
قطر ستيل
QATAR STEEL

Sustainability Report 2011

Qatar Steel **Sustainability Report**

Welcome to Qatar Steel's first sustainability report, covering the years 2009 to 2011. This report presents Qatar Steel's baseline sustainability performance, emphasizing the specific environmental, societal, and economic performance pertinent to Qatar Steel and its stakeholders. Additionally, this report discusses Qatar Steel's sustainability targets and commitments for 2012 and beyond.

This report reflects Qatar Steel's firm commitment to embedding sustainability management and reporting in all levels of its operations. Sustainability is a key component of Qatar Steel's business strategy. In all of the company's business operations, Qatar Steel strives to align its objectives with the Qatar National Vision 2030 (QNV 2030) and with the Sustainable Development Industry (SDI) program, launched by the Health, Safety, and Environment (HSE) Regulations and Enforcement Directorate (DG) of the State of Qatar. In its second year, the SDI program aims to contribute relevant and useful information on the sustainability performance of Qatar's energy and industrial sectors to various national, regional, and international organizations.

This report is based on the guidelines outlined in 'Guidelines on Sustainability Reporting for Energy and Industry Sector' issued by the Regulations and Enforcement Directorate of the State of Qatar and the Global Reporting Initiative (GRI) sustainability reporting guidelines G3.1. Qatar Steel self-declares this report to meet GRI Application Level B rating. This report's Level B rating has been checked and confirmed by the GRI, as shown in Appendix C.

Qatar Steel is committed to annual reporting on the sustainability issues of greatest concern to its stakeholders. After reading this report, Qatar Steel encourages you to share your ideas and comments via email: Sustainability@qatarsteel.com.qa.

Contents

Message

Qatar is making rapid progress on its sustainability initiatives, under the leadership of HH The Emir, Sheikh Hamad Bin Khalifa Al-Thani. Qatar Steel, the primary integrated steel producer in the country, is well aligned with Qatar's National Development Strategies and the Qatar National Vision 2030. Qatar Steel's commitments strive to achieve sustainable development and integration of the company's plant operations with societal needs while bringing value to its stakeholders.

During 2009~2011, Qatar Steel achieved strong economic, social, environmental, and personnel performance. In addition to impressive financial results, Qatar Steel continues to contribute to Qatar's infrastructure development by consistently meeting local steel demand and ensuring uninterrupted supplies of quality finished steel products. As an established leader in the market, Qatar Steel proactively provides its customers with the products and services they require. Qatar Steel consistently performs at a level comparable to the best companies in the global steel industry. Through constant innovation, Qatar Steel develops new technologies and processes, which result in significant improvements in productivity, HSE standards, and waste management. Additionally, Qatar Steel's use of new technologies results in significant reductions in carbon emissions and other pollutants. Qatar Steel recognizes its employees as the company's greatest assets and as such views employee engagement and Qatarization as critical components of success.

Moving forward, Qatar Steel is dedicated to maintaining high standards of excellence, and to extending future commitments to all areas covered in its sustainability framework.

I am pleased to present Qatar Steel's first sustainability report outlining its sustainability approach and performance from 2009 to 2011. This report highlights Qatar Steel's commitment to sustainability leadership and illustrates Qatar Steel's role in the Sustainable Development Industry (SDI) program and Qatar's sustainable development.

Ali Bin Hassan Al-Muraikhi

Director and General Manager

About **Qatar Steel**

Qatar Steel is widely recognized as the foremost leader in the steel industry in the Gulf Cooperation Council (GCC) region. Established in 1974 as the first integrated steel plant in the Arabian Gulf area, Qatar Steel operates an expansive mill site located in the heart of the Mesaieed Industrial City (MIC), 45 kilometers south of Qatar's capital city, Doha. In 2003, Industries Qatar (IQ) took full ownership of Qatar Steel.

