <li>✓ Ensure compliance.</li> <li>✓ Policies and procedures.</li> </ul>
<b>Investors / Investment</b> Industries Qatar (IQ), Qatar Petroleum (QP), and investment in steel and non-steel business.	<ul style="list-style-type: none"> <li>✓ Help us to achieve financial and economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Good corporate governance.</li> <li>✓ Profitable growth.</li> <li>✓ Adopt sustainability management and reporting.</li> <li>✓ Climate change management.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Board meetings.</li> <li>✓ Annual investors meeting.</li> <li>✓ Conferences.</li> <li>✓ Share experience through plant visits.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Good return on investment.</li> <li>✓ Sustainable growth.</li> </ul>

Stakeholder Group	Why Qatar Steel's Stakeholders Are Important to the Company	Stakeholder Priority Issues	Ways of Engaging Company Stakeholders	Qatar Steel's Response to Stakeholders Needs
<b>Local Communities</b> As identified in national agenda.	<ul style="list-style-type: none"> <li>✓ Build confidence with local communities for business continuity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Environment anxieties.</li> <li>✓ Social and community investment.</li> <li>✓ Community engagement process.</li> <li>✓ Health.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Periodic meetings.</li> <li>✓ Visits and workshops.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide financial and operational support for social and local community development.</li> </ul>
<b>Suppliers</b> Raw material (natural gas, iron ore and spare and consumables).	<ul style="list-style-type: none"> <li>✓ Quality of goods and services and timely delivery as per contractual specifications.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Liable sourcing.</li> <li>✓ Fair bidding process.</li> <li>✓ Product quality.</li> <li>✓ Operational excellence.</li> <li>✓ Ethical business practice.</li> <li>✓ On-time payment.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Business visits.</li> <li>✓ Vendors meeting.</li> <li>✓ Conferences and seminars.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Transparent business opportunities.</li> <li>✓ Swift payments.</li> </ul>
<b>Environment</b> As per national agenda and industry norms.	<ul style="list-style-type: none"> <li>✓ Business continuity with respect to the environment.</li> <li>✓ Preserve the environment by different means for future generations.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Climate change mitigation.</li> <li>✓ Minimize natural resources utilization.</li> <li>✓ Waste management.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Regular environmental checks and ensuring compliance and timely reporting to concerned parties.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Monitor and reduce the company's GHG and other emission.</li> <li>✓ Ensure operational efficiency.</li> <li>✓ Monitor, manage and recycle the company's various wastes.</li> </ul>

# Appendix C: Boundary Of Impact Of Material Aspects

Sustainability Focus Areas	Sustainability Material Aspects	Aspects Boundary
Making Steel Matter	<ul style="list-style-type: none"> <li>•Product Quality</li> <li>•Product Innovation</li> <li>•Operational Efficiency</li> <li>•Customer Satisfaction</li> </ul>	Our company, Our Customers, Our Investors.
Contributing to Qatar's Development	<ul style="list-style-type: none"> <li>•Acquire and Build Qatari Talent</li> <li>•Local Procurement</li> <li>•Community Investments</li> </ul>	Our Company, Our Subsidiaries, Government/Regulators, Our Employees, Our Suppliers Our Community
Reducing Environmental Impact	<ul style="list-style-type: none"> <li>•Environmental Management System</li> <li>•Energy and Emissions</li> <li>•Efficient Use of Natural Resources (Water and Materials)</li> <li>•Biodiversity</li> <li>•Waste Management (Solid Waste, Recycling and Reuse, Effluents)</li> </ul>	Our Company, Government/Regulators, Our Suppliers, Our Community and the Environment
Ensuring a Safe and Healthy Work Environment	<ul style="list-style-type: none"> <li>•Safe and Healthy Work Environment</li> <li>•Emergency Response Preparedness</li> </ul>	Our Company, Our Employees, Our Suppliers and Contractors
Developing a High-Performing and Motivated Team	<ul style="list-style-type: none"> <li>•Training and Development</li> <li>•Performance-based Compensation and Rewards</li> <li>•Employee Engagement and Retention</li> <li>•Employee Welfare</li> <li>•Human Rights</li> </ul>	Our Company, Our Subsidiaries, Our Employees
Demonstrating Good Governance and Accountability	<ul style="list-style-type: none"> <li>•Corporate Governance</li> <li>•Accountability and Ethics</li> <li>•Management Systems</li> </ul>	Our Company, Our Subsidiaries, Government/Regulators, our Investors
Achieving Profitable Growth	<ul style="list-style-type: none"> <li>•Economic Performance</li> <li>•Strategic Expansion</li> </ul>	Our Company, Our Subsidiaries, Our Investors

