

SUSTAINABILITY REPORT 2015









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



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





ABOUT THIS REPORT

Publishing an annual sustainability report is an expression of Qatar Steel's commitment to economic, social, and environmental responsibility. This report, our 5th, provides a comprehensive review of Qatar Steel's sustainability progress during 2015. In addition to providing material updates on 2015 initiatives, we have measured our performance against comparable data for the previous 5 years, where possible.

This report contains Standard Disclosures from the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines (G4 Reporting Guidelines). We have prepared the report in accordance with "Core" option of GRI G4 Guidelines. The performance indicators against which we have reported can be found on page 90 of this report.

Qatar Steel is committed to annual reporting on the sustainability issues of greatest concern to our stakeholders. We encourage you to share your ideas and comments by contacting us directly at: **sustainability@qatarsteel.com.qa**



QATAR STEEL RECOGNIZED AS OFFICIAL SPONSOR IN THE LAUNCH OF WORLD BLOOD DONOR DAY ORGANIZED BY HAMAD MEDICAL CORPORATION (HMC)

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MESSAGE FROM THE MANAGING DIRECTOR AND GENERAL MANAGER



We believe sustainability is a shared responsibility in building the cities of the future. With major market share in excess of 80% for construction steel (reinforcing bars) in Qatar, we continue to support Qatar's National Vision by providing sustainable, high quality products for flagship projects such as FIFA 2022 stadiums, Msheireb and Kahramaa's water reservoirs.

We are fortunate to be partners in a region of robust growth. However, at Qatar Steel we recognized this as an opportunity to implement our Sustainability 2020 Roadmap, which targets a range of initiatives towards efficiencies, accountability, and sustainability, all of which are in alignment to QNV 2030 and our corporate

strategy. Our roadmap is more than responsible leadership; it delivers competitive advantages that contribute to our bottom line.

Qatar Steel has made significant achievements in sustainability in 2015. Last year, we invested in better dust collection systems, dramatically reduced total Greenhouse Gas emissions by 36% and our emissions intensity by 38%. Our operational efficiency and sustainability efforts also helped achieve a 4% reduction in freshwater usage, and increased our volume of recycled blown-down water to 16%. Our efforts at innovation in 2015 show promise in delivering a 100% conversion of our slag waste into reusable Aggregate.

We continue to develop our safety culture and processes. Nevertheless, we recognize there is room for improvement. We are saddened to report that Qatar Steel experienced two tragic fatalities among our contractors in 2015. As a direct response we have introduced measures to reinforce behavioral safety among contractors.

We clearly have more to do in order to reach our targets of zero fatalities and zero injuries. We are firmly resolved to enhance safety culture at Qatar Steel and are currently in the process of implementing the DuPont Process Safety Management system.

I believe Qatar Steel has made material progress on its commitment to health and safety, environmental sustainability, and operational efficiency. Our operational improvements this year will yield sustained value going forward.

With the market forecast to rebound from 2015 conditions, we are well positioned to achieve greater sustainability, success and shareholder value in 2016.

Our commitment, strategies, and leadership on sustainability are reflected in our results. This would not have been possible without the hard work, technical expertise, and support of everyone at Qatar Steel. We have come a long way in achieving sustainability over the years. I believe, with our Sustainability 2020 Roadmap and strategy, even better days are ahead. I would like to thank our stakeholders, staff, and Board of Directors for their contributions towards the success of our organization.

Ali Bin Hassan Al-Muraikhi

Managing Director and General Manager



ABOUT QATAR STEEL

TIMELINE | FUTURE

Qatar Steel is fully owned by Industries Qatar since 2003 and has played an instrumental role in the development of our nation. Founded in 1974 as the first integrated steel plant in the Arabian Gulf Area, our operations have provided the critical local capacity that has enabled Qatar's infrastructure development to surpass expectations. From our humble origins in Mesaieed Industrial City (MIC) in 1974 to our record production in 2015, we have demonstrated a commitment to being a leader in the steel industry within the GCC region.

From the iconic towers of West Bay to the rigorous technical demands of the FIFA 2022 stadiums, our products deliver the innovation, quality, and reliability that sustain the ambitions of our nation, and QNV2030. Steel is inextricably linked with economic growth and prosperity. We believe that we can support this growth and play a positive role in responsibly developing Qatar in a manner that sustains the aspirations of our nation as well as the expectations of future generations.



Our Vision

We endeavour to be universally recognised as a leading and a constantly growing force in the steel industry of the region, to be admired for our business culture, to build value for our shareholders and customers, and to bring inspiration to the people of Qatar.

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.

Our Values

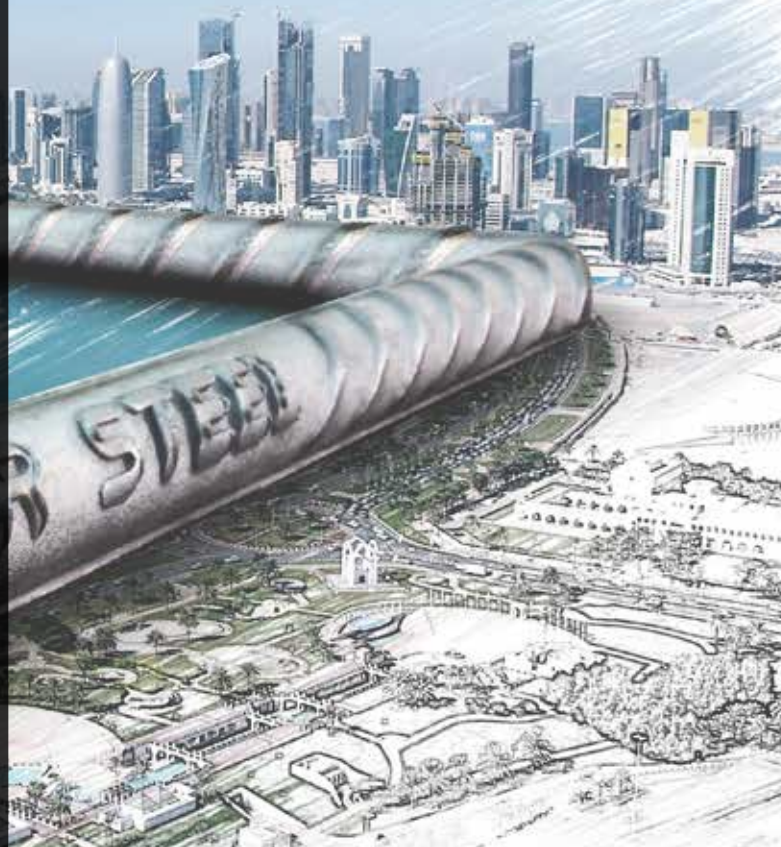
A 'Principal' Player. The drivers of our ambition:

- 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.





قطر ستييل
QATAR STEEL

QATAR STEEL 2015 HIGHLIGHTS

2015 was a year of progress across many dimensions of our sustainability strategies as set out in our Sustainability Framework and the specific objectives identified in our Sustainability Roadmap 2020. Here is just a sample of our achievements in 2015.

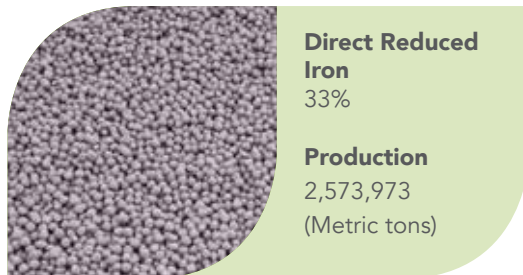
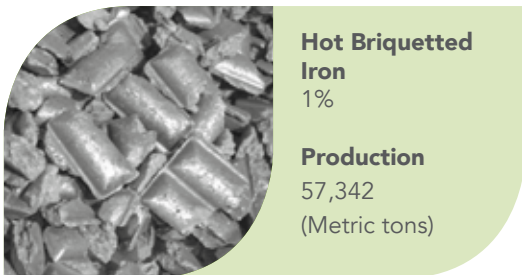
- Commissioned a new by-products briquetting plant to recycle by-products such as Oxide fines, Mill Scale, DR Slurry, DR Dust, DRI fines, by means of agglomeration as a charge material to EAF, which reduces dust and CO2 emissions.
- Achieved record productivity on Rolling Mill 2.
- Implemented a Sustainability Roadmap 2020 with 6 key sustainability objectives attached to specific targets that are benchmarked to 2014.
- Received a BRE Global Certification for Life Cycle Assessment of our products.
- Initiated a pilot project to convert our slag waste into a value added product as a replacement of aggregate.
- Initiated and implemented feasibility studies to recycle Q-Company's carbon waste as a replacement of lump coke and recarburizer in steel making.
- Retained 83% domestic market share in our core Rebar product.
- Maintained an 82% client satisfaction rate
- Increased education and scholarship investment by 8% to 4,171,666 QAR
- Sponsored 18 Qatari employees and provided scholarships to 10 Qatari students
- Increased our locally sourced procurement Riyals spend by 247%
- Supported Community initiatives in sport events, work safety forums and the Red Crescent
- Decreased vehicle and fuel consumption by 33%
- Decreased total electricity consumption by 11%
- Decreased total GHG emissions by 36%
- Invested 18 Million QAR to reduce dust emissions in DR module.
- Expanded our emissions monitoring system capacity
- Renewed Certification by UK Cares for our responsible sourcing practices
- Decreased freshwater consumption by 4%
- Implemented initiatives to reduce seawater discharge
- Increased our scrap metal input recycling by 10%
- Reduced total waste generated by 9%
- Initiated a transformational safety program (DuPont Method)
- Revised our Governance Charter
- Developed an Enterprise Risk Management framework
- Reduced operational costs by 6%
- Launched a cost optimization program that achieved reductions of QR 119 million

PRODUCTS

Our state-of-the-art production technology ensures that Qatar Steel delivers quality products that are recyclable while minimizing carbon emissions. We produce Cold Direct Reduced

Iron (DRI), Steel Billets, and reinforcing steel construction bars (rebars), including two varieties designed for sustainability (corrosion resistant epoxy coated rebars, and high strength rebars).

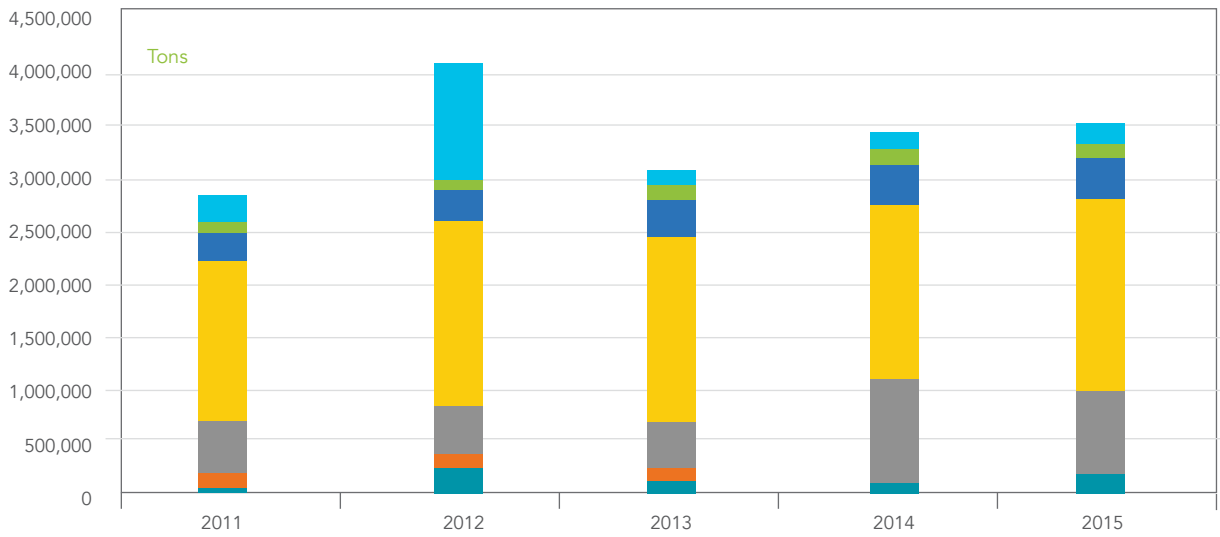
PRODUCTS MIX 2015



Due to the strong domestic demand, our production capacities primarily serve the local market. Where possible we also export to Saudi Arabia, UAE, Bahrain, Kuwait, and Oman, and this export is primarily through our subsidiary in the Jebel Ali Free Zone in Dubai.

Our product sales have been sustained by robust domestic growth over the past five years. In this market, we continue to be a steel supplier of choice, particularly for challenging projects that demand technically rigorous product specifications. Our main product, Rebar has consistently provided approximately two thirds of our gross sales by volume, a reflection of the magnitude of infrastructure development in the domestic market.

Qatar Steel Product Sales



- Others - By Products
- Wire rod and re-bar in coil
- Steel Bars (tons) - Qatar Steel (Dubai FZE, UAE)
- Steel Bars (tons) - Qatar Steel (Mesaieed, The State of Qatar)
- Steel Billets (Tons)
- HBI (Tons)
- DRI (Tons)



PLANT OPERATIONS

We are proud to say our operating facilities consist of modern state of art Technologies. Day in and day out our several operational plants are

synchronized to achieve efficient and high quality production.

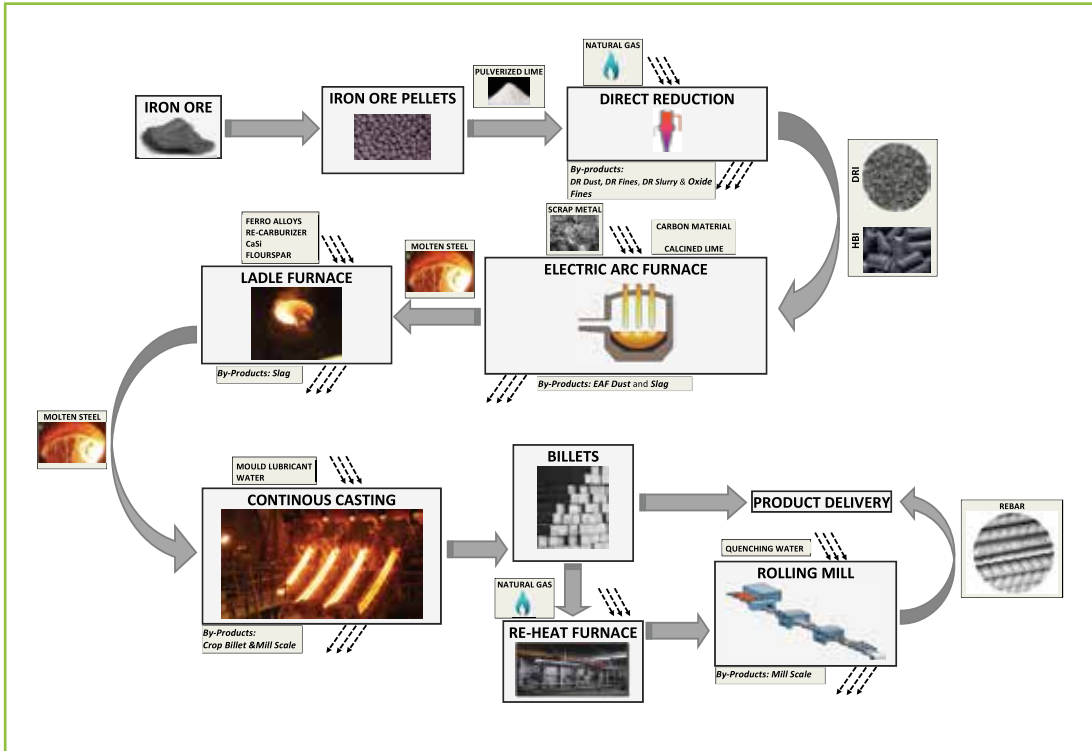


Figure 1: Our production facilities and improvements 2015

At Qatar Steel we have the MIDREX® Direct Reduction Plants that are among the industry's most productive and reliable direct reduction plants. According to MIDREX's annual review 2015, of all operating plants. Qatar Steel is the largest producer (by volume- 7470 tons/day) and is ranked among the best, for quality of steel produced.

Our DRI iron is used to produce steel. In 2015 we surpassed design capacity in steel making with our EAF3, EAF4 & EAF5 units achieving productivity of 8156 tons/day. In addition to DRI and EAF we also have 5 units dedicated to casting (CC3, CC4 and CC5) producing 7755 tons/day and two rolling mills (RM1 & RM2) producing 5282 tons/day.

SUBSIDIARIES

We established a subsidiary free zone entity in Dubai, UAE, to meet the growing demand for rebars and steel wire rods within the GCC market. This subsidiary operates two primary facilities at the Jebal Ali Free Zone to produce wire rod and advanced rebars.

We also established a joint venture between Qatar Steel and Qatar Industrial Manufacturing Company (QIMC) to develop a product solution to address local issues with rebar corrosion. This effort led to the creation of Qatar Metals Coating Company (Q-Coat) in Mesaieed, Qatar, which produces a fusion bonded epoxy coating for Qatar Steel's rebar products.



Qatar Steel company FZE (Dubai,UAE)

Qatar Steel Company FZE was established to meet the growing demand for rebar and steel wire rods, both within the GC 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 rebar mill has a design capacity of 300,000 mt per year.



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 year 1999 as a joint venture between Qatar Steel and Qatar Industrial Manufacturing Company (QIMC). Its mandate was to solve the problem posed by concrete reinforcement corrosion, and it achieved this mission via the development of a new product: fusion-bonded epoxy coating on Qatar Steel rebar products. The production capacity of the Q-Coat facility is 100,000 metric tons per year.

SUSTAINABILITY MANAGEMENT APPROACH

Qatar Steel's updated Corporate Strategy Map 2015-2017 provides the company with strategic priorities with the objective of meeting stakeholder expectations. The Corporate Strategy Map covers corporate objectives under the strategic themes: Integrated Business Portfolio, Market Pioneer, Operational Excellence, High Performing Organization and Commitment to

Qatar National Vision 2030. Sustainability is at the heart of all these corporate themes. Objectives under each of these themes are monitored with a Balanced Scorecard and supported with our Risk Management matrix at department, division, and corporate levels, allowing the entire organisation to align with our Corporate Strategy Map.

QATAR STEEL STRATEGY MAP: 2015-2017



MATERIAL SUSTAINABILITY ISSUES

From the Corporate Strategy Map, we evaluate our performance across 20 material sustainability issues that are key to achieving sustainability.

These material issues were determined by Qatar Steel materiality assessment and CARES Sustainable Constructional Steel Scheme Maturity

Principles (APPENDIX B). The material issues are ranked according to importance to stakeholders and their impact on Qatar Steel’s sustainability performance. These 20 material issues provide the basis for developing a framework that facilitates external reporting and evaluation of our progress.