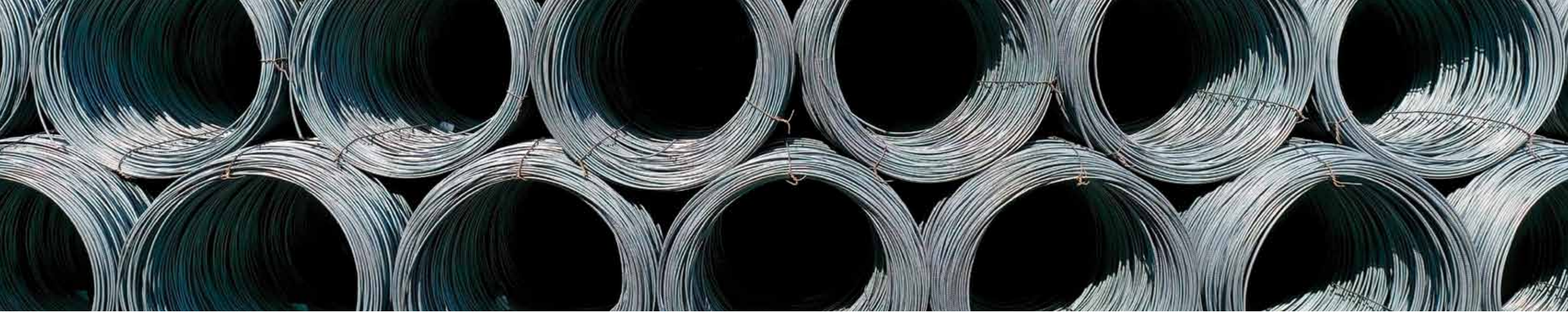
VISION Qatar Steel endeavors to be universally recognized as a leading and constantly growing force in the steel industry of the region, to be admired for its business culture, for building value for its shareholders and customers, and for bringing inspiration to its people.

MISSION Qatar Steel will continue to be the first name in the region's steel industry by harnessing its assets and resources to achieve profitable growth, operational and organizational excellence, and good corporate citizenship

PURPOSE To reach a league where Qatar Steel will matter beyond normal commercial objectives. To become the standard for quality enterprise and exude a winning attitude in order to make a difference in Qatar Steel's environment.

VALUES • Trustworthy • Reliable • Creative • Dynamic • Perceptive

Qatar Steel employs a committed and skilled workforce of over 1,800 individuals to manufacture, sell, and distribute a wide range of products throughout the GCC region and other neighboring countries. Using state-of-the-art production technology, Qatar Steel produces Direct Reduced Iron (DRI), Hot Briquetted Iron (HBI), Reinforcing Bars (D10 to D40) and other steel products. During its three decades of operations, Qatar Steel has built an outstanding reputation for unrivalled quality, consistency and reliability. In 2008, the company celebrated its 30th anniversary and was named by MEED as one of the top 4 steel producers in the Middle East.



Qatar Steel supplies approximately 98% of all reinforcing bars used in Qatar. As shown in the table to the right, Qatar Steel has increased its sales of all products – except for the Direct Reduced Iron (DRI) as most of the DRI was used in internal operations. Qatar Steel's most popular product, reinforcing bars, sold more than 1,569,500 mt in 2011. Additionally, Qatar Steel doubled its sales of by-products from 108,000 mt in 2010 to 219,000 mt in 2011. By-products include Iron Oxide Fines, Mill Scale, Processed Iron Ore Fines (Direct Reduction Slurry, Direct Reduction Dust, and Classifier Dust), and Raw Slag.

Total Sales

	2009	2010	2011
DRI (mt)*	400,000	116,000	31,000
HBI (mt)	282,000	238,000	155,000
Billets (mt)	240,000	419,000	471,000
Reinforcing bars (mt)	1,517,252	1,483,505	1,569,501
Others - by products (mt)	136,000	108,000	219,000

*mt is an abbreviation for metric ton

The main reason of decrease in sale of HBI during 2011 is due to shutdown of DR plant for maintenance. The sale of HBI has resumed Again on May 2011.

Qatar Steel also operates a fully owned subsidiary – Qatar Steel Company FZE, located in Dubai, United Arab Emirates that produces steel bars and coils. Additionally, Qatar Steel maintains a sizeable stake in three associated companies: United Stainless Steel Company (USCO) Bahrain, Gulf Industrial Investment Co. (GIIC) in Bahrain and Qatar Metals Coating Company W.L.L. (Q-Coat). USCO has closed down its stainless steel operations and is currently exploring the possibility of converting this unit into other finished steel products. GIIC specializes in the pelletization of iron ore, which is an essential raw material used by Qatar Steel. Q-Coat manufactures epoxy-coated reinforcement bars using Qatar Steel reinforcement bars. Qatar Steel has also invested in South Steel Company, based in Jizan, KSA.

History and Recognition

1974 Qatar Steel was established as a joint venture between Government of Qatar (70%) and two Japanese companies Kobe Steel Company (20%) and Tokyo Boueki Limited (10%).