Indicator	Page reference (or direct response in case of omission)	External Assurance
<b>SPECIFIC STANDARD DISCLOSURES</b>		
<b>CATEGORY: ECONOMIC</b>		
Material Aspect: Economic Performance		
G4-DMA	● 13-14,61-62	Not Assured
G4-EC1	● 28, 51, 62	E&Y Assured
G4-EC4	● No assistant received from Government	E&Y Assured
Material Aspect: Procurement Practices		
G4-DMA	● 13-14,25-26	Not Assured
G4-EC9	● 27	Not Assured
<b>CATEGORY: ENVIRONMENTAL</b>		
Material Aspect: Materials		
G4-DMA	● 13-14,29-32	UKCares
G4-EN1	● 34	UKCares
G4-EN2	● 34	UKCares
Material Aspect: Energy		
G4-DMA	● 13-14,31-32	Not Assured
G4-EN3	● 33-34	Not Assured
Material Aspect: Water		
G4-DMA	● 13-14, 31-32	Not Assured
G4-EN8	● 35	Not Assured
G4-EN9	● 35	Not Assured
Material Aspect: Biodiversity		
G4-DMA	● 13-14,31-32	Not Assured
G4-EN12	● 35	Not Assured
G4-EN14	● 35	Not Assured
Material Aspect: Emissions		
G4-DMA	● 13-14,31-32	Not Assured
G4-EN15	● 33-34	Not Assured
G4-EN16	● 33-34	Not Assured
G4-EN21	● 34	Not Assured
Material Aspect: Effluent and Waste		
G4-DMA	● 13-14,31-32	Not Assured
G4-EN22	● 35	Not Assured
G4-EN23	● 35-38	Not Assured
G4-EN24	● 38-No significant oil or chemical or any impactful spill took place	Not Assured
Material Aspect: Compliance		
G4-DMA	● 31-32	Not Assured
G4-EN29	● Zero non-compliance event was reported. No Penalty or fine was paid.	Not Assured
<b>CATEGORY: SOCIAL</b>		
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>		
Material Aspect: Employment		
G4-DMA	● 13-14,45-48	Not Assured
G4-LA1	● 48,50	Not Assured
G4-LA2	● 51	
Material Aspect: Occupational Health and Safety		
G4-DMA	● 13-14,39-40	Not Assured
G4-LA5	● 41-44	Not Assured
G4-LA6	● 42-44	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
Material Aspect: Training and Development		
G4-DMA	● 13-14,45-48	Not Assured
G4-LA9	● 49 Breakdown by gender and employment level was not tracked in 2013. Qatar Steel will report on gender and employment level breakdown in 2014 report.	Not Assured
G4-LA10	● 48-51 Qatar Steel only implements this program for Qatari employees.	Not Assured
G4-LA11	● 50	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
<b>SUB-CATEGORY: HUMAN RIGHTS</b>		
Material Aspect: Non-discrimination		
G4-DMA	● 13-14,45-47,52	Not Assured
G4-HR3	● Zero,52	Not Assured
Material Aspect: Child Labor		
G4-DMA	● 13-14,45-47,52	Not Assured
G4-HR5	● Zero	Not Assured
Material Aspect: Forced of Compulsory Labor		
G4-DMA	● 13-14,45-47,52	Not Assured
G4-HR6	● Zero	Not Assured
<b>SUB-CATEGORY: SOCIETY</b>		
Material Aspect: Anti-corruption		
G4-DMA	● 13-14, 53-56	Not Assured
G4-SO4	● 100% of our operations	Not Assured
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>		
Material Aspect: Marketing Communication		
G4-DMA	● 17	Not Assured
G4-PR7	● No Incident of Non-Compliance has occurred	Not Assured

# Appendix E: IPIECA Index

Chapter	IPIECA
About This Report	
Message from the Managing Director and General Manager	
Who We Are	
Qatar Steel's Approach to Sustainable Development	
Making Steel Matter	HS4
Contributing to Qatar's Development	SE1, SE4, SE5, SE6, SE7
Reducing Environmental Impact	E1, E2, E5, E6, E7, E8, E9, E10
Ensuring a Safe and Healthy Work Environment	HS1, HS2, HS3, HS5
Developing a High-Performing and Motivated Team	SE8, SE9, SE15, SE16, SE17, SE18
Instilling Good Governance and Accountability	SE95, SE95
Achieving Profitable Growth	

# Appendix D: GRI Index

The table below provides the disclosure of GRI content for 'In accordance' – Core for Qatar Steel 2013 Report.