- | | | | |
|---------------------------|-----------------------------------|--|--------------------------|
| 1 Financial Performance | 2 Employee Safety | 3 Product Quality | 4 Product Innovation |
| 5 Customer Satisfaction | 6 Emergency Response Preparedness | 7 Waste Management and Recycling | 8 Energy Consumption |
| 9 GHG Emissions | 10 Risk Management | 11 Contractor Safety | 12 Product Traceability |
| 13 Operational Efficiency | 14 Occupational Health | 15 Qatarization | 16 Corporate Governance |
| 17 Water Consumption | 18 Training and Development | 19 Performance Based Compensations and rewards | 20 Strategic Investments |

SUSTAINABILITY FRAMEWORK

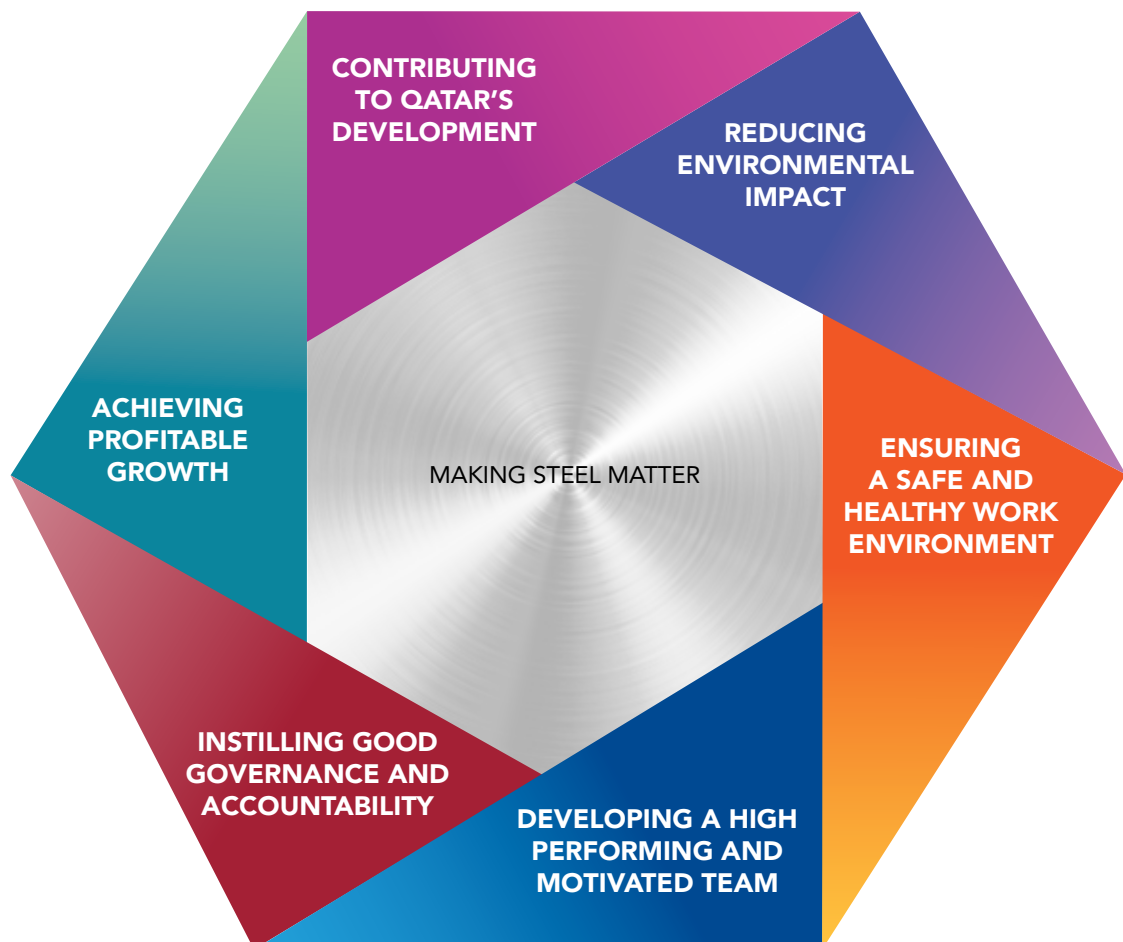
Sustainable development has been defined as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs.' These priorities are reflected in the guidance of Qatar's National Vision (QNV) 2030 to nurture a cohesive society and sustain our environment through responsible development. Qatar Steel is committed to its role in ensuring its products and processes align with QNV 2030, and the National Development Strategy (NDS) 2011-2016 in the most sustainable way possible, without compromising the quality our customers rely on.

We recognize there is a social responsibility as well as a financial reward for operating our business in a sustainable manner. The challenges to economic, environmental, and social sustainability were identified in our 20 material sustainability issues and embedded into our Sustainability Framework. These 20 sustainability

issues are allocated across the seven pillars of sustainability that comprise our sustainability framework:

1. Making Steel Matter
2. Contributing to Qatar's Development
3. Reducing Environmental Impact
4. Ensuring a Safe and Healthy Work Environment
5. Developing a High Performing and Motivated Team
6. Instilling Good Governance and Accountability
7. Achieving Profitable Growth

The framework provides structure to the priorities and values that guide our sustainability efforts. It is instrumental in serving as a reference point to translate our priorities into actionable sustainability targets.



SUSTAINABILITY ROADMAP 2020

In 2015 we developed our **Sustainability Roadmap 2020**; a transformative document created to present key objectives with targets and timelines that will fulfill our corporate strategy, sustainability management program and support our leadership position in sustainability. The roadmap is an evolutionary step in our sustainability efforts, and one that sets a clear path to improve the sustainability of our corporation.

The Roadmap specifies a five-year plan, from 2016 to 2020, across 6 thematic objectives, to achieve our sustainability priorities. These are:

1. Sustainable Steel Supplier of Choice in the Region
2. Breakthrough Low Carbon Footprint for the Steel Industry
3. World Class Energy Consumption Rates for the Steel Industry
4. Leader in Recycling and Reusing Among Companies in the Qatar Energy and Industry Sector
5. Zero Harm Culture and Performance
6. Leading Water Management Practices for Qatar and the Steel Industry Internationally

The Roadmap builds on the foundation of our Sustainability Framework. The 6 Roadmap objectives align with the elements of our Sustainability Framework as follows:

Framework Focus Area	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6
Making Steel Matters	√	√	√	√		√
Contributing to Qatar's Development	√				√	√
Reducing Environmental Impact	√	√	√	√		√
Ensuring Safe and Healthy Work Environment					√	
Developing a High-Performing & Motivated Team					√	
Instilling Good Governance and Accountability	Overall Framework					
Achieving Profitable Growth	√	√	√	√	√	√

Each of the six objectives of the Roadmap carries several specific targets with implementation timelines and action items that are assigned to their commensurate departments. These targets are measured against a 2014 baseline and prioritized according to impact and resources required. By setting targets, timelines, and implementation plans, the Roadmap is a strategy for operational success in sustainability.

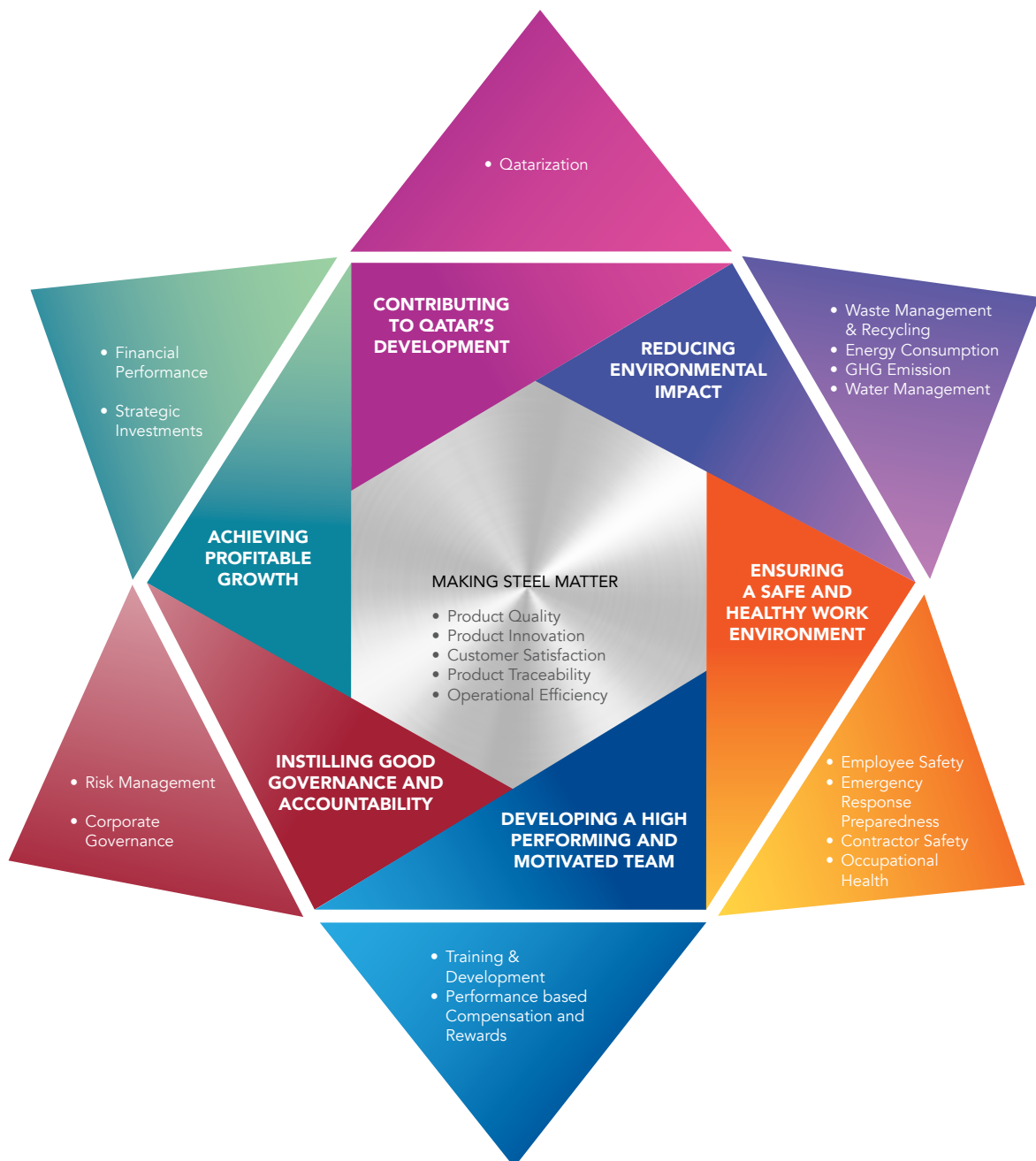
This ecosystem of programs (Corporate Strategy Map, Sustainability Framework, Sustainability Roadmap 2020), comprise Qatar Steel's

Sustainability Management System. This system is designed to enable us to achieve our sustainability objectives and optimize the value generated for our stakeholders. These provide the foundation of our 2015 Sustainability Report. As part of this process, we will benchmark our sustainability performance against that of other relevant companies in the region and internationally. Additionally Qatar Steel is in the process of establishing its Stakeholder Advisory Group, comprised of representatives from our key stakeholders, to act as an advisory body during our journey towards sustainability.

In 2016, Qatar Steel will develop a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on our approach to sustainability.

The 2015 Qatar Steel Sustainability Report is organized in sections according to the 7 pillars of the sustainability framework. Within each section we discuss the pertinent material issues and evaluate our progress and initiative towards sustainability.

QATAR STEEL SUSTAINABILITY FRAMEWORK & 20 MATERIAL ISSUES





MAKING STEEL MATTER

'Making Steel Matter' is the essence of the company's 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 possible.

SUSTAINABILITY MATERIAL ASPECTS

- PRODUCT QUALITY
- PRODUCT TRACEABILITY
- PRODUCT INNOVATION
- CUSTOMER SATISFACTION
- OPERATIONAL EFFICIENCY





MAKING STEEL MATTER

Making steel matter is the core of our sustainability framework. We provide sustainable steel by focusing on product quality, innovation, and traceability, as well as operational efficiency, all in an effort to achieve customer satisfaction. Our Sustainability Roadmap objective number one is to be the sustainable steel supplier of choice in the region.

In 2015, we have set ambitious and achievable targets within our Roadmap to develop 10 new products by 2020, to introduce 2 new high strength steel products to the regional markets by 2017, and to grow the sales of these 2 products year over year to 2020. Although it is only our first year of working within the Roadmap, we have made significant progress on these objectives already.

PRODUCT QUALITY

Our sustainability measures to provide quality products involve integrating Life Cycle Assessments (LCA), improving our standards

to meet international accreditations, and manufacture of high-grade steel.

Qatar Steel makes best efforts to provide cradle-to-cradle assessment of its products. Many of our suppliers also provide life cycle assessments of their products; our Iron ore is sourced from 4 globally recognized companies, all of which are ISO 14001 Environmental Management System and ISO 9001 Quality Management System certified. In 2015 we completed a life cycle assessment (LCA) on our products through a third party evaluator (BRE Global Certification Organization), in accordance with the requirements of EN15804:2012 + A1:2013. This certification and information facilitates our responsible sourcing practices as well as providing clear benchmarks and guidance on our product sustainability. Additionally, Qatar Steel produces its products in line with the sustainability principles of the CARES Sustainable Constructional Steel Scheme (APPENDIX B).

For Qatar Steel EPD Certificate please follow the link: www.greenbooklive.com/search/scheme.jsp?id=300

CERTIFICATE OF APPROVAL



Responsible sourcing of construction products



Rating
VERY GOOD

This is to certify that
Qatar Steel Company (QSC)
at its establishment at
Mesaieed, Qatar

has been approved by the Authority to the requirements of BES 6001 Issue 3.0 using the processes and procedures registered with the Authority. This responsible Sourcing certification has been carried out under license using BRE's Responsible Sourcing scheme methodology, scheme documentation and underpinning processes. The scoring table is shown in a separate appendix to this certificate.

BRE BES 6001 Issue 3.0

Scope of certification:

Production of continuously cast steel billets. Production of hot rolled steel bar for the reinforcement of concrete.

This certificate remains the property of the Authority and is issued subject to the Regulations of the Authority. This certificate is uncontrolled when printed. To check the validity of this certificate please visit www.ukcares.com or contact us on +44 1732 450000.

CERTIFICATE NUMBER	FIRST APPROVAL	ISSUE DATE	EXPIRY DATE
1451	July 2016	20 July 2016	20 July 2019

SIGNED FOR UK CERTIFICATION AUTHORITY FOR REINFORCING STEELS

Lee Brankley,
Chief Executive Officer

The use of the Accreditation Mark indicates accreditation in respect of those activities covered by the accreditation certificate number 002.

UK Certification Authority for Reinforcing Steels, Pembroke House, 21 Pembroke Road, Sevenoaks, Kent, TN13 1XR, UK.

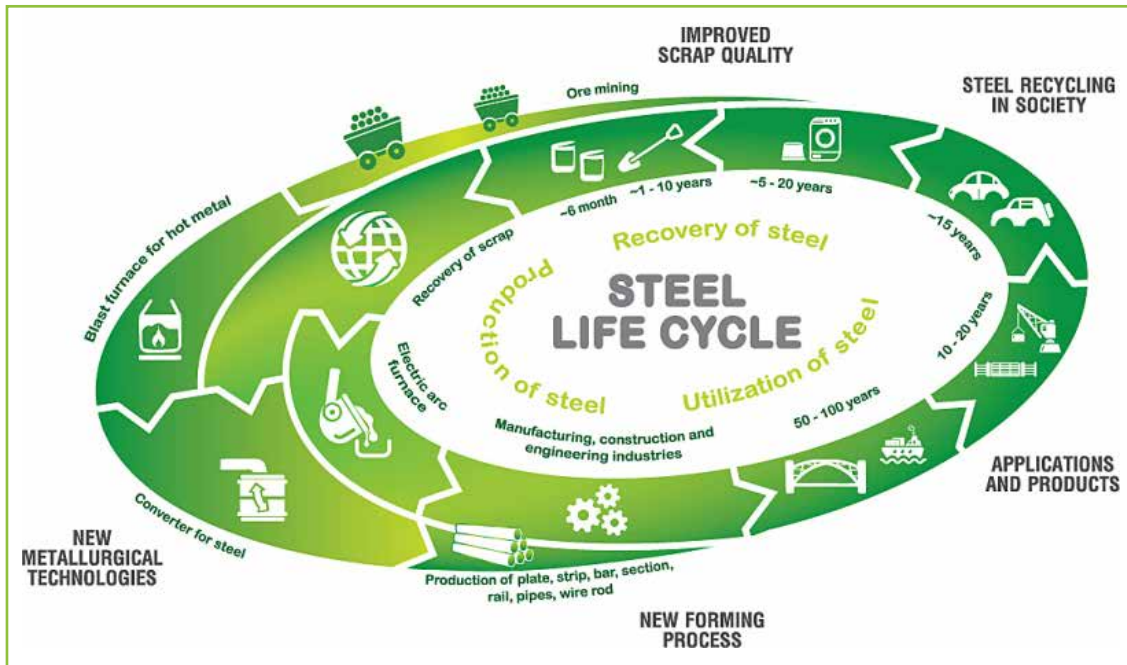
A Company Limited by Guarantee. Registered in England No. 1762448.

Cert. Ref: ALIC112010 43401 603





STEEL LIFE CYCLE



SOURCE: WORLD STEEL

Our responsible sourcing practices, life-cycle assessments, and accreditation by international bodies are highly valued by our clients, as it contributes to their efforts to achieve international recognition and accreditation for their own sustainability programs, many of which

are required for a project to be awarded. Our products meet several internationally recognized quality control standards. We have over 35 years of progress in having our processes and products accredited by international bodies. In 2015, we retained or received accreditation in:



OUR JOURNEY TO ACHIEVE QUALITY AND EXCELLENCE

1981

Achieves a total production of one million metric tons from its DR, EAF, CC, and RM plants.

1991

Obtains the Japanese Industrial Standards (JIS) Certificate. (Currently, there is no renewal for this certificate as it is a one-time certification.)

1995

Receives ISO 9000 certification for its Quality Management System. (This was then updated to ISO 9001 in 2004, and renewed in 2012.)

1997

Becomes fully owned by the Government of Qatar.

1999

Obtains the ISO 14001 designation for its Environmental Management System.

2003

- Becomes fully owned by Industries Qatar (IQ).
- Obtains Saudi Arabian Standards Organisation (SASO) Certification.

2006

Receives UKCARES for Quality Management System and Product Conformity in Steel for Reinforcement of Concrete Certificate (BS 4449:1997 Gr460B) for sizes varying from 10.0mm~40.0mm.

2008

Obtains Dubai Central Laboratory (DCL) Product Conformity in Steel for Reinforcement of Concrete Certificate (ASTM A615 Grade 60 and BS 4449:1997 Grade 460B) for sizes varying from 10.0mm~40.0mm.

2009

Receives UKCARES Product Conformity in Steel for Reinforcement of Concrete Certificate (BS 4449:2005 Grade B500B) for sizes varying from 10.0mm~40.0mm.



Obtains Dubai Central Laboratory (DCL) Product Conformity in Steel for Reinforcement of Concrete Certificate (BS 4449:2005 Grade B500B) for sizes varying from 10.0mm~40.0mm.



Receives UKCARES Sustainable Reinforcing Steel Certification.



- Receives UKCARES Sustainable Reinforcing Steel Re-certification.
- Releases its first sustainability report, which covers the company's operational, environmental, social, and economic performance for the period 2009–2011.
- The first steel company in the region to be inducted into Palladium's Hall of Fame for Strategy Execution.



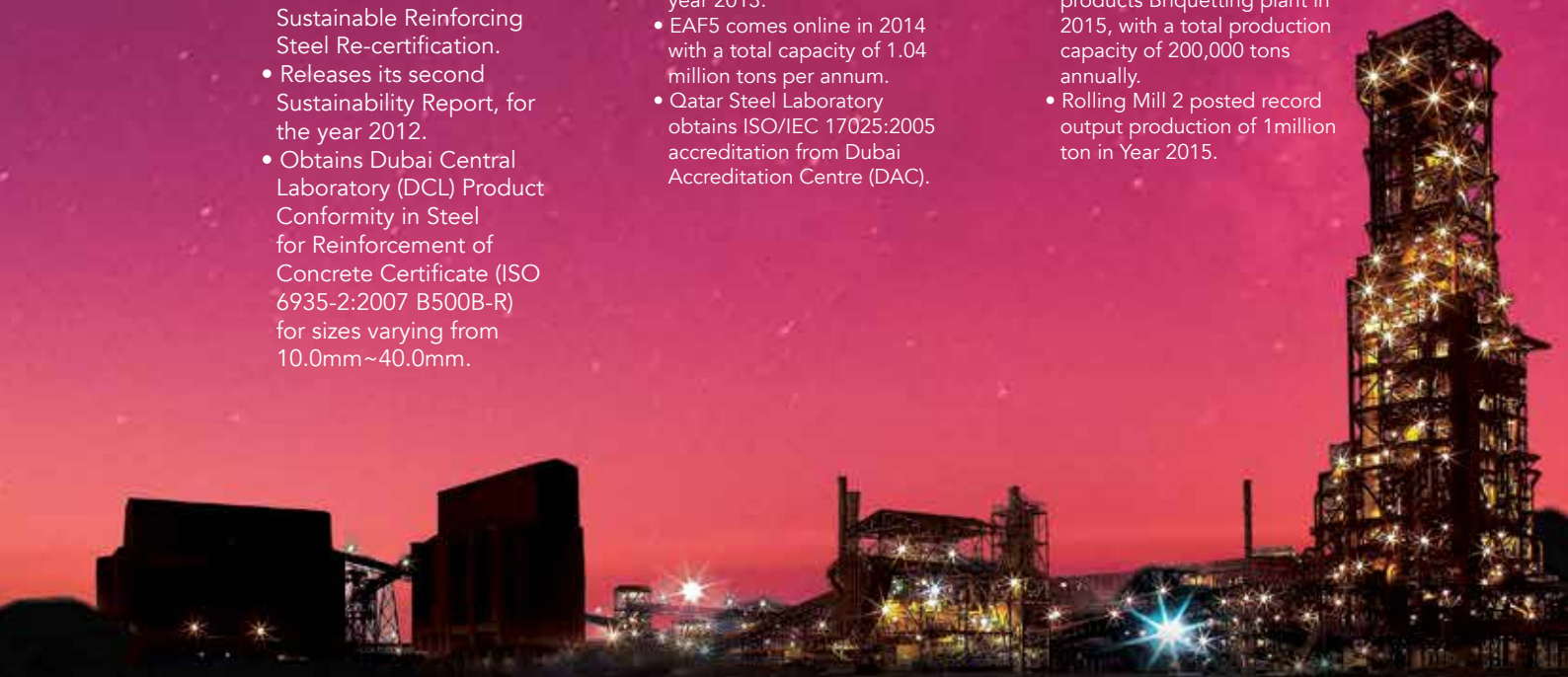
- Receives Qatar Petroleum's Award for Excellence in Sustainability Reporting for 2011.
- Receives UKCARES Sustainable Reinforcing Steel Re-certification.
- Releases its second Sustainability Report, for the year 2012.
- Obtains Dubai Central Laboratory (DCL) Product Conformity in Steel for Reinforcement of Concrete Certificate (ISO 6935-2:2007 B500B-R) for sizes varying from 10.0mm~40.0mm.



- Received the Innovation in Waste Management Award in the Qatar Energy and Industry Sector Sustainability Programme Awards for the year 2013.
- EAF5 comes online in 2014 with a total capacity of 1.04 million tons per annum.
- Qatar Steel Laboratory obtains ISO/IEC 17025:2005 accreditation from Dubai Accreditation Centre (DAC).



- Receive UKCARES Sustainable Reinforcing Steel Re-certification.
- Qatar Steel successfully commissioned new By-products Briquetting plant in 2015, with a total production capacity of 200,000 tons annually.
- Rolling Mill 2 posted record output production of 1million ton in Year 2015.



Qatar Steel's Core Strategy is to set apart from competitors by producing highest-grade steel products available in the industry. High Standards in steel grade parameters provide added value in improving the strength, life-span and recyclability of our products.

These efforts are reflected in our results. In 2015, less than one percent of our rebars were scrapped for quality issues. Our billet quality is even better,

with only about 1/10th of one percent (0.01%) of our billets being scrapped due to quality issues.

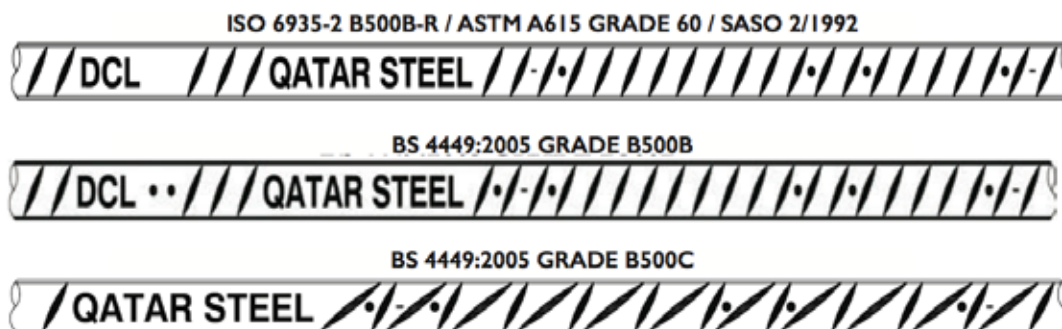
Our product quality is driven by our values, processes and sustainability aspirations. These high standards facilitate a more sustainable product, which improves our bottom line and financial sustainability.

Product Quality					
	2011	2012	2013	2014	2015
% of billets scrapped due to quality parameters	0.27	0.06	0.04	0.03	0.013
% of rebar scrapped due to quality parameters	0.01	0.008	0	0.21	0.98

PRODUCT TRACEABILITY

Construction is a complex business of managing variables and ensuring quality control. For this reason, our clients expect the ability to trace the products they are using, including our steel. We take pride in our quality, which is why we provide full traceability on all our products by marking it at

the rolling stage with unique identifiers including the: grade, applicable standards, batch number and the Qatar Steel name. This ensures that our customers have 100% confidence in the quality of the steel as well as its provenance.



PRODUCT INNOVATION



Innovation is crucial to providing our customers with the unique products they require, retaining our competitive market position, and improving the sustainability of our products and processes. Our approach to innovation is driven by understanding the market needs and developing the right solution. Our research and sustainability performance is monitored quarterly across four key sustainability initiatives that support the targets set by the Sustainability Roadmap:

1. New product development
2. Recycling & Sustainability
3. Process Improvement
4. Cost Reduction

We continue to push for innovation on many fronts, perhaps none more so than energy efficiency and reducing environmental impact. Two percent of our total revenues are allocated to environmental innovations. In 2015, we initiated several projects that are anticipated to improve our energy efficiency, in alignment with our Sustainability Roadmap and framework.

One initiative is a pilot project to convert EAF slag into aggregate for road construction. It is showing early promise, and we have partnered

with a local roadworks company to test further applications of this project; results are anticipated in 2016.

To support product and process innovation, we fund on-going university research that is exploring the potential to reduce wastewater and reduce material wastes in our industry and collaborate on several projects to this aim. We also participate in knowledge transfer programs with global steel associations such as World Steel in the fields of sustainable development and sustainable steel.

In 2015, R&D department successfully developed rebar conforming **ASTM A615 Grade 80** specification to cater Qatar/GCC construction market. This new grade of steel is considered to be a cost-efficient product. By leading to reduction in column size of heavily loaded structures, its use will relieve rebar congestion and reduces the overall cost of construction.

In 2016, Qatar Steel has plans and working on development of wire rod for copper coated continuous welding electrode application, **high carbon wire rod for PC Strand application** to serve Qatar/GCC market.

CUSTOMER SATISFACTION

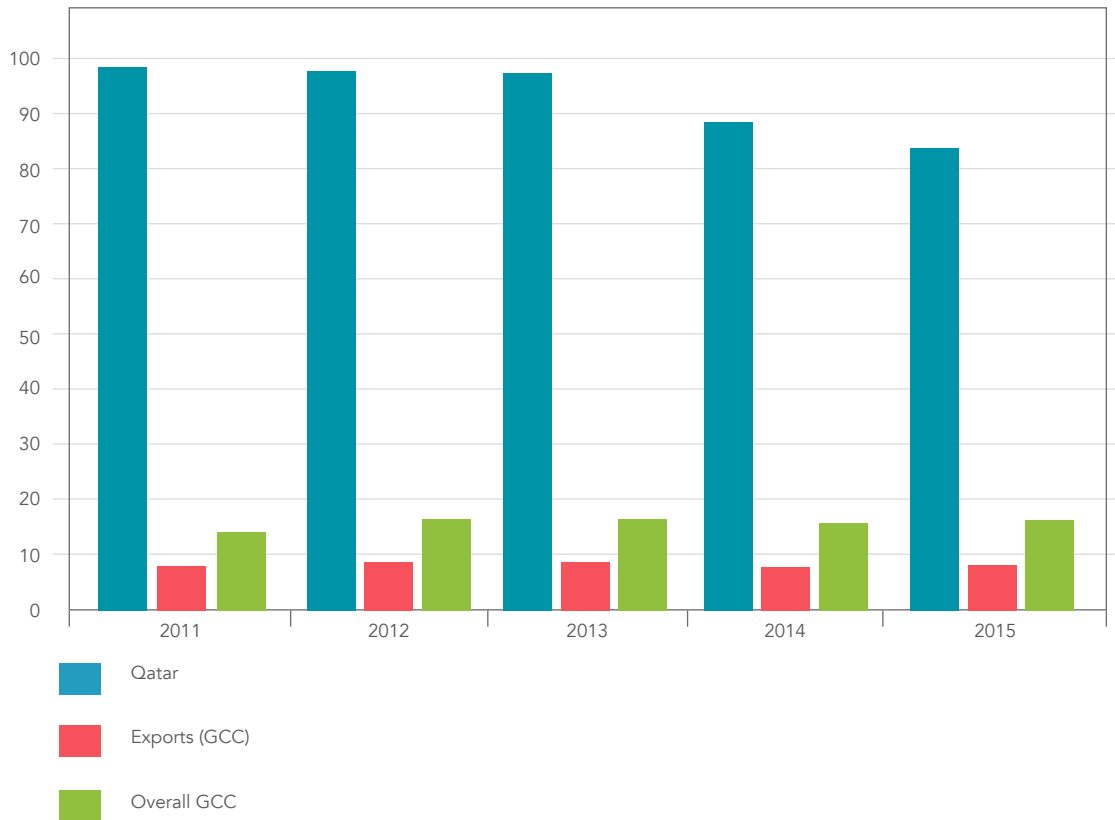


Our efforts to ensure our customers are satisfied is reflected in our enviable market share and customer satisfaction ratings. In 2015, overall customer satisfaction feedback survey rated 4.10 (82%) out of 5-point scale, a slight increase over the 5-year average, and consistent with last year's results. In 2015 we were able to maintain a remarkable market share of 83% in Qatar, and 16% of the total GCC for rebars.

Although we serve both domestic and international markets, our priority has been to meet the strong domestic demand for steel, with superior customer service.

Our market share in export markets in 2015 declined as a result of the satisfying high domestic demand that requires most of our productive capacity.

Market share for Rebar (%)



Qatar Steel’s customer service efforts go beyond the conventional interactions with customers and distributors. We provide a Customer Portal System, which enables our customers to more easily place their orders and track their shipments to ensure on-time delivery of products. In 2015, Customer Relationship Management (CRM) introduced a new facility on the existing Customer Portal by providing access to all our valued customers for downloading and printing Qatar Steel’s Product and Quality Management System Certificates.

We believe that our distributors are an integral part of our business. We maintain a robust selection of distribution networks and communicate regularly with our distributors to gauge forward market demand, and desired improvements. We cap these efforts off with an annual distributor appreciation event, which was held in Banana Island during 2015.

The Big 5 Saudi 2015

To engage with its distributors and expand its relations, Qatar Steel participated in “The Big 5 Saudi 2015.” It is one of the largest building and construction exhibitions in the Middle East, attracting local, regional and companies from other parts of the world, who showcased their recent developments and solutions in building, constructions and contracting. The event also provides the opportunity for exhibitors to develop in-depth networking in the Saudi market, explore investment opportunities available in the construction/infrastructure sector, as well as real estate and urban projects.

OPERATIONAL EFFICIENCY

Qatar Steel implemented several process improvement and modification projects at different plants to improve productivity, enhance process control and stabilize product quality.

Some of the key process improvement initiatives completed in 2015 are as follows:

Direct Reduction Plant

- Installation of weighing scales at Remet conveyor and Silo discharge conveyor.
- Installation of Gas detection system in Analyzer room.
- Automation of selected control loops.
- Installation of new paging system.
- New dust collection pick-up points installation.
- Installation of new Plant air compressor.

Steel Making Facilities

- New facility (EF/CC5) achieved 1,113,528 ton molten steel where design capacity is 1,040,000 ton
- EF4 addition DRI feeding hopper (in –house modification)
- successfully commissioned which enhance the productivity.
- All CCM's (3,4 &5) achieved highest casting time in single tundish (70, 135 & 141) hrs and highest TD refractory life (88, 166 & 191) heats / TD.
- Successfully commissioned LD shroud at CC3 (in –house modification) on Dec. 2015 to enhance TD life and improve billet quality.
- Achieved lowest average refractory consumption for steel making shop 9.1 KG / Ton.
- Achieved highest average LD purging cone life 34.48 heats / cone.
- Achieved highest LD purging cone life 108 heats / cone.

Rolling Mill

- Improvement in Time utilization factor in both mills. : RM1: 90.4% in 2015 against 89.2% in 2014 - RM2: 93.3% in 2015 as against 92.6% in 2014
- Improvement in material yield in both mills. : RM1: 97.69% in 2015 against 97.37% in 2014 - RM2: 99.26% in 2015 as against 99.25% in 2014
- RM1; revamping of the Roughing Mill Train Stand Motors from fixed speed to variable speed control system which shall improve the mill stability and increase its annual productivity by about 4%.
- RM1; unification of the billet weight of most of rebar sizes for more flexibility of size changing to cope with the dynamicity of market's demand without any Yield loss and productivity increasing as well.
- RM2; Enhancement of the quenching efficiency through reorientation of the Thermix System to be closer to the Key Stand.
- RM2; conducting a successful trail of a new rebar standard grade ASTM-GR-80.

IMPROVEMENTS IN MAINTENANCE PRACTICES AND ASSET MANAGEMENT.

Qatar Steel made a paradigm to shift condition monitoring as predictive maintenance strategy. This fiscal year we further strengthened the condition based maintenance by implementing Dissolved Gas Analysis for all critical Transformers and introducing the Thermography all electrical switch gear and other critical components. This will enhance plant reliability & overall productivity and human safety.

There are major initiatives carried out in the year 2015 and the glimpses are as below:

Direct Reduction Plants

- DR Plant # 2 has been successfully operated for the highest ever achieved yearly operating hours since plant commissioning (8487.15 Hours – 353.63 days – the plant was originally designed to be operated for 8000 hours per year).

The same has its direct impact on achieving the highest recorded annual production of 1,819,433 tons vs million ton per annum.

- DR Plant # 2 upgrading has been planned in Q1-16 for an upgraded capacity of 232 Tons/Hr by modification in main planned equipment and control system.

Steel Making Facilities

- In line with Qatar Steel management guidance and commitment towards clean, safe and healthy environment, the tendering process and order placement to upgrade and revamp our EAF # 3 Fume Treatment Plant have been completed, this will ensure high level of conformity to stringent international environmental regulations and legal requirements.
- New magnet crane installed and commissioned in Continuous Casting Short billet bay.
- Online Weighing system introduced in Crane # 4 (Ladle crane) to handle the molten steel in safe manner.

Rolling Mills

- RM1 Roughing Mill Stands Speed Control modified with the introduction of AC Motors that can provide variable speed from 600 to 750 rpm to accommodate the wear in roll diameter.
- In RM # 2, we contributed to improve the RRR (Roll Rotating Ratio) up to 93.30% by implementing stringent maintenance programs especially for the mill gear reducers, the dividing shear, and the reheating furnace walking hearth mechanical components. Thus we could able to contribute in achieving a total production of 1,010,045 tons of rebar production for the first time since plant commissioning.





CONTRIBUTING TO QATAR'S DEVELOPMENT

Qatar Steel plays a vital role in the country's long-term social, human, and environmental development. We will continue to be a positive force contributing to sustainable development in Qatar.

SUSTAINABILITY MATERIAL ASPECTS

- QATARIZATION





CONTRIBUTING TO QATAR'S DEVELOPMENT

Qatar Steel has deep roots in Qatar. We have been supporting our nation since its early years, and providing the technical capacity and finished product that helps our nation develop. Our commitment to contributing to Qatar's national development is embedded within our corporate strategy and our sustainability objectives. We have identified Qatarization as a top material issue to our company. We also believe that we can foster a more sustainable society within Qatar by hiring locally, procuring local materials, and investing in our community.

QATARIZATION

Our Qatarization strategy consists of attracting Qatari nationals to work at Qatar Steel, developing the skills and qualifications of each Qatari employee, and retaining Qatari employees by providing competitive benefit plans. Each of these efforts are implemented across several programs which are overseen by our Qatarization Steering Committee.

Qatarization remains an on-going challenge not only for Qatar Steel, but for many industries in the nation. This is a challenge due to several factors that we have identified: a result of the nature of the industry, language barriers, the specific technical knowledge requirements, location

and distance between our operations and our employees' residence, and an unwillingness of females to work in a male dominated industry. Armed with this knowledge we have improved our outreach efforts and developed focus areas, benefits and programs that we believe will attract Qatari talent.

ACQUIRING AND BUILDING QATARI TALENT

At Qatar Steel, we have developed deep program capacity across multiple channels to acquire and develop local talent. The scope of our efforts range from: career fairs, Qatar Steel open day, educational outreach, scholarships, research funding, benefits programs, and internships. This full cycle approach has proven successful in building ties with the Qatari labour force, and establishing Qatar Steel as an employer of choice.

Our goal is to achieve an overall 10% increase in Qatarization each year. We acknowledge that this target is ambitious; but we are moving in the right direction. In 2015 we increased our share of Qatari employees to 10.2%, and have developed greater programs to attract and retain Qatari employees.

Qatarization					
	2011	2012	2013	2014	2015
Number of Qatari Employees	212	208	205	210	191
Qatarization	11.7	11.4%	9.7%	9.9%	10.2



PROFILE: QATAR STEEL SPONSORSHIP

Ms. Latifa Abdulaziz Al Mutawah joined Qatar Steel under its scholarship program in January 2014. She was a student in University of Sharjah, majoring in International Relations.

As part of her study, Ms. Latifa attended many important seminars, discussions and training programs which helped her broaden her knowledge and skill sets. She has completed an internship program in Dubai Police - Human Rights department part of it was with Dubai Courts. She also had the opportunity of personally meeting the Portuguese and Japanese Ambassadors. Ms. Latifa was also invited by UAE Ministry of Foreign Affairs in Abu Dhabi to be part of a discussion panel for an event organized by them.

Her ambition is to one day represent Qatar in the United Nations and to promote the presence of women in different areas of life. She is very passionate about her role and contribution of women in the progress of Qatar's society. Ms. Latifa showed a great deal of enthusiasm, dedication and talent as a student. With the hard work and energy she exudes, Qatar Steel believes that she will be of a great value to the Company.

Her passion includes photography, social work, travelling, and reading just to name a few. She had been an active member of Qatar Photographic Society. She had volunteered for programs such as "Best Buddies" – a program which deals with special needs children and also volunteered in activities of ROTA and DTFF.

DEVELOPMENT AND RETENTION OF QATARI EMPLOYEES

Our Qatari human resource team has developed a schedule of incentives for Qatari nationals, such as competitive pay packages, highly specialized training, and on-going career development opportunities, according to industry best practices.

We understand the importance of engaging women in our workplace, specifically local women. According to the Qatar Ministry of Development, Planning and Statistics nearly two-thirds of all graduates are women, we see this as an opportunity to attract and provide an attractive career for these highly skilled university graduates. Moving forward, we will be developing strategies to increase our programs for female Qatari nationals.

In 2015, our focus on Qatarization was directed towards outreach and engagement with young talent by hosting a field visit for Al Jamilia Independent School, participating in career days, as well as education events targeting vocational skills as well as mathematics, chemistry and engineering. In 2015 we participated in the 4th Annual Career Fair for Universities and Work Sectors, the Career Open Day at Qatar Independent Technical School, the 8th Career Fair for Qatari Students in UK, as well as the annual Texas A&M career fair.