Table Key      ● Reported      ◐ Partially Reported      ○ Not Reported

Indicator	Page reference (or direct response in case of omission)	External Assurance
<b>GENERAL STANDARD DISCLOSURES</b>		
<b>Strategy and Analysis</b>		
G4-1	● 2	Not Assured
<b>Organizational Profile</b>		
G4-3	● 4	Not Assured
G4-4	● 7-8	Not Assured
G4-5	● Qatar Steel Headquarters- Doha, 72	Not Assured
G4-6	● 4,5,8	Not Assured
G4-7	● 100% Owned by Industries Qatar (IQ)	Not Assured
G4-8	● 8, 22	Not Assured
G4-9	● 8, 48,61-63	E&Y Audit
G4-10	● 47-50	Not Assured
G4-11	○ Trade unions are prohibited in Qatar	Not Assured
G4-12	● 21, 22, 27	Not Assured
G4-13	● No Significant change	Not Assured
G4-14	● 12-14	Not Assured
G4-15	● 9, 18, 60 ISO 14001/9000/SASO/UK CARES, DCL	Not Assured
G4-16	● South East Asia Iron and Steel Institute, WorldSteel Association, Arab Iron and Steel Union.	Not Assured
<b>Identified Material Aspects and Boundaries</b>		
G4-17	● 65, Affiliates of Qatar Steel which were part of the Annual report is not included (Qatar Metals Coating Company, SOLB Steel Company-Saudi Arabia, Qatar Steel Intl. Co., Foulch Holding-Bahrain, Bahrain Steel, United Stainless Steel Company-Bahrain and United Sub Company-Saudi Arabia)	Not Assured

Indicator	Page reference (or direct response in case of omission)	External Assurance
<b>GENERAL STANDARD DISCLOSURES</b>		
G4-18	● 13	Not Assured
<b>GENERAL STANDARD DISCLOSURES</b>		
G4-19	● 13	Not Assured
G4-20	● 13	Not Assured
G4-21	● 13	Not Assured
G4-22	● No restatements	Not Assured
G4-23	● No change since 2012	Not Assured
<b>Stakeholder Engagement</b>		
G4-24	● 11	Not Assured
G4-25	● 11	Not Assured
G4-26	● 11	Not Assured
G4-27	● 11	Not Assured
<b>Report Profile</b>		
G4-28	● 65	Not Assured
G4-29	● 2012	Not Assured
G4-30	● About This report	Not Assured
G4-31	● About This Report sustainability@qatarsteel.com.qa	Not Assured
G4-32	● About This Report	Not Assured
G4-33	○ This report was not checked by third-party.	Not Assured
<b>Governance</b>		
G4-34	● 55, 56	Not Assured
<b>Ethics and Integrity</b>		
G4-56	● 56	Not Assured

# Appendix F: Glossary

<b>Climate Change</b>	A significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years.
<b>Corporate Governance</b>	The system by which companies are directed and controlled. It involves regulatory and market mechanisms, and the roles and relationships between a company's management, its board, its shareholders, and other stakeholders, and the goals for which the corporation is governed.
<b>G4 Reporting Guidelines</b>	A GRI framework for reporting on an organisations' economic, environmental and social performance, which was issued in 2014.
<b>Global Reporting Initiative (GRI)</b>	A network-based organisation that produces a comprehensive sustainability reporting framework that is widely used around the world with the aim of mainstreaming disclosure on environmental, social, and governance performance. GRI is committed to the framework's continuous improvement and application worldwide.
<b>Greenhouse Gas Emissions</b>	Gas emissions, which contribute to the trapping of heat inside the atmosphere (resulting in the Global Warming phenomenon).
<b>Gulf Cooperation Council (GCC)</b>	A political and economic union of the Arab states bordering the Persian Gulf and located on or near the Arabian Peninsula, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates.
<b>Qatarization</b>	An initiative by the government of Qatar to increase the number of Qatari nationals in all joint venture industries and government departments.
<b>Qatar National Vision 2030</b>	A long-term national vision built on the guiding principles of Qatar's Permanent Constitution. It reflects the aspirations of the Qatari people and the resolve of their political leadership. It envisages a vibrant and prosperous country with economic and social justice for all, and in which nature and man are in harmony.
<b>Stakeholders</b>	Groups or individuals who affect and/or could be affected by an organisation's activities, products or services, and associated performance.
<b>Sustainability</b>	A state where current generation can meet their needs without compromising the ability of future generations to meet their own.
<b>Sustainability Management</b>	The integrated management of economic, social, and environmental issues in a way that maximizes value for all stakeholders.