SPONSORSHIP AND SCHOLARSHIP PROGRAMME: FOR QATARIS

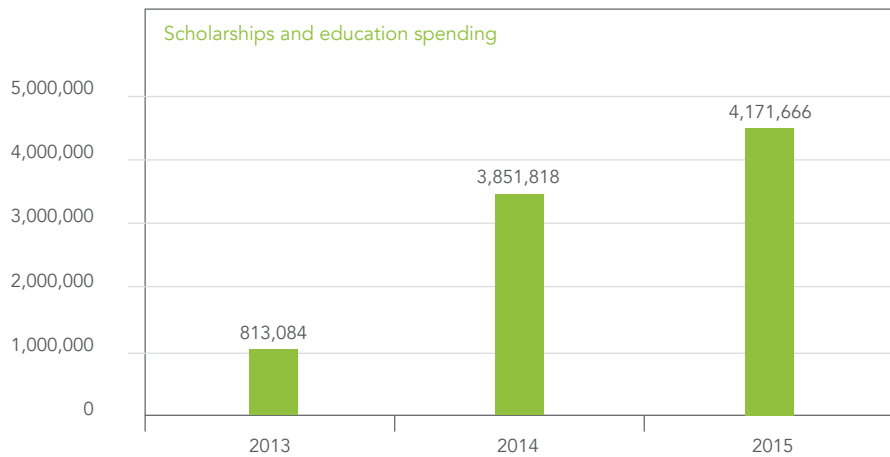
In 2015 Qatar Steel increased scholarship and education spending by 8%, to a total of QAR 4,171,666. To support the career development objectives of Qatari nationals, Qatar Steel offers scholarships to those who are highly motivated to take up university studies, including Qatar Steel employees with a high school qualification seeking higher positions.

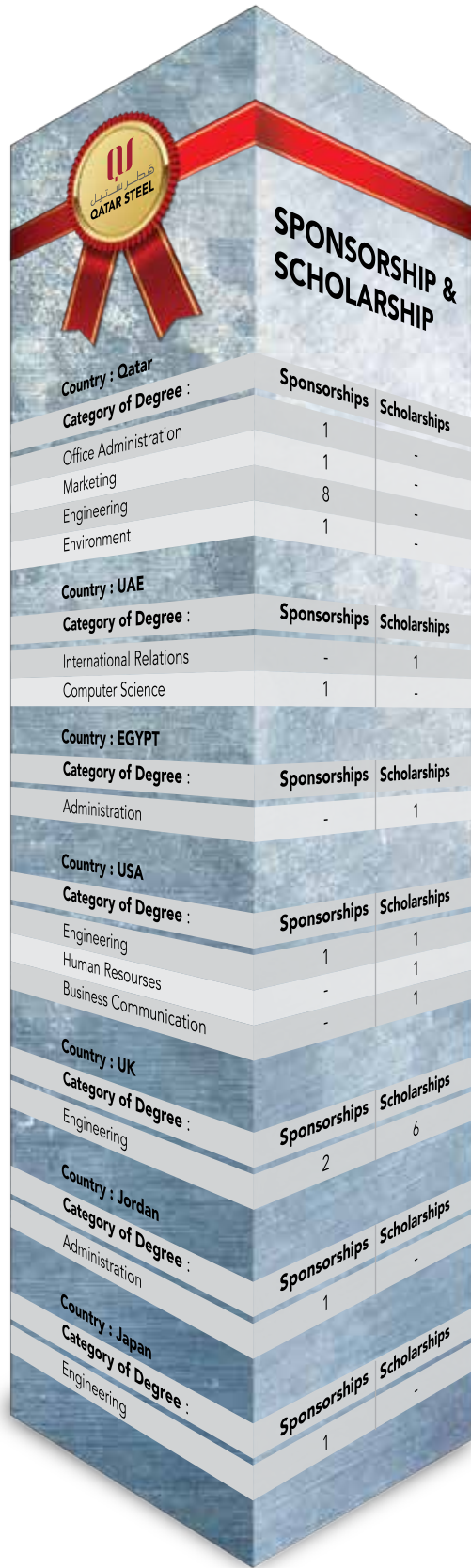
We also sponsor Qatari students' education in universities and colleges, both inside and outside Qatar. As required, administrative and financial

support is provided to all sponsored students to both develop their careers successfully and contribute effectively to Qatar Steel's future growth.

In 2015, Qatar Steel sponsored 18 Qatari employees and provided scholarships to 10 Qatari students, enabling them to pursue education in universities in Qatar, United Arab Emirates, Egypt, United States of America, United Kingdom, Japan and Jordan.

Investment in Education (Unit: QR)







QATARI INTERNSHIP TRAINING PROGRAM

Our Internship Training Program provides Qatari students of universities or technical schools with the opportunity to learn about work in technical and non-technical departments at Qatar Steel. Lasting up to two months, the programme is designed to complement students’ academic education with practical implementation of knowledge through direct exposure to real-time work experiences. It also helps to increase students’ awareness and knowledge of different functions and processes at Qatar Steel.

Qatar Steel attends London Career Fair

Qatar Steel participated in the 8th Annual Career Fair, held from 20th-21st Feb in London, organized by the Qatar Embassy in London. A number of Qatari companies took part in this fair, which was attended by over 350 Qatari students studying in different universities and colleges in the UK. The two-day event aimed at attracting

ambitious and high performing Qatari students and graduates, who are pursuing their studies in UK, to familiarize them with the job opportunities available after graduation, in addition to the scholarships and training programs offered by the companies to potential students.

“Qatar Steel’s participation in the Qatar-UK Career fair 2015 held in London comes in line with the company’s Qatarization strategy, aiming at attracting the talented nationals and introduce them to job opportunities, training and scholarship programs. Our company is keen to boost the career potentials of its employees through providing them on-the-job training and inducting them in higher education courses, as required in their various careers and disciplines.”

Mr. Mohamed Saleh AL Mahdi
HR Manager
Qatar Steel

LOCAL PROCUREMENT

Although local procurement is not in the top 20 material issues, we at Qatar Steel aim to support local suppliers and contractors, recognising that such support is one of the main ways in which we can contribute to the Qatari economy. Our procurement ranges from iron ore, to spare parts, industrial equipment, and services. We make best efforts to consider life cycle impacts and responsible sourcing in selecting our suppliers, wherever possible.

Our local procurement policies have resulted in a 27% increase in investment expenditures in the local economy in 2015 as compared to 2014. Natural gas and electricity is one of our most significant commodities that we consume at Qatar Steel, and it is locally sourced from Qatar Petroleum and Kahramaa, as part of a long-standing contractual partnership. We have procurement policies to seek local supplies and materials whenever feasible for most products, except iron ore, which is not available locally. This contributes to Qatar's national development by encouraging a diverse industrial ecosystem that is self-sustaining; it is also mutually beneficial to Qatar Steel to have a stable and invested network of local partners. We accept and use a significant amount of waste material from other companies in Qatar, helping them to reduce their environmental footprint and costs while providing us with valuable production input.

Spending on locally based contractors and suppliers				
Total spending ('000 QR)				
2011	2012	2013	2014	2015
352,403	596,744	1,338,989	312,622	772,340
As percentage of total spending (%)				
2011	2012	2013	2014	2015
61.0%	42.6%	79.6%	70.0%	89%

In 2015, our spending on locally based contractors and suppliers reached 772,340,000 QR, representing 89% of our total spending on contractors and suppliers. These figures exclude the procurement of raw materials.

In 2015, Qatar Steel took several steps to improve their procurement/suppliers screening process:

1. Pre-qualification process: In 2015 Qatar Steel screened 35 suppliers using this process. The qualification process has been developed to include an HSE representative to gauge suppliers who are capable to contribute to Qatar Steel processes. Suppliers are expected to submit all documentation and evidence of compliance to our standards.
2. Visiting worker camps: Qatar Steel visits contractor camps during the evaluation of the offers to ensure the proper accommodation. The visiting team includes representatives from Procurement and Warehousing Division along with the other Qatar Steel departments. Depending on the conditions in the camp the contractors are scored and evaluated.
3. Workman compensation policy - we do not engage with suppliers who do not have 100% of their workmen covered by workman compensation policy.
4. Tendering: In all tenders Qatar Steel has a well-defined criteria for responsible sourcing.

Qatar Steel follows a balanced scorecard approach for enterprise resource planning and risk management. The supply chain/ procurement risks and associated KPIs are set at the corporate level each year and our progress in achieving these targets is tracked at the department and corporate level. Procurement monitors yearly contractor performance through this balanced scorecard approach.

COMMUNITY INVESTMENTS

Qatar Steel supports various initiatives in the local community, with a focus on thematic investments in society, culture, health, sports, and the environment. Due to the significant market challenges in 2015 we deferred a little from our committed plan of Community Investment Program until 2016. Community investment program in Qatar Steel is aligned with donations and sponsorships as part of sustainability initiatives.

We continue to be devoted to supporting important local programs and events to improve the social fabric of our communities. In 2015, Qatar Steel sponsored an ice hockey tournament, supported to Qatar Red Crescent, promoted blood donation drive, and celebrating World Day for Worker's Safety.

Community investments				
Community Investments (QR)				
2011	2012	2013	2014	2015
310,000	465,000	610,000	10,825,000	341,000

The year over year drop was a result of a substantial and one-off contribution in 2014 to the World Handball Championship. For 2015 our funding is in line with more typical community investment levels.

QATAR STEEL IS PROUD TO SUPPORT THE FOLLOWING EFFORTS

Qatar Red Crescent

In line with its policy to support the local community, Qatar Steel contributed financially to Qatar Red Crescent (QRC), in support of their program "6th disaster management training camp, which was held under the patronage of H E Sheikh Abdullah bin Nasser bin Khalifa Al Thani, Prime Minister and Interior Minister, from 31st March – 9th April, 2015, at Al Khor Marine Scout Camp.

"Our partnership with Qatar Steel is old, and we have good business relationship with them. QRC is providing ambulances and medical teams around the clock to Qatar Steel's plants, in case of any emergency incidents and to promptly rescuing the injured and moving them to the hospital, in addition to treating simple medical cases on the spot. They ensure maintaining the highest levels of security and safety to the maximum benefits of workers at Qatar Steel's plants."

Mr. Rashid Bin Saad Al Mohanadi
Head of the Disaster Management Camp



Ice Hockey Tournament

Within the framework of the country's Sports Day celebrations, held on 10th Feb, Qatar Steel signed an agreement with Qatar Winter Sports Committee for organizing QS Ice Hockey Cup Tournament, scheduled on 7th-10th Feb, at Villaggio in Doha.

Qatar Steel's support for sports in general is in recognition to the importance we attach to social responsibility role towards the community. Qatar Steel constantly supports various community

activities that take place in Qatar it plays in the lives of individuals and communities.

In line with revealing social responsibility towards the community, Qatar Steel constantly supports various community activities that take place in Qatar. The company re-assures its support to most community events, and ensures to strengthen its cooperation with the officials of Sports authorities and committees on various sports events in future.



HMC Blood Donation Award

In recognition of its valuable contributions and support to the blood donation drives launched by Hamad Medical Corporation (HMC) last year, Qatar Steel was honoured in June 2015 at the annual ceremony, organized by HMC at St. Regis Hotel, Doha.

In compliance with its corporate responsibility towards the community, Qatar Steel continues to play a vital and supportive role in encouraging and nurturing the culture of blood donation in the community, in order to enrich blood stock in the Blood Donor Center and to continue with meeting the need for blood by all the hospitals and medical facilities in Qatar.



World Day for Safety and Health at Work

Qatar Steel participated in the celebration of World Day for Safety and Health at Work and the International Workers Day. Officials from several ministries and leaders of different expatriate communities attended the event, along with some 500 workers from about 100 companies. The event was intended to focus on the importance of occupational and health safety,

to raise awareness among workers, and how to maintain a healthy and safe work environment.

The event's program included lectures to familiarize the public with safety procedures and practices at workplace, urging them to gain the capabilities and skills required to deal with emergencies; how to put out fires and provide first aid.







REDUCING ENVIRONMENTAL IMPACT

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

SUSTAINABILITY MATERIAL ASPECTS

- EFFICIENT ENERGY USAGE
- REDUCING GHG AND AIR EMISSIONS
- RESPONSIBLE SOURCING AND MATERIAL CONSUMPTION
- WATER CONSUMPTION AND EFFLUENTS
- WASTE MANAGEMENT AND RECYCLING



REDUCING ENVIRONMENTAL IMPACT

Our commitment to environmental sustainability is embedded throughout our organization. Our signature accomplishment in 2015 in this respect is the Sustainability Roadmap 2020, which has identified reducing environmental impact in several of its objectives and implementation plans. Our efforts to improve our performance are monitored and evaluated by our Environmental Management System and are compliant with ISO 14001 and all local regulations and regulatory bodies, such as the Ministry of Environment.

EFFICIENT ENERGY USAGE

Qatar Steel consumes significant amounts of energy to fuel its operations. This consumption is measured as direct, such as our transport fleet and the natural gas used in our daily plant operations; and indirect energy consumption such as electricity supplied by Kahramaa and used in various processes.

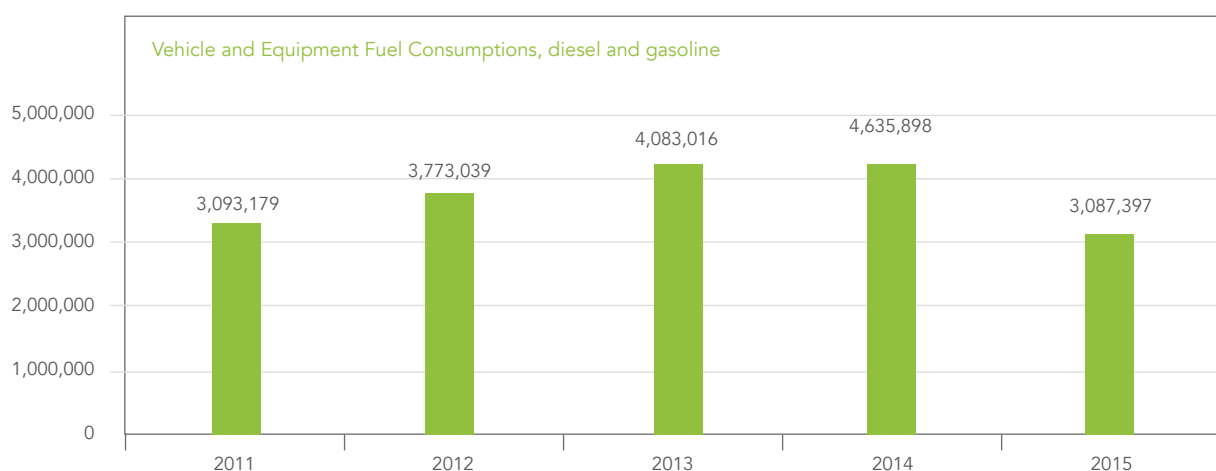
We have made progress in our energy consumption in 2015, as guided by our Sustainability Roadmap, which set out a goal of a 5% reduction in energy intensity from our 2014 baseline by 2017. Towards this end, our 2015 efforts at reducing

our energy consumption resulted in decreasing vehicle and fuel consumption by 33%, and our total electricity consumption was reduced by 11%. We are pleased with this progress, and strive for even further gains in the years ahead.

Indirect Energy Consumption (kWh)	
Total Electricity Consumption	
2011	2,053,681,399
2012	2,139,288,800
2013	2,030,295,276
2014	2,408,501,262
2015	2,151,850,894

Among the infrastructure upgrades in 2015 were installation of DR2 Module new dust collection system for product handling route & up gradation of core plant dust collection system to reduce the fugitive dust emission to atmosphere and

Direct Energy Consumption (Liters)



Note: We have revised our direct energy consumption from previous years sustainability report by including energy consumption from gasoline in our calculations.

closure of 2 outdated Electric Arc Furnaces (EAF 1&2) with a state of the art furnace (EAF5) that requires 20% less energy. The outcome of these efforts was a substantial gain in energy efficiency, as well as energy intensity. These reductions will be reflected in our 2016 energy intensity performance

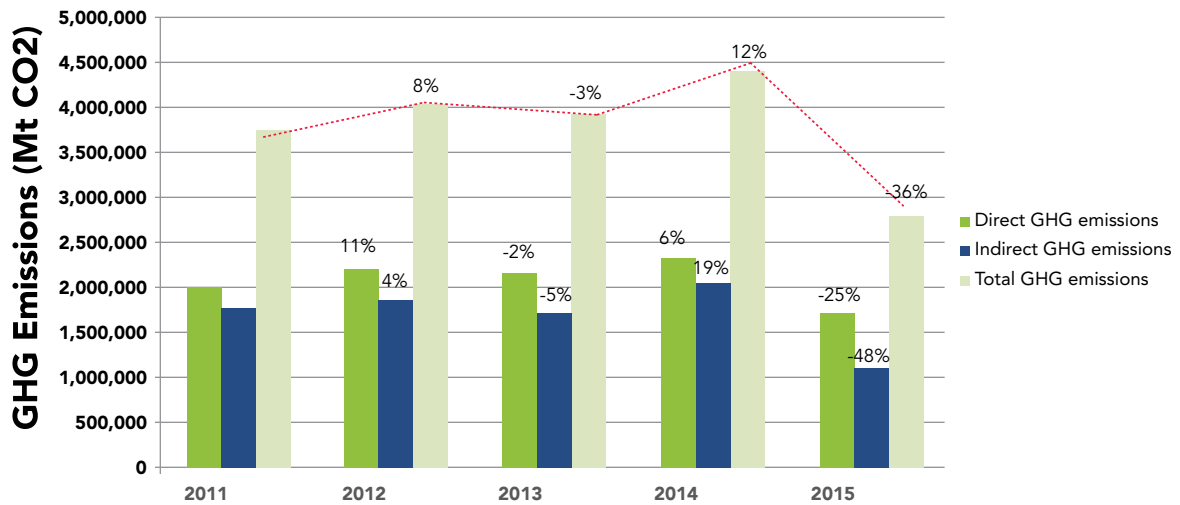
Energy intensity				
Energy intensity (GJ/tonne of Sales)				
2011	2012	2013	2014	2015
16.0	15.5	15.7	14.9	15.6

REDUCING GHG AND AIR EMISSIONS

According to the International Energy Agency, the iron and steel industry accounts for approximately 6.7% of total world CO2 emissions. Hence managing and mitigating our emissions is a high priority for Qatar Steel.

As an active member of the World Steel Association, an organization committed to sustainability in the steel industry, we have made significant progress in 2015 for reducing our GHG emissions. We continue to invest in our infrastructure to drive efficiency gains that reduce our impact on the environment. In 2015 we upgraded our facilities to reduce stack and fugitive emissions, as well as installed new monitors to improve our emissions and gas detection capabilities.

In 2015, Qatar Steel's operations (including natural gas consumption in all plants, vehicle fuel consumption, and electricity consumption) resulted in 2,803,792 Mt of GHG emissions, compared to 4,383,724 Mt of GHG emissions from 2014. The decrease of 36% is mostly attributed to the closure of the two outdated furnaces (EAF 1&2), and installation of a new furnace (EAF5) that operates 20% more efficiently. These changes also contributed to the 36% improvement in the GHG emissions intensity (defined as GHG emissions per tonne of steel sold).



Note: The variations of emissions compared to the previous year are indicated in %

GHG Emissions (Mt CO2)					
	2011	2012	2013	2014	2015
Direct GHG emissions	1,997,219	2,208,585	2,170,742	2,306,067	1,724,199
Indirect GHG emissions	1,771,577	1,845,425	1,751,403	2,077,657	1,079,593
Total GHG emissions	3,768,796	4,054,010	3,922,145	4,383,724	2,803,792

GHG emissions intensity

GHG emissions intensity (tonnes CO2 equivalent/tonne of steel sold)				
2011	2012	2013	2014	2015
1.70	1.63	1.63	1.60	1.03

We acknowledge that dust is an inevitable by-product of our operations and that dust has significant negative environmental and health impacts. In 2015 Qatar Steel has therefore invested over 18 million QAR to substantially upgrade our dust collection system with the aim to reduce the fugitive dust emissions both within and around our operations. This resulted in a step change in reducing dust emissions, and we anticipate more improvements within the next few years.

These investments were implemented across several projects in 2015 to eliminate most of the dust generated from our operations. We also worked to reuse or recycle any remaining dust generated by building a cold briquetting plant and Up-Grading our EF#3 Fume Treatment Plant.

The Fume Treatment Plant (FTP) is designed to extract the flue gases from Furnace #3. Over the years the furnace has been up-graded and modified to significantly enhance the productivity, which has added to a dust load that required addressing to improve productivity and environmental air quality. In 2015 we completed the basic engineering and the detail plans, and we expect project completion in 2017.

Cold Briquetting Plant | Safe Disposal and Re-use of Dust

In 2015 Qatar Steel built a cold briquetting plant. The plant became operational in November 2015, and had already recycled 11,000 tons by Dec 31, 2015. The next target is to achieve 120,000 tons of extra steel produced by recycling 200,000 tons of by-product, annually by the end of 2016. This project will also enhance Qatar Steel's waste recycling efforts. All iron-bearing by-product and waste (EAF dust, mill scale, DR slurry, DR dust, and iron oxide fine) will be briquetted and re-melted in the electric arc furnace. The additional expected benefits of this project are as follows:

- Reduction in volume of raw material procurement
- Added CO2 credit with 100% recycling waste to produce sustainable steel in alignment with QNV 2030
- Qatar Steel is the first recycling facility in the GCC region
- Reduction in Burden on export system and its equipment.
- Amount of EF dust generation will reduce
- Qatar Steel is realizing the benefit of Recycling by generating additional revenue compared to by-product sale and import of raw materials

At Qatar Steel we also monitor other air emissions of concern such as NOx, SOx and particulate matter. In August 2015 we completed an assessment of air pollution impact on the neighbouring populations from Qatar Steel emissions. The pollutants under study were ozone, metals, and slag dust particulate. The study determined that although Qatar Steel emissions and ambient air emissions are within acceptable national standards, it noted we could improve our particulate emissions by upgrading specific equipment, modifying some operations, and applying new technology. We are actively evaluating our options to implement these recommendations, including a possible enclosure of our slag pile as well as further upgradation of our dust collection system.

In 2015, we followed up on our program of a comprehensive NOx, SOx and particulate detection system by installing additional monitors

across our operations. We believe the detection will enable us to adequately capture our progress going forward; it has however shifted our baseline by detecting more fugitive emissions that were previously unrecorded. Likewise, the installation of our EAF5 furnace shifted the baselines for NOx, and SOx emissions. Our performance on these metrics will be base-lined against 2015 volumes, and we anticipate meaningful improvements on all pertinent emissions in 2016 as benchmarked to 2015 numbers.

Other air emissions (average tonnes per year)					
	2011	2012	2013	2014	2015
NOx	642	498	657	903	839
SOx	45	21	12	46	737
Particulate matter	52	41	25	153	1940

BIODIVERSITY

Qatar Steel's area of operations is not considered to have high biodiversity value. No species from the International Union for Conservation of Nature (IUCN) Red List have habitats in the area, and national conservation policies do not apply to Qatar Steel's facilities. The Species' Biological Taxonomy and Conservation States Plan is also inapplicable to Qatar Steel.

While our operations pose no known threat to biodiversity or natural habitats, Qatar Steel is committed to preserving, and enhancing its natural environment, as outlined in the Qatar National Biodiversity Strategy and Action Plan 2015–2025. To this end, we hired an independent Environmental Study on the long-term impacts of groundwater pollution on human health and marine life in relation to our newly built Phase II Expansion Project.

The results of groundwater sampling show that BTEX, hydrocarbons, PAHs and PCBs were not present in 2015; copper and lead levels decreased in the latest groundwater tests and are within acceptable guidelines; and the only parameter exceeding applicable guidelines is arsenic, with a concentration of 0.08mg/L vs the guidelines of 0.06mg/L.

The risk upon contact to human health is deemed moderate, with no measurable impacts on the water system. Safety measures to isolate the contaminated soil have been identified, and presently pose no threat.

The presence of a range of metals including lead, zinc, and manganese in both the soil and groundwater, are within acceptable guidelines, but Qatar Steel will take proactive measures to continue monitoring the soil levels.

We are pleased to reaffirm that our operations are not projected to adversely affect the biodiversity of our region.

We will continue monitoring our soil and groundwater, as we direct our focus on reducing our water usage and emissions levels.

RESPONSIBLE SOURCING AND MATERIAL CONSUMPTION

The rapidly increasing demand for greener buildings and infrastructure has provided many opportunities for Qatar Steel in relation to the structural materials used, especially reinforcing steel. Contractors, designers, architects, and distributors request accurate, accessible and timely information on the environmental and social impact of different materials, as it is increasingly important to satisfy green building rating systems. These systems award credits based on the environmental impact of materials and for materials responsibly sourced. These systems encourage the use of materials with lower environmental impacts over their lifecycle, and responsibly sourced structural materials.

Qatar Steel has undertaken the CARES Sustainability Scheme over the past few years to declare product and organisational level sustainability performance, and our products achieve credits in the green building rating systems such as BREEAM and LEED.

Materials used	
Raw materials for operations (Mt)	
2011	3,686,088
2012	3,990,908
2013	3,940,837
2014	6,580,502
2015	8,494,870

WATER CONSUMPTION AND EFFLUENTS

We operate in an arid region where water is a scarce resource. Our Sustainability Roadmap Objective #6 has set a target to implement leading water management practices for Qatar and the Steel Industry Internationally. We have targeted three metrics that we will improve upon from our 2014 baselines:

- 1) Dramatically reduce wastewater discharge
- 2) Increase recycling rate for process water to 88%, a
- 3) Decrease freshwater consumption intensity by 40%

These are ambitious targets, but we believe we have the commitment, technical capacity, and processes in place to achieve them.

Qatar Steel operations use two sources of water, freshwater and seawater. Freshwater is primarily used in our EAF and CC plants, while seawater is primarily used as a non-contact cooling agent. We take our responsibility for water management seriously and we are continually improving our recycling and reuse of it.

Our 2015 efforts at reducing our environmental impact resulted in a 4% decrease in freshwater consumption, (from 1,769,810m³ in 2014 to 1,707,503m³) over the past year; our first annual decrease in several years. This is a meaningful improvement in our efficiency, and is particularly noteworthy considering our 2015 annual steel production increased.

Our cooling operations in 2015 required 1,007,080m³ of fresh water for our Direct Reduction plants (1&2). Of this amount, we re-used 16.26% of the total blown-down water for slag quenching, spray systems and dust control; the balance (83.54% or 841,320m³) of the blown down water is returned to the sea.

Our current seawater discharge into the sea is periodically measured and has been within regulatory guidelines for total dissolved solids, particulates, pH, BOD, and water temperature. Although acceptable, we are working to improve our environmental sustainability by dramatically improving these results. This is a high priority sustainability initiative and one that aligns with the Ministry of Environments 'Zero Liquid Discharge' goal.

We have hired a consultant to determine the system that can feasibly approach this target. Current technology is able to recycle only 88% of blown down water, and we are collaborating with our industry partners and regulatory agencies to refine a 'Near Zero Liquid Discharge' goal. Our target is to have a system implemented by 2018 that will improve the quality of the discharged

water and increase our capacity to recycle water.

Further to these initiatives, we have begun initial steps to apply ISO 14046 to calculate our water footprint and align with international standards as well as the QNV2030 guidelines on water resources.

Qatar Steel regularly assesses the quality of the effluents produced by its plants to ensure that they meet all regulatory requirements. This assessment includes regular monitoring of processed water and wastewater quality parameters, effective chemical dosing, and treatment and testing prior to discharge.

Fresh water consumption (m ³)	
2011	1,333,370
2012	1,608,153
2013	1,599,396
2014	1,769,810
2015	1,707,503

Water discharge			
	DR1 & DR2 processed water discharged to the sea (m ³)	Total recycled DRI blow-down water in slag area (m ³)	Sewage water discharged (m ³)
2011	784,993	--	62,640
2012	856,812	28,665	60,090
2013	826,152	71,898	61,532
2014	859,215	112,078	66,352
2015	841,320	163,792	69,949

1. The decrease in freshwater consumption in 2015 is due to use optimization and stoppage of EF/CC 1&2 Plants
2. The amount spent on freshwater consumption increased in Year 2015 despite of reduction in freshwater quantity is due to water tariff price increase by KAHRAMAA from QRs 4.4 per m³ to QRs 5.4 per m³ starting from 1st September 2016. Qatar Steel Increased DR blown down water for recycling from 11.5% in 2014 to 16.3% in 2015.

WASTE MANAGEMENT AND RECYCLING

Wastes generated at Qatar Steel can be broadly divided into two categories: ferrous wastes and non-ferrous wastes. The ferrous wastes, i.e. the iron bearing wastes are generated from steel making processes and furnace slag. The non-ferrous wastes are lime fines, broken refractory bricks, broken fire clay bricks, electrode, sludge etc. We manage these 22 categories of waste streams by either re-using them as a by-product input or reducing and recycling them. In some situations, we also sell or dispose of a minimal amount of our waste to the landfill.

We also work diligently to collect scrap from local markets and to recycle all scrap generated through our operations. In 2015, we consumed 391,354 mt of total scrap in our operations, an increase of almost 10% from 2014. Further to this, Qatar Steel has increased the total volumes of scrap it purchases from 243,311mt in 2014 to 281,624mt in 2015. This directly contributes to Qatar's initiatives to reduce material going to landfills.

A key achievement in 2015, under the Recycling and Sustainability initiative was to utilize our by-products as a replacement for our raw material needs. We conducted, lab scale tests and briquetting pilots and accordingly, we successfully commissioned our by-products Briquetting Plant in the third quarter of 2015. Briquettes of different by-products such as DRI Fines, DRI dust, Mill scale, DRI slurry, and oxide fines are produced by cold press agglomeration technology and consumed in our furnaces on a regular basis.



By-Products Briquetting Plant



Agglomerated Briquettes

Research Initiative | Reusing Slag as an alternate aggregate Material

Qatar Steel produces around 2.5 million T/year of steel with around 10% slag generation. In addition, there are approximately 2 million tonnes of stockpiled slag waste. Due to the misperception of radioactivity, we have not been able to use this steel slag in Qatar. The Qatari Law No. 45 (2013) has set much stricter requirements on radioactivity than those recommended by the International Atomic Energy Agency (IAEA). In 2015, we initiated a project to blend the slag with other aggregate material in a mixture that would meet the national regulations on radioactivity. This slag aggregate blend would serve as a partial replacement for raw natural material used in road-fill.

Accordingly, a project was undertaken in 2015 in collaboration with a third party research lab, and partners Ashghal and the Ministry of Environment.

The aim of the project was to improve aggregate sustainability in Qatar by optimizing the use of steel slag in various construction applications. Our methodology was based on studying the basic properties of materials in compliance with the Qatar Construction Specifications for use in asphalt, concrete, bound and unbound sub-bases, and fill applications by conducting laboratory and actual site trials.

Laboratory tests showed compliance with national road building codes and radioactivity levels. With this success we have set out to pilot a project in 2016 that will use steel slag fines as a replacement for natural road fill materials such as dune sands and gabbro.

We anticipate success based on preliminary results, and ultimately aspire to re-use the majority of 2million tonnes of stockpiled slag waste, and all slag waste going forward.

Use of Slag in the Construction Sector



RECYCLING

Waste management and recycling are key areas where Qatar Steel can reduce our environmental impact. We have implemented programs to deliver on Objective 3 of our Sustainability Roadmap: to be a leader in recycling and reusing among companies in the Qatar Energy and Industry Sector. In 2015 we made material progress and are on schedule to achieve a target of 20% of total scrap used as input material by 2020.

Our current efforts include work to reduce operational waste, such as steel scrap, and EAF slag, as these are the most significant solid waste generated by our activities. We have also developed initiatives to reuse and recycle most of the waste generated by our operations. We reuse 100% of our steel scrap, which accounts for most of our operational by-product, as raw materials in our operations.

In 2015, we reduced our total waste generated by 9%. Additionally, 13.2% of our total steel input in 2015 was derived from scrap metal, an increase of 2.3% compared to 2014. This is due to a slight increase in the amount of available scrap available in the market. We have developed the capacity to recycle significantly greater volumes of scrap steel as inputs, however, current market shortages of scrap steel material is a limiting factor in achieving both our recycling goals and capacities.

Percentage of scrap from total steel input

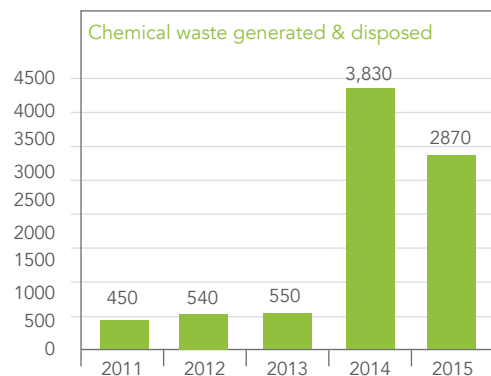


Operational waste generated and disposed of				
Total waste generated (mt)				
2011	2012	2013	2014	2015
586,644	607,079	545,620	825,324	748,594
Operational waste generated and disposed of (mt)				
2011	2012	2013	2014	2015
261,816	281,342	298,423	458,895	452,441
Operational waste generated and sold to third parties as by-products for reuse or recycling (mt)				
2011	2012	2013	2014	2015
324,828	325,737	247,197	394,645	298,695
% of waste generated and sold as by-product				
2011	2012	2013	2014	2015
55%	54%	45%	48%	40%

In 2015, Qatar Steel's total waste generated was reduced by 9% over 2014.

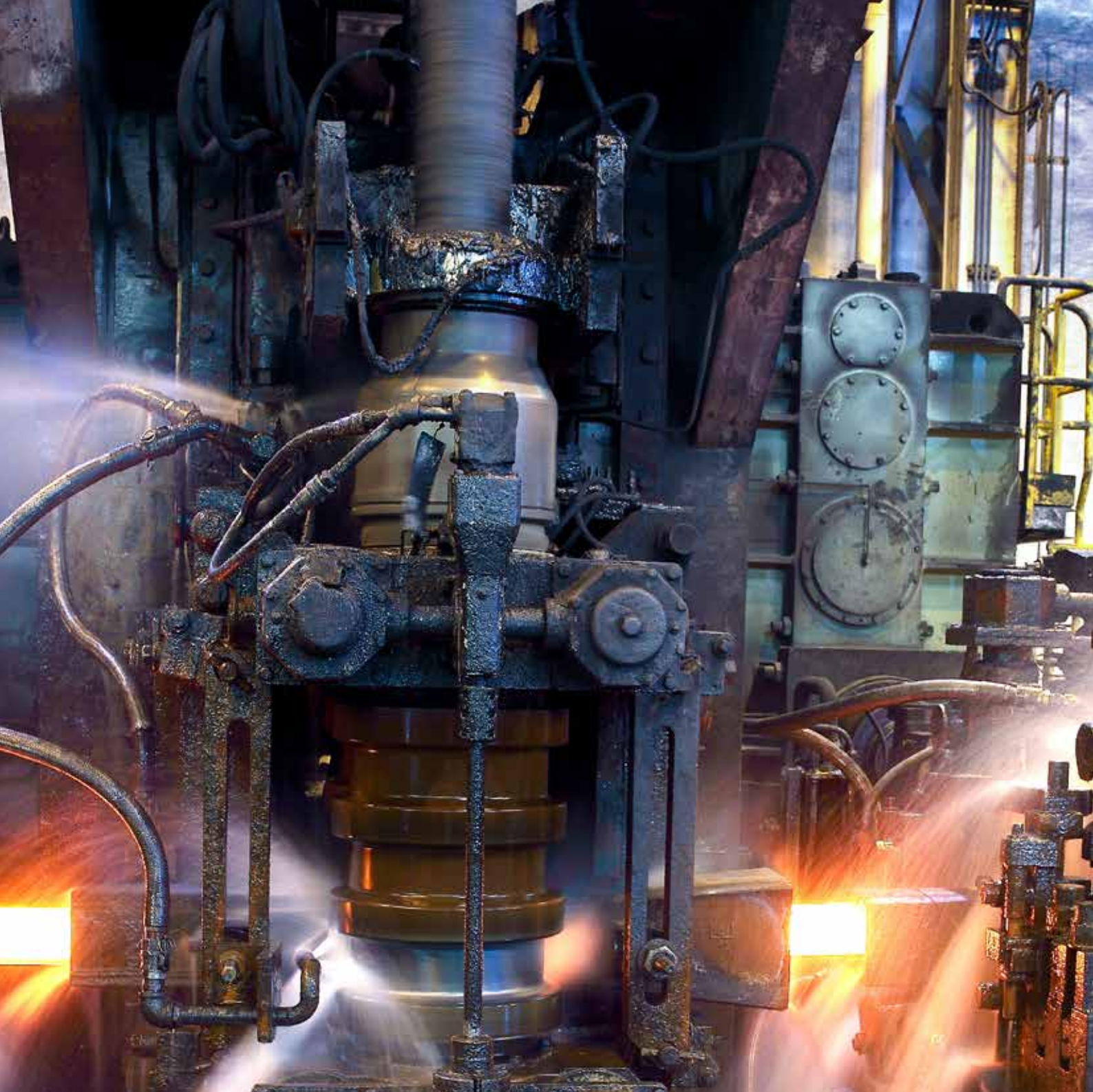
We neutralise our chemical waste by adding caustic soda and processing at the MIC waste treatment facility. We have experienced no oil or chemical spills during the past six years, and the company takes all precautions to maintain that record.

Chemical waste (litres)



In 2015, Qatar Steel's chemical waste was reduced from 2014 due to a change in production quality for export products. All such chemical waste is safely disposed of at the MIC waste treatment facility.



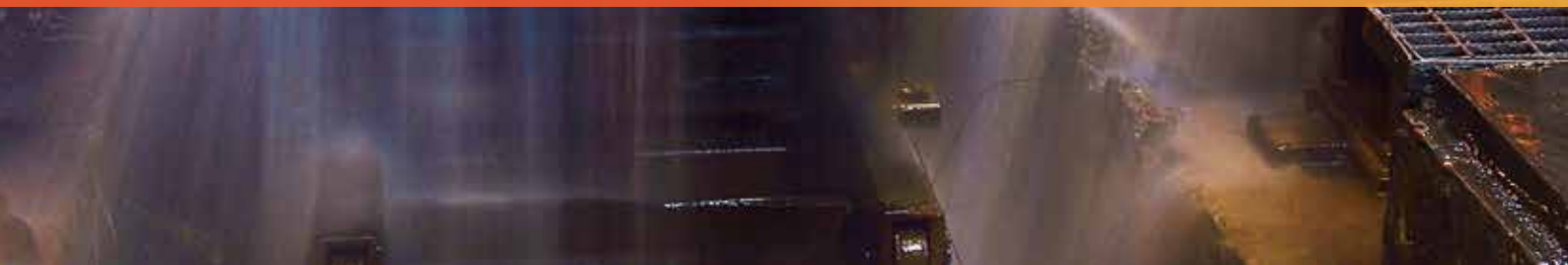


ENSURING A SAFE & HEALTHY WORK ENVIRONMENT

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

SUSTAINABILITY MATERIAL ASPECTS

- ENSURING A SAFE AND HEALTHY WORK ENVIRONMENT
- EMPLOYEE SAFETY
- CONTRACTOR SAFETY
- EMERGENCY RESPONSE PREPAREDNESS
- OCCUPATIONAL HEALTH





ENSURING A SAFE AND HEALTHY WORK ENVIRONMENT

At Qatar Steel, we believe that safety is priority number one. There are inherent risks associated with any industrial work-site, but we are committed to zero incidents in our operations and improving the safety of our employees and contractors. This commitment is embedded in objective four of our Sustainability Roadmap: To build systems and a culture of safety among our operations to achieve zero harm performance.