# Appendix G: Acronyms

AAQMS	Ambient Air Quality Monitoring Systems	m <sup>3</sup>	Cubic meter
AISU	Arab Iron and Steel Union	MAP	Mutual Aid Plan
ASTM	American Society for Testing and Materials	mg/Nm <sup>3</sup>	Milligram per normal cubic metre
CC	Continuous Casting	MIC	Mesaieed Industrial City
CEMS	Continuous Emissions Monitoring System	mm	Millimetres
CRM	Customer Relations Management	MoE	Ministry of the Environment
DCL	Dubai Central Laboratory	MoU	Memorandum of Understanding
DG	Regulations and Enforcement Directorate	MPa	Megapascal
DR	Direct Reduction	MT	metric ton.
DRI	Direct Reduced Iron	MWh	Megawatt hour
EAF	Electric Arc Furnace	NDS	National Development Strategy 2011-2016
EIA	Environmental Impact Assessment	NO <sub>x</sub>	Nitrogen Oxides
EMS	Environmental Management System	PHE	Process Hazard Evaluations
ERP	Enterprise Resource Planning	PLC	Programmable Logic Controller
Foulat	Gulf United Holding Company	ppm	Parts per million
FZE	Free Zone Establishment	Q-Coat	Qatar Metals Coating Company W.L.L.
GCC	Gulf Cooperation Council	QMS	Quality Management System
GIIC	Bahrain, Gulf Industrial Investment Co.	QNV	Qatar National Vision 2030
GJ	Gigajoule	QR	Qatari Riyal
GRI	Global Reporting Initiative	RM	Rolling Mill
HBI	Hot Briquetted Iron	SASO	Saudi Arabian Standards Organisation
HMI	Human Machine Interface	SDI	Sustainable Development Industry
HSE	Health, Safety, and Environment	SEAISI	South East Asia Iron and Steel Institute
IFRS	International Financial Reporting Standards	SMS	Steel Melting Shop
IQ	Industries Qatar	SMS	Sustainability Management Systems
ISO	International Organisation for Standardization	SO <sub>x</sub>	Sulfur Oxides
JIS	Japanese Industrial Standards	TRCF	Total Reportable Cases Frequency
Kg	Kilogram	UAE	United Arab Emirates
kWh	Kilowatt hour	worldsteel	World Steel Association
LOC	Number of loss of Containment	XRF	X-Ray Fluorescence Spectrometer
LTIF	Lost Time Injury Frequency	UKCARES	UK Certification Authority for Reinforcing Steels

Paper: 100 % recycled paper

Printing ink: Sun Chemical ; 5 x 5 color process

Cover: 300 gsm recycled paper

Inside pages: 170 gsm RIVES bright white

Sustainability Contact Address at Qatar Steel:

Mr. Majid Mohammed Al-Marri

Technical Department Manager

P.O.BOX: 50090

Telephone: +974 44778117

E-mails:

- [majid@qatarsteel.com.qa](mailto:majid@qatarsteel.com.qa)
- [sustainability@qatarsteel.com.qa](mailto:sustainability@qatarsteel.com.qa)

Official Website:

[www.qatarsteel.com.qa](http://www.qatarsteel.com.qa)

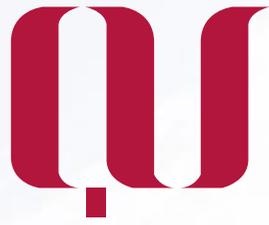
Location#01: Mesaieed Industrial City (MIC), State of Qatar

Location#02: Qatar Steel Company's Branch-Al-Hilal City, State of Qatar

Support in preparing the report provided by Sustainability Excellence

The Report Has Designed and Printed By: DALLAH Advertising Agency

Year of Releasing: 2014



قطر ستييل

**QATAR STEEL**