To this end, we plan to hire 4 safety inspectors in 2016 to help improve safety in key operational areas. We will also hire a specialized consultant to initiate a transformative safety system, the DuPont Safety Transformation Program. As part of the Qatar Steel and DuPont program there will be a full site assessment carried out by DuPont and the production units focusing on key risk within the business in relation to HSE. Not only will the assessment focus on risk, it will also consider procedures and systems aligned to our OHSAS 18001. The assessment will identify if the current systematic approach is in alignment with OHSAS 18001.

The DuPont Safety Program

The DuPont and Qatar Steel safety transformation program was initiated in late 2015 to help Qatar Steel realize a step change in safety culture, leadership, and processes related to HSE. This program is projected to be rolled out in stages over a total of 30 months.

The DuPont Integrated Approach for Safety (DnA): Catalyst to accelerate performance

We are aiming to adopt a holistic approach to our safety management. Our aim is to implement effective strategies aimed at workplace safety that include components of behavioral based safety as well as other strategies that target the internal processes influencing safety behaviors and outcomes. We intend to develop a safety system that goes beyond influencing behavior by external motivation, and takes the form of an in-depth training experience aimed at encouraging our employees to be safe; to acknowledge and assess their own safety (independence) and the safety of those around them (interdependence).



EMPLOYEE SAFETY

In our quest to fully engage our employees, we have continued to rely on our HSE Committee as our main tool for communicating with our 53 representatives from 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 the performance of effective accident investigation
- Forecasting possible accidents and taking precautions to avoid them
- Reviewing safety proposals with top management

Qatar Steel also ensures that its employees and contractors receive regular training and updates on the latest safety policies by extending employee safety training programs and creating weekly safety meetings where employees are encouraged to raise safety concerns and propose solutions. This training ensures our workers are well equipped to manage any safety hazards they may encounter.

In 2015, we conducted the following safety trainings:

- Induction training for VIPs and visitors – training was attended by 1072 visitors
- Refresher training for existing Qatar Steel employees – training was attended by 858 employees
- Safety Induction for all new employees
- Safety Induction and refresh training for all new Contractors. Training was attended by 5594 employees
- Conducted Tool Box Talk Trainings attended frequently by departments

In 2015, the number of LTIF has remained above our goals and industry levels.

Safety Performance – Employees					
Fatalities					
2010	2011	2012	2013	2014	2015
0	0	0	0	1	0
Lost-Time Injuries Frequency (LTIF)					
2010	2011	2012	2013	2014	2015
1.3	2.7	0.5	0.9	2.36	2.3
Total Recordable Cases Frequency (TRCF)					
2010	2011	2012	2013	2014	2015
23.6	20.0	14.8	10.2	11.0	11.0

CONTRACTOR SAFETY

We hold ourselves accountable for the safety of our contractors, whom we hire for many support services such as shut down activates, construction, cleaning, catering, security, and maintenance. Our goal is to provide a safe working facility and be proactive in mitigating health risks posed to contractors. Our strategies for 2015 and onwards are to increase training requirements, and provide an HSE Reviewed Hazard Identification and Risk Assessment register. Our efforts to improve contractor safety begin by limiting our hires to contractors who exhibit good safety performance and have strict safety management systems in place, which we ensure at the pre-qualification stage of our contractor screening. We will also be implementing a contractor Safety Forum from 2016 onwards to enhance our contractor safety performance.

Despite these proactive measures and precautionary safeguards, we had 2 contractor fatalities in 2015. Qatar Steel is deeply saddened by the loss of life at its worksite. These events are unacceptable. As a direct response, HSE identified the operational hazards as being machine interface related and improper lifting procedures. As a response to these safety incidents, we have subsequently developed new Safe Lifting Procedures and now require all lifting crew to be trained and Third Party certified. We also conducted Man Machine Interface (MMI) Audits, conducted by departments and verified by HSE on 2016.

We are committed to our contractors' safety, and by identifying the root causes as a lack of communication and inadequate training, we have redoubled our efforts by extending employee safety training programs to contractors, and creating weekly safety meetings where workers (employees and contractors) are encouraged to raise safety concerns and propose solutions.

Safety is a culture. We have meaningful programs in place, but we have room to improve. We are committed to ensuring our contractors and employees are safe, and we are putting in transformative efforts to ensure our safety culture takes a step change towards safety in 2016.

EMERGENCY RESPONSE PREPAREDNESS

We maintain a tight focus on fire safety, and we constantly search for ways to strengthen our safety procedures. To ensure the best emergency preparedness, we:

- Installed Public Address and Emergency Siren Systems for mass communication during Emergency Situations.
- Increased familiarization visits and Emergency exercises with MIC Emergency Response Team,
- Introduced Fire Safety and Emergency preparedness training, and
- Plan to extend the Fire Water Network

Qatar Steel maintains plans for preventing, reducing, controlling, and otherwise mitigating emergencies. We also promote fire preparedness by improving training and introducing new, improvised fire-fighting equipment.

In 2015, to reduce our overall risk of fire, we conducted several training exercises and awareness sessions for our employees and contractors. These include: induction training, do's and don'ts during emergencies, and job-related contractor safety training. Training priority was given to areas which are crucial to the safety of our employees and the protection of their livelihood, including prevention, detection, and quick response to potential fires. In 2015, we performed 11 drills covering emergencies such as: rescue, fire, electrical shock, confined space, gas leak, chemical leak, and evacuations, across multiple operations and scenarios.

OCCUPATIONAL HEALTH

We actively promote good health among our personnel. This helps us to maintain a productive and positive workplace for our employees and contractors, and promotes general healthy living among our people. All Qatar Steel employees and contractors are required to participate in health and safety awareness sessions and training as part of their orientation.

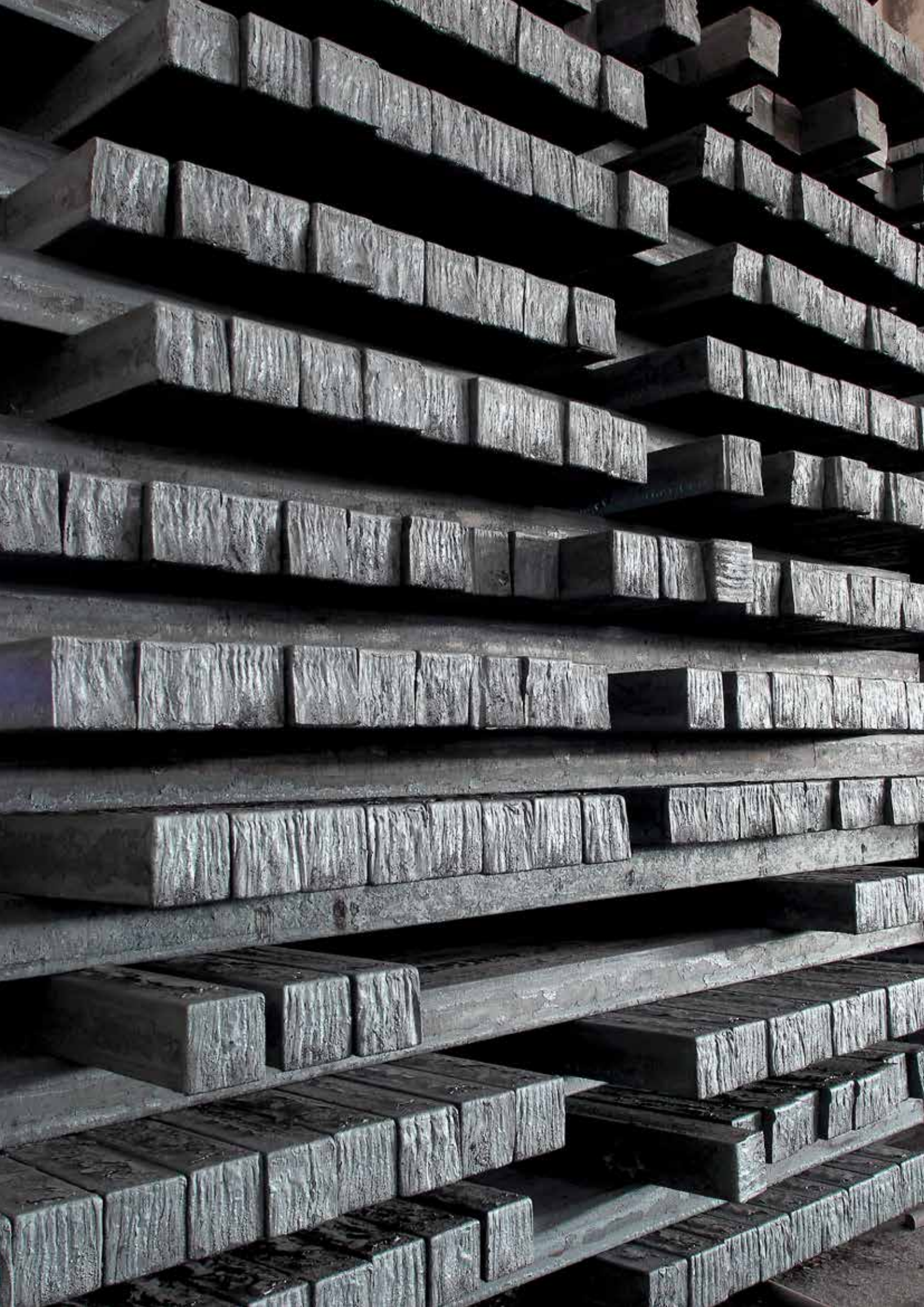
Specific campaigns are also implemented to help reduce or mitigate ailments such as heat stress, hearing loss, and dust and particulate related illnesses. To protect the hearing of our employees and contractors, a regular survey is conducted to measure noise in high-risk areas. Additionally, an exploratory committee is currently investigating ways to limit source-noise levels.

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

In the course of our Periodical Medical Examinations of employees, audiometry tests are carried out to detect cases of Noise Induced Hearing Loss (NIHL). In addition, health awareness related to noise hazards is conducted among the employees and they are encouraged to use PPEs (Earmuffs and Earplugs) while exposed to high noise at their workplaces.

In 2015, we appointed an Occupational Health Physician to our in-house Clinic. Moreover, as part of an organizational restructuring, the Medical Section has been brought under the HSE Department. Though the percentage of health screenings decreased in 2015, in terms of absolute numbers, 641 (out of 832) employees were examined in 2015, while 455 (out of 550) employees were examined in 2014.

Occupational health indicators					
Employee occupational illnesses					
2010	2011	2012	2013	2014	2015
12	4	30	8	5	4
Occupational risk monitoring assessment (completed vs. planned)					
2010	2011	2012	2013	2014	2015
60.6%	60.0%	72.9%	84.7%	87.7%	80%
Health screening (completed vs. planned)					
2010	2011	2012	2013	2014	2015
65.3%	88.6%	87.3%	90.7%	82.7%	77%





DEVELOPING A HIGH PERFORMING AND MOTIVATED TEAM

At Qatar Steel, we fully understand that our business's future success and sustainability depend upon attracting, developing, and retaining the best talent. Employee development, via intensive engagement, training, and support, is one of Qatar Steel's highest priorities. Through focused human resource management systems and planning, Qatar Steel strives to develop increasingly more skilled, motivated, and satisfied teams in order to construct a highly efficient and productive 'steel' community.

SUSTAINABILITY MATERIAL ASPECTS

- TRAINING AND DEVELOPMENT
- PERFORMANCE-BASED COMPENSATION AND REWARDS



DEVELOPING A HIGH PERFORMING & MOTIVATED TEAM

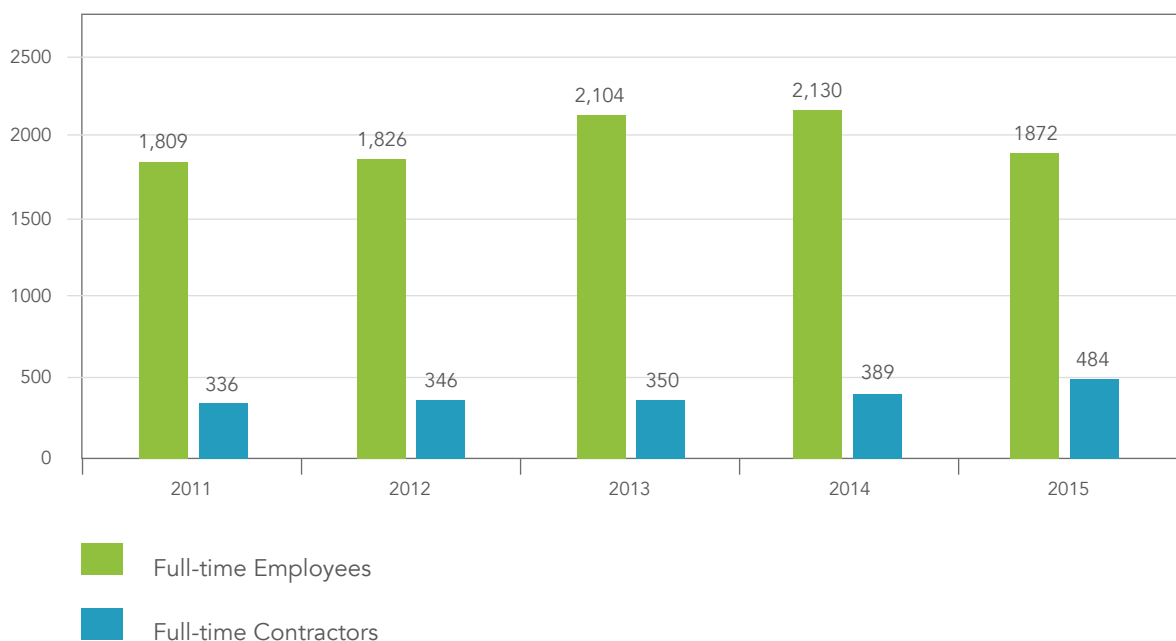
Our management approach revolves around developing a high-performing and motivated team and maintaining a diversified workforce, which is the engine for our overall success.

We seek to recruit the best talent in the labour market, to continue our tradition of excellence. Our recruiting procedures ensure that we hire only the best available talent with no discrimination against race or gender, while also giving priority to qualified Qatari nationals and recent Qatari graduates, in line with the QNV 2030 and NDS 2011–2016. For our short-term support service contracts, we hire external contractors who work full-time in various support activities at the plant and at our main offices.

Our Workforce

2015 was a transitional year for Qatar Steel, we realigned our business to manage our costs and to operate as efficiently and effectively as possible. As a part of this realignment, we have right sized our organization, scaled back on training and hiring programs, and eliminated many redundancies. This has resulted in a net reduction of 6% of our workforce including employees and contractors. An evaluation of annual performance at the corporate and department level suggests this reduction is sustainable with no material productivity impacts. We are confident these measures will sustain the performance of our company over the near and long term.

Total Employees



New hires					
	2011	2012	2013	2014	2015
Number of new employee hires – Total	125	75	339	73	30
Number of Qatari new hires	7	5	7	8	6
# of female new hires	2	0	1	6	0
# of male new hires	116	70	331	67	30

Turnover					
	2011	2012	2013	2014	2015
Turnover rate	4.4%	3.6%	3.6%	2.5%	15.8%
Total # of employees left the organisation	80	66	76	53	295

# of employees leaving the organisation, by level					
	2011	2012	2013	2014	2015
# of Senior Management	3	2	4	2	9
# of Middle Management	12	8	21	6	37
# of Staff	65	56	51	45	249

# of employees leaving the organisation, by gender					
	2011	2012	2013	2014	2015
# of Women	1	1	2	1	9
# of Men	79	65	74	52	286

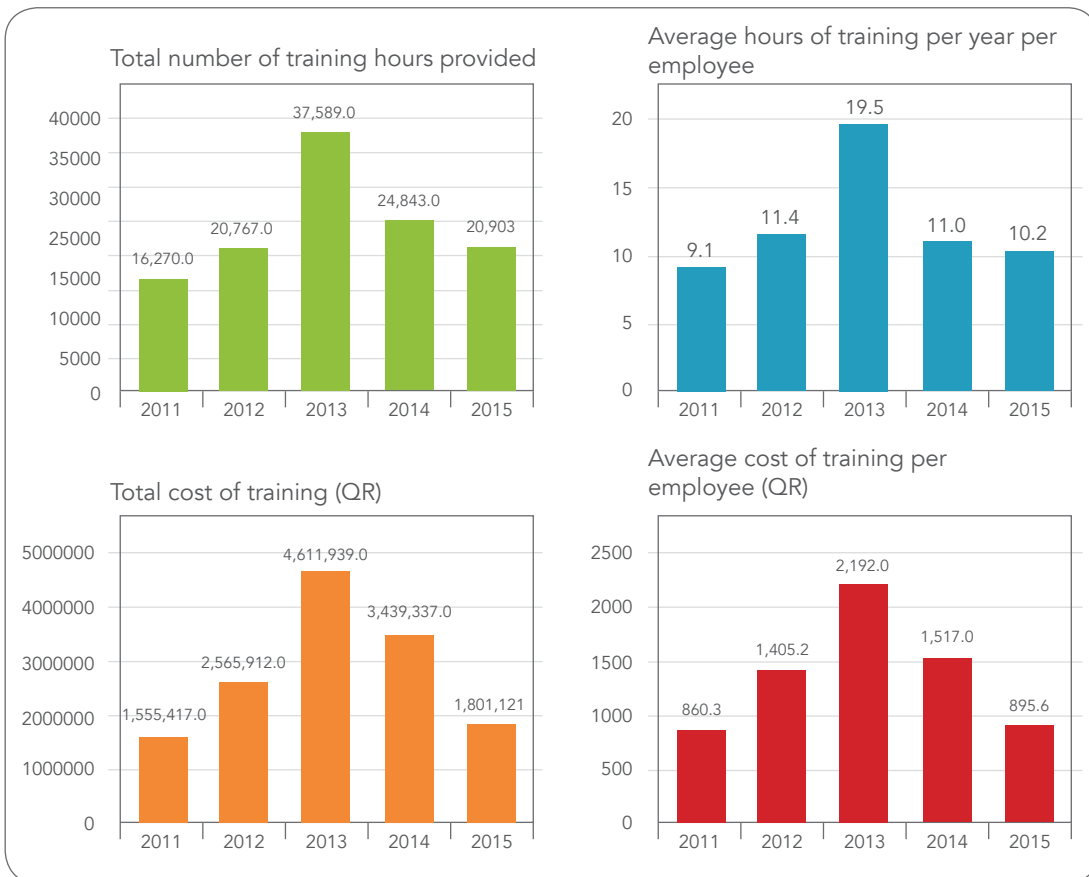
# of employees leaving the organisation, by age group					
	2011	2012	2013	2014	2015
18-30	33	23	15	16	49
31-40	24	22	23	17	82
41-50	13	16	15	9	63
51-60	10	5	12	6	66
60+	0	0	11	5	35

TRAINING AND DEVELOPMENT

At Qatar Steel, we view the knowledge and expertise of our people as the key to maintaining our competitive position in the market. Training is an integral part of employment at Qatar Steel, and our training programs and activities are designed to improve employees' ability to perform daily duties safely and effectively. Upon joining our company, all new employees undergo an initial Familiarisation Program orientation and at all

times during their tenure with us, all employees have access to weekly English and business distance learning facilities, while some Qatari employees receive additional English language tutoring. We also offer specific technical, H&S, interpersonal, and IT training to our employees to better enable them to conduct their jobs in the most efficient manner and to advance their personal skills.

Training



Average hours of training per employee by gender				
Average hours of training per year for female employees				
2011	2012	2013	2014	2015
2.5	0.0	0.1	0.5	.019
Average hours of training per year for male employees				
2011	2012	2013	2014	2015
9.0	11.4	19.4	10.5	10.18
Average hours of training per employee by employee category				
Average hours of training for senior management				
2011	2012	2013	2014	2015
8.0	61.6	1.7	21.9	14.59
Average hours of training for management				
2011	2012	2013	2014	2015
9.6	5.9	3.3	26.1	6.6
Average hours of training for staff				
2011	2012	2013	2014	2015
9.0	11.2	14.5	9.7	10.78

A total of 20,903 hours of training were completed by December 2015, with an average of 10.2 hours of training per employee. This represented a drop from 2014 levels due to manpower optimizing, one off operational trainings for handling new equipment in 2014 being completed, as well as several training programs offered on a biennial basis, the last one in 2014. According to Qatar Steel practice, senior managers are the first level of employees to be trained on such new equipment.

Succession Planning

Qatar Steel recognizes the need to safeguard its business continuity and competitive edge which can be achieved by having the right people with the right skills and competencies ready to take up, positions within the company at all times.

In order to reach that objective, Qatar Steel will implement a Succession Planning program to ensure the availability of experienced and capable employees that are prepared to assume key business & critical positions as they become available. The implementation of an effective succession-planning program is important for Qatar Steel's sustainability and essential to enable it to meet its future business needs. Additionally, succession planning is also an important tool to attract and retain talented Employees.

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 strategies and employee capabilities. We help employees 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, we conduct yearly performance appraisals and reward 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.

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

Qatar Steel Honours Long-Serving Employees in 2015

In appreciation of our long time employees devoted efforts and dedication, we recently honoured 206 employees, who served the company for 10, 15, 20, 25, 30, 35 and for the first time, those who spent 40 years in service.

Mr. Ali Bin Hassan Al-Muraikhi, Qatar Steel's Managing Director and General Manager commended the long service employees for their dedication and commitment throughout their service. Qatar Steel is proud to embrace the pool of highly skilled employees from different departments and at all levels. Our workforce continues to play a significant role in enhancing the company's image and operational excellence, maintaining high quality products and services, and meeting the expectations of our traders, customers and shareholders.

"It is our practice at Qatar Steel to honour the long service employees, which demonstrates our appreciation and pride in our manpower, who are the pillars in achieving our sustainable growth marching towards progress and development."

Mr. Ali Bin Hassan Al-Muraikhi, Managing Director and General Manager, Qatar Steel

Qatar Steel | A Preferred Workplace of Choice

A. Work life Balance

The working hours at Qatar Steel has been changed from 8.5 hours a day to 8 hours a day inclusive of half an hour of lunch break, as a measure to achieve work life balance.

Off-days for employees in our plants has been revised to increase to two (2) off days in a week with six (6) working days

B. Bereaved Family

To assist the families of any Qatar Steel employee's who experiences a fatality, a Company representative will accompany the body of the deceased as a show of respect to the deceased family.

C. Continuation of Housing Allowance while serving notice

To assist the resigned/terminated employee due to the closure of the EF1 and EF2 process, the company has revised its policy to allow the housing allowance to be paid until the affected employee completes his/her notice period or once he/she finds a new sponsor whichever comes first.

D. Retention - Improved Allowance and Benefit

As part of the effort to attract and retain Qataris as well as expatriates, Qatar Steel has revised its benefit covering the following:

- Merging of housing and supplementary allowance into a comprehensive housing allowance for Nationals;
- Improved medical benefits for Nationals;
- Improved education benefits:
 - o For Nationals - With no capping limit for number of children.
 - o The age limit, school transport, and claims for books have been reviewed applicable to both Nationals and expatriates.

Screening Our Manpower Contractors

We appreciate that our responsibility toward our supply chain goes beyond purchasing and transactions. In 2014, as part of our new pre-qualification system for manpower contracts, we began careful screening of our contractors, examining the welfare and living conditions offered to their employees.

As mandated by this new system, all manpower contractors are required to complete a pre-qualification application, in which the contractor is obligated to disclose technical information, including the manner in which employee living arrangements follow proper HSE procedures and the degree to which employees are provided with hygienic and d accommodation.

Following this application, Qatar Steel sends representatives to conduct on-site visits to the camps of shortlisted contractors, those who at least fulfill government employee living standards. On-site evaluations involve benchmarking contractors on the decency and legal compliance of living conditions, as well as on health and safety performance.

In 2015, Qatar Steel evaluated 40 new suppliers with our supplier evaluation system.



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.

SUSTAINABILITY MATERIAL ASPECTS

- CORPORATE GOVERNANCE
- RISK MANAGEMENT





CORPORATE GOVERNANCE

We are committed to the highest standards of ethical business conduct. To this end, we have drafted a Governance Charter in 2015. Good governance practices are vital to ensuring that we achieve our corporate objectives and meet the expectations of our stakeholders, and we will continue to develop this charter throughout 2016.

Our Board of Directors is the decision-making body for all matters identified as material to the strategic and financial functioning of the company. The Board consists of seven highly qualified individuals selected by our shareholder, Industries Qatar (IQ), under a General Assembly resolution ensuring that chosen members possess the 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 Board is mandated to meet at least four times per year.

Board of Directors*	
NAME	POSITION
Mr. Saad Rashid Al-Muhannadi	Chairman
Mr. Abdulla Ghaith Al-Kuwari	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. Rashid Ali Al-Dosari	Director
Mr. Abdulla Mohamed Al-Mahmoud	Director
* With effect from April 26th, 2015	

Board Committees

Our Board committees are formed by the Board, in accordance with our 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.

ACCOUNTABILITY AND ETHICS

Our leadership position in accountability and ethics is guided at the Board and executive level, and we have processes in place throughout our organization to ensure these values are embedded in every department and level of our company. This sustainability report is a product of our commitment to honesty and transparency in our operations.

In 2015, our progress on these fronts includes a governance charter, a procurement policy that considers transparent and objective contract tendering, and detailed requirements that our suppliers engage in ethical business practices with integrity. We go beyond legal requirements and standard business practices; our conduct is grounded in the moral values of honesty and fairness. This serves as the foundation of the superior organisational culture to which we aspire.

All employees and members of Qatar Steel's Board of Directors 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

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

Our management system has achieved two ISO certifications: ISO 14001 for our Environmental Management System (EMS) in 1999 and ISO 9000 for our Quality Management System (QMS) in 1995. The continued excellence of our management systems is reflected in our certifications, and the on-going success of our Quality Management System.

Internal Audit

Internal Audit continues to play a prominent role in our governance and management systems. Its vigilance provides assurance 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 and procedures are in place and being followed to provide timely and accurate financial information to the Directors, Management, and Stakeholders, for use in determining that the company's financial objectives are being met, and
- Policies and practices are in place to communicate and monitor the company's compliance with appropriate laws and regulations.

The Board Audit Committee also continues to support the Board in its oversight responsibilities, particularly those relating to: 1) the integrity of the company's financial statements and financial reporting process; 2) effectiveness of the company's internal accounting and financial controls systems; 3) the internal audit process for monitoring compliance with laws and regulations; and 4) business codes, ethics, and conduct.

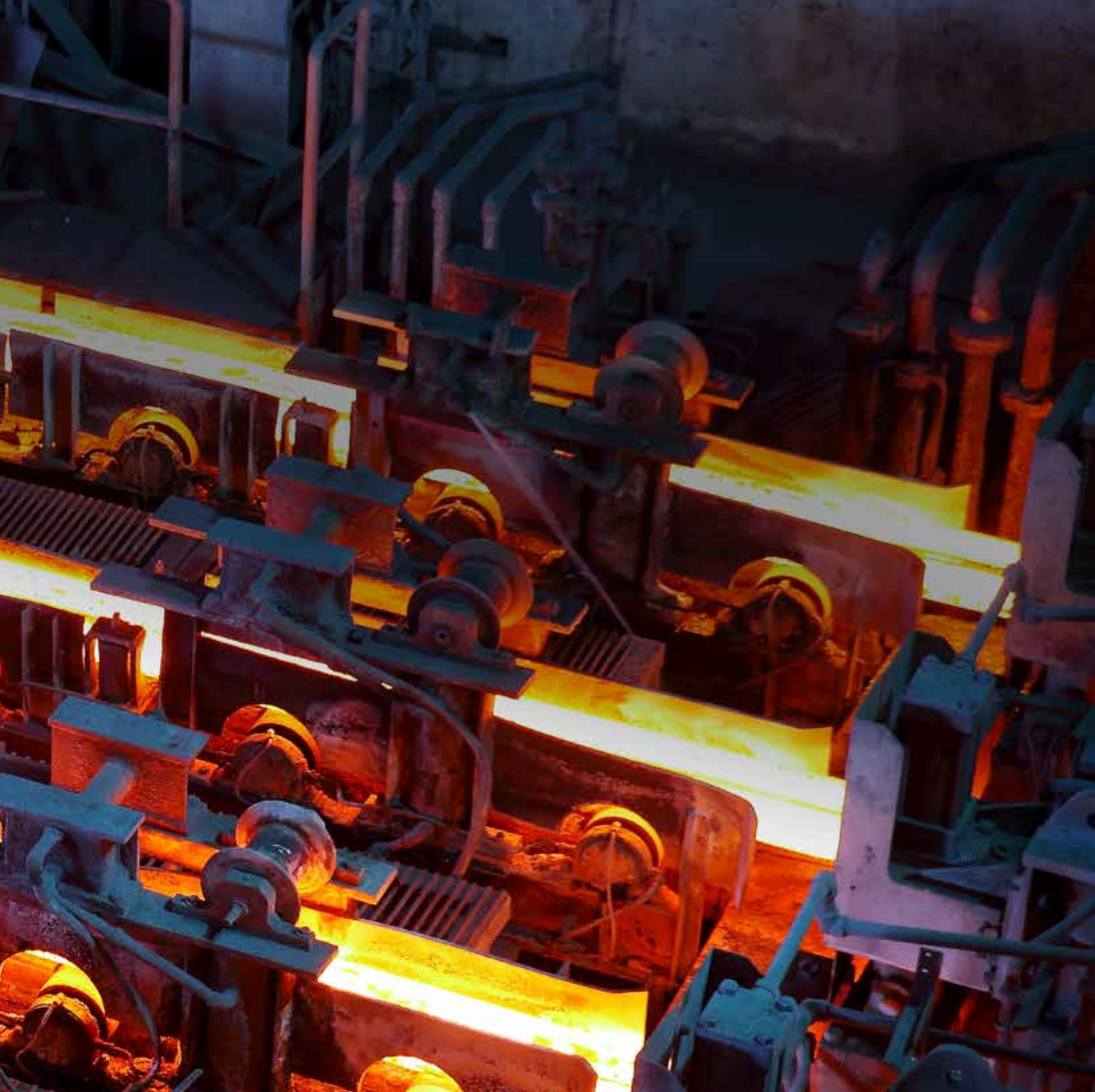
RISK MANAGEMENT

Our vision of Risk Management holds that all significant obstacles to the achievement of our strategic objectives must be identified, assessed, and managed within acceptable levels. In order to achieve this vision, we are determined to create and maintain an environment in which risk monitoring is embedded in the company's culture, planning, decision-making, and business-as-usual activities.

In 2015 we:

- Initiated risk management framework
- Strengthened our procurement process to ensure objectivity and transparency in our bids.
- Initiated ISO 27001 project on information security management.
- Hired a Chief Risk Officer to implement an Enterprise Risk Management Framework to identify risks and impacts.

In 2015, Qatar Steel also made significant progress in categorising risks by their impact types and nature. This will address many of the company's material sustainability areas. In addition, a risk register will be configured for use in an online system implemented across all departments. This process will heavily support the management of our sustainability risks and priorities, and will influence the development of Qatar Steel's Sustainability Roadmap.



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.

SUSTAINABILITY MATERIAL ASPECTS

- FINANCIAL PERFORMANCE
- STRATEGIC INVESTMENTS





ACHIEVING PROFITABLE GROWTH

We use 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.

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

MACRO TRENDS IN 2015 FOR STEEL INDUSTRY

Global steel demand has remained low during 2015, mostly as a result of China's significant decline in growth coupled with its overbuilt steel industry. This is expected to continue as its economy undergoes structural change, after three decades of extraordinary economic development. This has resulted in lower prices for iron ore, which helps our bottom line, but this is somewhat offset by increased competition due to dumping of low priced finished product globally.

In spite of depressing global steel market trends, Qatar witnessed a robust growth in steel demand due to infrastructure development for FIFA 2022 World Cup. Qatar is positioned to sustain its high growth rate and demand for infrastructure projects, as well as the multiple FIFA projects under way, which provide a positive economic outlook for domestic steel demand over the next several years.

FINANCIAL PERFORMANCE

We have experienced healthy revenues, profits, and growth over the past decade. This performance is mainly driven by strong demand for steel in Qatar supported by Qatar's robust economy and sustained levels of investments in infrastructure and also internally supported through operational efficiency. The year 2015 presented a barrage of challenges across all sectors and industries in Qatar. While some projects have been deferred, and we have been adversely impacted by price pressure due to global steel prices, we have experienced no cancellations or change in net demand.

Our 2015 performance is indicative of these challenges, yet it also reflects our concerted efforts on many fronts to improve our operational efficiency, sustainability, and market presence. We cannot control global commodity prices or state infrastructure funding, but we can ensure we have the capacity to succeed through future cyclical market variations.

We believe that we are well positioned to realize excellent revenues and profits when the economy recovers. Our outlook for 2016 is a moderate improvement in economy with 3-5% forecasted GDP growth. Rebar demand is also expected to increase by 18% in 2016 in comparison to 2015. Furthermore, we project 2017 onwards, there might be a drop in rebar demand when compared to 2016.

Financial Performance					
Revenues (million QR)					
2010	2011	2012	2013	2014	2015
5,280	6,312	6,820	6,439	6,201	5703
Net profit (million QR)					
2010	2011	2012	2013	2014	2015
1,091	1,594	1,520	1,648	1,276	939
Other income (including investment returns, interest income, by-product and scrap sales, and other miscellaneous income) (million QR)					
2010	2011	2012	2013	2014	2015
121	142	106	120	234	128
Operational costs (million QR) ⁽¹⁾					
2010	2011	2012	2013	2014	2015
3,725	4,210	4,548	4,183	4,296	4,033

(1) 'Operational costs include neither 'employee wages and benefits' nor 'depreciation'.

The challenging market of 2015 resulted in a 26% decline in net profits due to pricing pressure from global steel prices. "We responded by improving our operational efficiency, which reduced our operational costs considerably." It is anticipated that the full value of our improved efficiency initiatives that were undertaken throughout 2015 will be more fully revealed in our 2016 results.

STRATEGIC INVESTMENTS

Qatar Steel pursues its growth strategy of upgrades and new expansions in order to meet the growing steel demand in Qatar and to consolidate its competitive position in the regional markets within the GCC. We strive to grow by leveraging available and cheap natural resources, acquiring new technology and product diversification through partnerships and acquisitions. We look for strategic investments by way of acquisitions and joint ventures in iron ore and steel related production facilities to secure basic raw materials for production and to seize market 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.

In 2015, during the latest consolidated Business Plan 2016-2020, no new strategic investments or expansion projects have been identified except upgrading of DR plants at our Mesaieed facilities. The Business Plan covers our current business from the operating units in Qatar and Dubai as well as the strategic investments of Q-Coat and SOLB Steel.

SUBSIDIARIES



AFFILIATES



Formally South Steel Company
 * Formally Gulf United Steel Holding Company (Foulath) BSV Closed
 ** Formally United Steel Company (SULB) BSC / Closed
 *** Formally Gulf industrial Investment CO. (E.C)

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



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 2015 and provides comparable data for 2011, 2012, 2013, and 2014 where available. The report covers a number of environmental, social, and economic aspects.

Scope and boundary of the report: Qatar Steel has analysed 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 has prioritised its key material and sustainability issues to develop its sustainability approach. This report covers Qatar Steel's performance in Qatar, 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 has 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 has developed its stakeholder map identifying key stakeholder groups, their priority issues, methods of stakeholder engagement, and Qatar Steel's response to stakeholder input. Qatar Steel believes that this report covers and communicates with all of the company's key stakeholders, and Qatar Steel believes that all 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 email: Sustainability@qatarsteel.com.qa.

Comparability and balance: This report provides data that covers Qatar Steel's performance in 2011, 2012, 2013, 2014, and 2015 presenting 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, through its Balanced Scorecards, meetings with concerned departments, and other management systems to gather the information included 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.

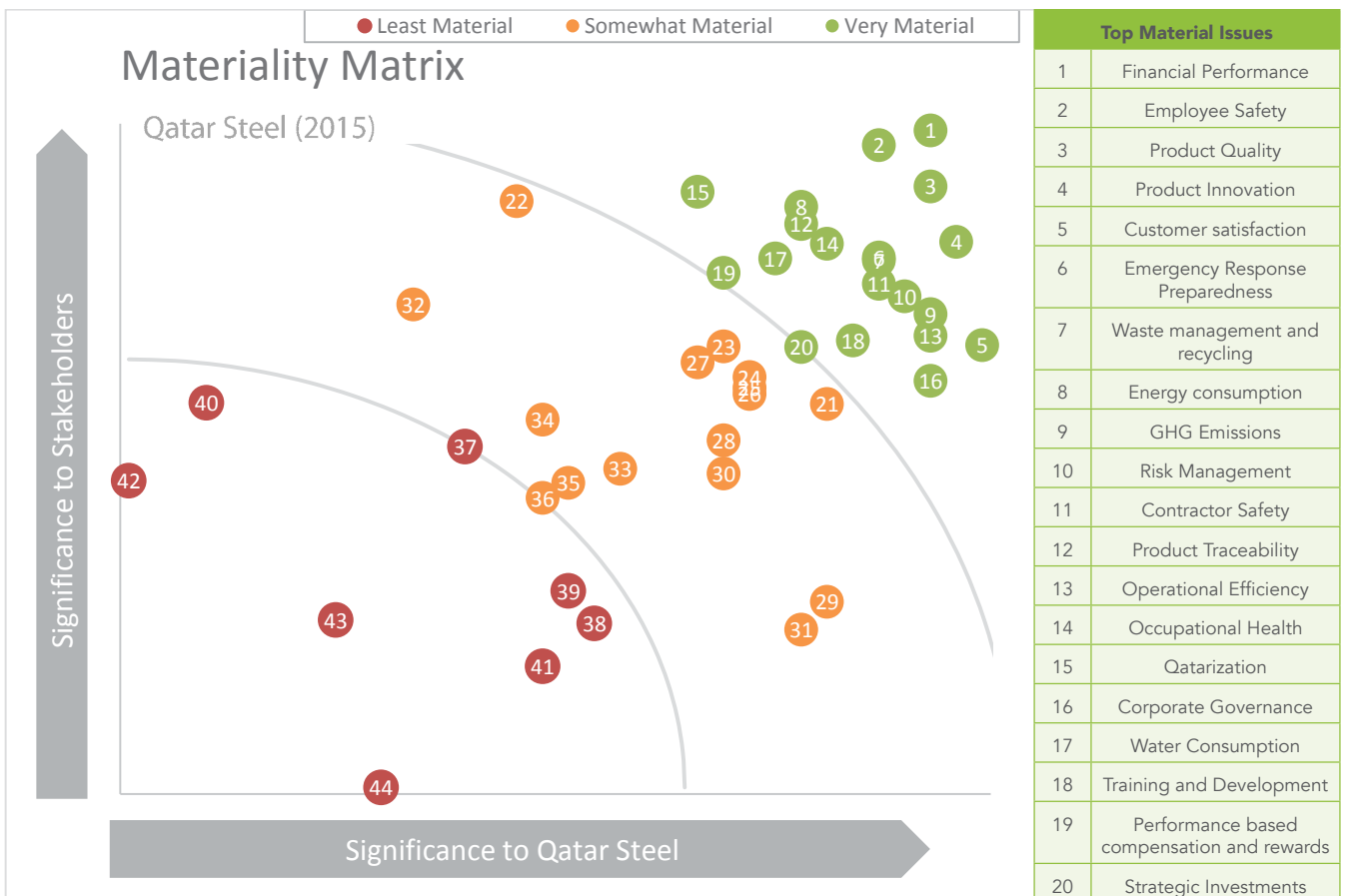
Assurance: The report was not externally assured.

APPENDIX B: MATERIALITY ASSESSMENT AND MATURITY ASSESSMENT

A process of materiality determination is used to focus Qatar Steel’s approach to sustainability, ensuring Qatar Steel is managing and reporting on the most important issues. Determining sustainability materiality is an ongoing process that continues to incorporate the input of stakeholders, as well as international and national initiatives and guidelines. For the 2015 report, this has included:

- Internal engagement with all departments of the organization
- Alignment with the Qatar National Vision (QNV) 2030
- Alignment National Development Strategy (NDS) 2011-2016
- Alignment Qatar Energy and Industry Sector Sustainability (QEISS) Program

- The GRI G4 material aspects
 - The IPIECA sustainability reporting guidelines
- The material sustainability aspects selected through an internal assessment process reflect Qatar Steel’s significant economic, environmental, and social impacts, or they influence substantively the assessments and decisions of stakeholders. All of the material aspects are material within all parts of the organization and Qatar. The materiality assessment was conducted in 2014 by surveying stakeholders and different departments in Qatar Steel asking them to evaluate the 44 material issues. The average scores from Qatar Steel and all stakeholder groups combined were used to generate a materiality matrix or ‘map’ plotting each issue on an X-Y axis where the X axis represents the significance of impacts to Qatar Steel. Furthermore management in 2015 reviewed the materiality matrix and priorities were revised.



Sustainable development maturity matrix for continual improvement of Qatar Steel for certification of their products:

Qatar Steel assesses its level of performance against the CARES Sustainable Constructional Steel Scheme Principles using a maturity matrix.

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
INCLUSIVITY	Stakeholder engagement and issue identification	- No issue identification	- Issues that create a competitive advantage are addressed and used for publicity	- Relationships with stakeholders nurtured through continued engagement and issues are clearly addressed	<p>1. Meeting and discussion with Qatar Ministry of Environment through Qatar Steel's Environmental Monitoring Program to ensure compliance with all applicable external requirements and regulations and getting the Ministry Consent to Operate.</p> <p>2. Continual engagement with Qatar Steel employees through satisfaction surveys that help the management in identifying main concerns to employees. Additionally, open door policy is followed in Qatar Steel.</p> <p>3. Qatar Steel conduct an annual stakeholder mapping for its stakeholders, identifying channels of engagement, main concerns, and Qatar Steel response to them.</p> <p>4. Qatar Steel is in the process of establishing its Stakeholder Advisory Group, comprising of representatives from our key stakeholders, to act as an advisory body during our journey toward sustainability. In 2014, Qatar Steel made progress in developing a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on our approach to sustainability.</p> <p>5. Qatar Steel actively gather feedback from stakeholders on its sustainability reporting and performance through an online feedback form available to all stakeholders.</p> <p>6. Qatar Steel maintain close links with certification bodies; UKCARES, ISO 14001, OHSAS 18001.</p>

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
INTEGRITY	Key Drivers	- Reactive: driven by regulatory, EA, shareholder and/or investor pressures and cost/return decisions	- Sustainable development part of reputation/risk management	- Proactive planning and seeking out opportunities	<ol style="list-style-type: none"> 1. Qatar Steel is working in partnership with the Ministry of Environment in Qatar to ensure all targets agreed in the Consent to Operate are managed and reported correctly. 2. Qatar Steel is an active participant in Qatar Energy and Industry Sector Sustainability (QEISS) Programme and report on key sustainability indicators to the program on annual bases. 3. Qatar Steel's Environmental Monitoring Program to ensure compliance with all applicable regulations. 4. Qatar Steel has integrated Sustainability in its corporate strategy and are in the process of implementing a sustainability roadmap that will identify opportunities/risks associated with sustainability
	Leadership	- Adhere to at least one sustainable development standard	- Stay apprised of changes in practice, standards and legislation	- Lead the market sector on sustainable issues. - Sustainable development policy and objectives integrated with organizational purpose, vision and values	<ol style="list-style-type: none"> 1. Qatar Steel is adhered to UK CARES Quality and Operations Assessment Schedule, BS EN ISO 9001:2008 Quality Management System, and UK CARES Product Certification since 2006. 2. Qatar Steel has a Sustainability Policy in place and objectives developed through the Management Systems (EMS, OHSAS). Additionally, Qatar Steel have a well developed sustainability framework and commitments.
	Managing Risk	- Compliance by the book	- Main risks identified and managed but possibly not integrated with sustainable development management system	- Sustainable development policies fully integrated with risk management system. - Seek to adhere to the principles of risk management rather than simply do the minimum for compliance	Qatar Steel has an EMS according ISO 14001, a HSMS according OHSAS 18001.

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
STEWARDSHIP	Sustainable development culture	<ul style="list-style-type: none"> - See sustainable development as a PR issue only. - Only implement sustainable development initiatives with low cost/impact 	<ul style="list-style-type: none"> - See a business advantage in sustainable development but still PR/marketing focused. - Develop internal/external education program 	<ul style="list-style-type: none"> - Culture of sustainable development is embedded at all levels. - Share know-how outside the organisation 	<ol style="list-style-type: none"> 1. Culture of sustainable development and are fully integrated in all levels. Duties regarding sustainability programs are integrated in the department level, and performance measuring for sustainability is tracked through Qatar Steel Balanced scorecard. 2. Qatar Steel conducts annual sustainability trainings for different levels of the organization. 3. Qatar Steel has a Sustainability Team in place that works as agents of change in their departments and linking departmental sustainability goals, with the organizational sustainability goals. 4. Qatar Steel has a dedicated budget for community investment. However, in 2016 Qatar Steel is planning to create a strategic community investment system that will enable it from creating the highest added value for the community from its investments.
	Building capability	<ul style="list-style-type: none"> - Grant employees statutory only 	<ul style="list-style-type: none"> - Stimulate innovative learning and empower employees 	<ul style="list-style-type: none"> - Continual reappraisal and training including training that builds capability for future expansion. - Recognise and reward innovation in sustainable development 	<p>Qatar Steel has a training plan including theoretical and practical training regarding quality, environment, H&S and Sustainability. However, this plan is not yet integrated in the whole organization and only cover partial number of employees. This will improve next year.</p>
	Supply chain	<ul style="list-style-type: none"> - Lowest prices suppliers. - Latest possible payment 	<ul style="list-style-type: none"> - Supplier rating based on technical compliance, cost and delivery time, and possibly sustainable development factors 	<ul style="list-style-type: none"> - Recognise that the supply chain has common long-term interests and take those into account. - Assistance given to lower tiers where necessary 	<ol style="list-style-type: none"> 1. Suppliers are selected based on technical compliance, cost, delivery time, environmental, safety, and human rights performance and criteria. 2. Sustainability criteria are implemented in the selection of suppliers through screening them on environmental, health and safety, and human rights performance. Further developments on this are expected in the coming year.
	Environmental assessment	<ul style="list-style-type: none"> - Minimal awareness. - Defensive posture 	<ul style="list-style-type: none"> - Education and training. - Apply environmental policies and standards 	<ul style="list-style-type: none"> - Comprehensive environmental impact/risk, audit integrated in decision making and valued. - Prevention rather than cure approach. 	<ol style="list-style-type: none"> 1. Qatar Steel has an EMS according ISO 14001 and it conducts a sustainability materiality assessment on an annual base to identify the key issues for stakeholders (including environmental issues). 2. Qatar Steel have a dedicated Risk Management functions that also investigate environmental risks in the organization and communicated to the board level through the Audit Committee.

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
TRANSPARENCY	Review	- Conventional reporting only	- Needs if stakeholders analysed	- Periodic review and adjustment	<p>1. Formal management reviews undertaken annually and objectives and targets set to reflect continual improvement as a part of EMS.</p> <p>2. Reporting on progress on sustainability is part of the corporate balanced scorecard. Each Department is integrating sustainability performance in its goals and targets and report back on them.</p> <p>3. Qatar Steel have been issuing sustainability reports since 2011, providing a transparent channel of its sustainability performance to its stakeholders.</p>
	Building confidence	- Minimal communication with stakeholders	- Selective reporting to predetermined ends	- Stakeholders receiving regular and appropriate reporting. - Building understanding in the stakeholder community.	<p>1. Qatar Steel is in the process of establishing its Stakeholder Advisory Group, comprised of representatives from its key stakeholders, to act as an advisory body during our journey toward sustainability. In 2014, Qatar Steel made progress in developing a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on our approach to sustainability.</p> <p>2. Qatar Steel actively gathers feedback from stakeholders on its sustainability approach and reporting through an online feedback form available to all stakeholders.</p>

APPENDIX C: GRI CONTENT INDEX AND IPIECA INDEX

Qatar Steel has developed this report 'in accordance' with the GRI G4 guidelines core reporting option. As signified by the icon above, the report has successfully completed a

Materiality Disclosure Index Service provided by the GRI. The table below is an index of the GRI disclosures included in this report as per the G4 guidelines.



GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page	External Assurance
STRATEGY AND ANALYSIS		
G4-1	8, 9	Not assured
G4-2	80,81,85	Not assured
ORGANIZATIONAL PROFILE		
G4-3	10	Not assured
G4-4	14	Not assured
G4-5	10	Not assured
G4-6	14,15	Not assured
G4-7	10	Not assured
G4-8	14,15	Not assured
G4-9	15, 16, 69, 82	Not assured
G4-10	69	Not assured
G4-11	Not allowed in Qatar	Not assured
G4-12	54	Not assured
G4-13	No Significant Changes	Not assured
G4-14	77	Not assured
G4-15	85	Not assured
G4-16	84	Not assured
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	82	Not assured
G4-18	84	Not assured
G4-19	84	Not assured
G4-20	95	Not assured
G4-21	95	Not assured
G4-22	No restatements	Not assured
G4-23	No Changes	Not assured
STAKEHOLDER ENGAGEMENT		
G4-24	21, 84-85	Not assured
G4-25	86-89	Not assured
G4-26	86-89	Not assured
G4-27	85	Not assured

REPORT PROFILE			
G4-28	2015	Not assured	
G4-29	2014	Not assured	
G4-30	Annual	Not assured	
G4-31	84	Not assured	
G4-32	90	Not assured	
G4-33	No Assurance		
GOVERNANCE			
G4-34	17-20	Not assured	
G4-35	Research & Sustainability Department Manager	Not assured	
G4-36	17-20	Not assured	
G4-39	78	Not assured	
ETHICS AND INTEGRITY			
G4-56	76-77	Not assured	
SPECIFIC STANDARD DISCLOSURES			
DMA and Indicator	Page	Omissions	External Assurance
CATEGORY: ECONOMIC			
MATERIAL ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	80,81		Not assured
G4-EC1	80,81		Not assured
G4-EC4	Fully owned by the Government		Not assured
MATERIAL ASPECT: MARKET PRESENCE			
G4-DMA	38,39		Not assured
G4-EC6	38		Not assured
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-DMA	43		Not assured
G4-EC7	43		Not assured
MATERIAL ASPECT: PROCUREMENT PRACTICES			
G4-DMA	43		Not assured
G4-EC9	43		Not assured
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: MATERIALS			
G4-DMA	54		Not assured
G4-EN1	54		Not assured
MATERIAL ASPECT: ENERGY			
G4-DMA	50		Not assured
G4-EN3	50		Not assured
G4-EN5	51		Not assured
G4-EN6	50		Not assured
G4-EN7	50,51		Not assured
MATERIAL ASPECT: WATER			
G4-DMA	54, 55		Not assured
G4-EN8	55		Not assured
G4-EN9	55		Not assured
G4-EN10	55		Not assured

MATERIAL ASPECT: BIODIVERSITY			
G4-DMA	54		Not assured
G4-EN11	54		Not assured
G4-EN12	54		Not assured
G4-EN13	54		Not assured
G4-EN14	54		Not assured
MATERIAL ASPECT: EMISSIONS			
G4-DMA	51,52		Not assured
G4-EN15	52		Not assured
G4-EN16	52		Not assured
G4-EN18	52		Not assured
G4-EN21	53		Not assured
MATERIAL ASPECT: EFFLUENTS AND WASTE			
G4-DMA	54,55,56		Not assured
G4-EN22	55		Not assured
G4-EN23	56		Not assured
G4-EN24	Zero		Not assured
MATERIAL ASPECT: PRODUCTS AND SERVICES			
G4-DMA	24, 25,27,29,30		Not assured
G4-EN27	29		Not assured
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	43		Not assured
G4-EN32	43		Not assured
G4-EN33	43		Not assured
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
Material Aspect: Employment			
G4-DMA	68, 69		Not assured
G4-LA1	68, 69		Not assured
G4-LA2	71, 72		Not assured
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	62-64		Not assured
G4-LA5	64		Not assured
G4-LA6	63		Not assured
G4-LA7	64		Not assured
G4-LA8	63		Not assured
MATERIAL ASPECT: TRAINING AND EDUCATION			
G4-DMA	70,71		Not assured
G4-LA9	70,71		Not assured
G4-LA10	70,71		Not assured
G4-LA11	70,71		Not assured
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	76		Not assured
G4-LA12	76		Not assured

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES			
G4-DMA	43,62,63		Not assured
G4-LA14	43		Not assured
G4-LA15	43		Not assured
MATERIAL ASPECT: LABOUR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA	86		Not assured
G4-LA16	Zero		Not assured
SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA	38,39,68		Not assured
G4-HR3	Zero		Not assured
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	73,88		Not assured
G4-HR10	73		Not assured
G4-HR11	73		Not assured
SUB-CATEGORY: SOCIETY			
MATERIAL ASPECT: LOCAL COMMUNITIES			
G4-DMA	38,43,88		Not assured
G4-SO1	38, 43-46		Not assured
MATERIAL ASPECT: ANTI-CORRUPTION			
G4-DMA	77		Not assured
G4-SO3	77		Not assured
G4-SO4	76		Not assured
G4-SO5	Zero Incidents		Not assured
MATERIAL ASPECT: EMERGENCY PREPAREDNESS			
G4-DMA	64		
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	24		Not assured
G4-PR1	24		Not assured
MATERIAL ASPECT: PRODUCT AND SERVICE LABELLING			
G4-DMA	24, 30		Not assured
G4-PR3	24,27,30		Not assured
G4-PR5	32		Not assured
MATERIAL ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	33		Not assured
G4-PR6	None		Not assured
G4-PR7	None		Not assured
Material Aspect: Materials Stewardship			
G4-DMA	24-32		Not assured

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: MATERIAL ISSUES AND THEIR BOUNDARIES

Sno	Qatar Steel Material Issue	Aspect Boundary
1	Financial Performance	Shareholders, customers, environment, society, employees
2	Employee Safety	Employees, Shareholders, Environment
3	Product Quality	Shareholders, Customers, Environment, Society
4	Product Innovation	Shareholders, Customers, Environment, Society
5	Customer Satisfaction	Shareholders, Customers
6	Emergency Response Preparedness	Shareholders, Environment, Society, Employees
7	Waste Management and Recycling	Shareholders, Environment, Society
8	Energy Consumption	Shareholders, Environment
9	GHG Emissions	Shareholders, Environment, Society
10	Risk Management	Shareholders, Employees
11	Contractor Safety	Employees, Shareholders, Environment
12	Product Traceability	Shareholders, Customers
13	Operational Efficiency	Shareholders, Employees
14	Occupational Health	Shareholders, Employees, Society
15	Qatarization	Shareholders, Employees, Society
16	Corporate Governance	Shareholders, Employees
17	Water Consumption	Shareholders, Environment, Society
18	Training and Development	Shareholders, Employees
19	Performance Based Compensation and Rewards	Shareholders, Employees
20	Strategic Investments	Shareholders, Employees
21	Responsible Sourcing and Material Consumption	Shareholders, Customers, Environment, Society

APPENDIX E: GLOSSARY

Climate Change	A significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years.
Corporate Governance	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 toward which the corporation is governed.
G4 Reporting Guidelines	A GRI framework, issued in 2014, for reporting on an organisation's economic, environmental, and social performance.
Global Reporting Initiative (GRI)	A network-based organisation that produces a comprehensive sustainability reporting framework 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.
Greenhouse Gas Emissions	Gas emissions, which contribute to the trapping of heat inside the atmosphere (resulting in the phenomenon of global warming).
Gulf Cooperation Council (GCC)	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 the United Arab Emirates.
Qatarization	An initiative by the government of Qatar to increase the number of Qatari nationals in all joint-venture industries and government departments.
Qatar National Vision 2030	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, and envisages a vibrant and prosperous country with economic and social justice for all, in which nature and humans are in harmony.
Stakeholders	Groups or individuals who affect and/or could be affected by an organisation's activities, products, services, or associated performance.
Sustainability	A state where the current generation can meet their needs without compromising the ability of future generations to meet their own needs.
Sustainability Management	The integrated management of economic, social, and environmental issues in a way that maximises value for all stakeholders.

APPENDIX E: ACRONYMS

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

Environmental Product Declaration

BREG EN EPD No.: 000139

Issue: 01

ECO EPD Ref. No.: 000433

This is to certify that this verified Environmental Product Declaration provided by:

Qatar Steel Company (Q.S.C.) (member of UK CARES)

Is in accordance with the requirements of:

EN 15804:2012+A1:2013

This declaration is for:

Carbon Steel Reinforcing Bar (Direct Reduced Iron production route)

Company Address

P.O. Box 50090

Mesaieed



Signed for BRE Global Ltd

Emma Baker
Operator

22 September 2016
Date of this Issue

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Date of First Issue

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Sustainability Policy

Qatar Steel is committed to integrating sustainable development principles into its operations to mitigate its environmental impact, to ensure the delivery of high quality products and services to customers, to meet and exceed stakeholder expectations, and to support the development of the State of Qatar.

To achieve its sustainability objectives, Qatar Steel is committed to:

- **Making Steel Matter** by delivering high-quality and innovative steel products that meet and exceed customers' expectations, in an efficient and reliable manner.
- **Contributing to Qatar's Development** by investing in initiatives that help to build a stronger society and economy, and thereby supporting the longevity of Qatar Steel.
- **Reducing Environmental Impact** by continual improvement of our assets and operations and complying with Qatar's Environmental Standards and Regulations, and any other relevant legislation applicable to our company.
- **Ensuring A Safe and Healthy Work Environment** by defining and evaluating Qatar Steel's processes according to health and safety requirements with focus on reducing risks and preventing all injuries and illness at work place.
- **Developing a High Performing and Motivated Team** by operating as a socially responsible organization that supports employees' development, protects their rights, and creates a highly desirable safe working environment.
- **Instilling Good Governance and Accountability** by maintaining a solid integrated management system that are aligned to international standards, regularly updating the Corporate Strategy Map, and monitoring and evaluating KPIs for each sustainable development issue.
- **Achieving Profitable Growth** by maintaining our business operations in a manner that creates economic value for our stakeholders and meets high customers' satisfaction.

Qatar Steel ensures its Sustainability achievements by:

- Clearly defining sustainability structure, responsibilities and accountabilities,
- Well defined long term objectives and targets for guiding our sustainability management,
- Regular monitoring, benchmarking and reporting publicly on the company's performance,
- Developing, implementing and maintaining management standards for realizing sustainability in every part of the company and its plants,
- Providing necessary resources and training for employees on the implementation of sustainable development at Qatar Steel.

Ali Bin Hassan Al-Muraikhi
Managing Director & General Manager

Revision- (5): 30th- May, 2016

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Location #02: Qatar Steel Company's
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WE MAKE STEEL MATTER