1981 Qatar Steel achieved one million ton production for DR, EF, CC and RM.

1991 Qatar Steel obtained Japanese Industrial Standards (JIS) Certification.

1995 Qatar Steel obtained ISO 9000 Cert ification.

1997 Qatar Steel became fu lly owned by the Government of Qatar.

1999 Qatar Steel became ISO 14001 certified.

2003 Qatar Steel obtained Saudi Arabian Standards Organization (SASO) Certification.

2006 Qatar Steel obtained CARES Certification.

2008 Qatar Steel obtained Dubai Central Laboratory Department (DCLD) Certification for Reinforcing bars of ASTM and BS size varying from 10mm - 40mm.

2011 Qatar Steel received the UK CARES Sustainable Reinforcing Steel Certification.

Membership

Since 1979, Qatar Steel has been a member of the World Steel Association (worldsteel), one of the largest and most dynamic industry associations in the world. Recognized as a global industry leader, worldsteel represents approximately 170 steel producers (including 17 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. Worldsteel provides global leadership on all major strategic issues affecting the steel industry, particularly those involving economic, environmental, and social sustainability.

As Qatar's primary steel producer, Qatar Steel contributes to worldsteel's international steel statistics database and reporting. Qatar Steel also participates in worldsteel's climate change initiative. Through this initiative, Qatar Steel shares emissions data in order to support development of a steel industry climate action recognition and emissions reduction programs.

Qatar Steel has been a member of the South East Asia Iron & Steel Institute (SEAISI) since 1995. The goal of SEAISI is to promote the iron and steel industry in the South East Asian region. SEAISI also facilitates technology transfer around the world, especially in China, Australia, Japan, Korea and Taiwan. As a member of SEAISI, Qatar Steel engages with international stakeholders and contributes to the development of economic and social partnerships abroad.

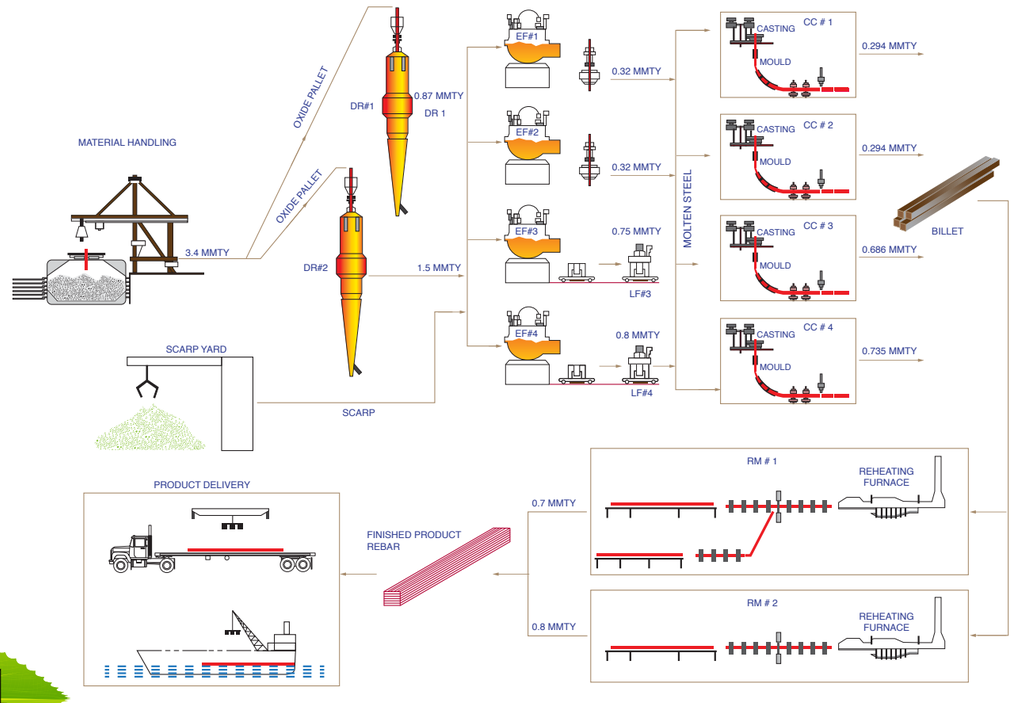
Qatar Steel is a long-standing member of the Arab Iron and Steel Union (AISU), the first Arab union to focus on the development and growth of the Arab iron and steel industry. Qatar Steel joined AISU in 1978.

Steel Making at Qatar Steel

Qatar Steel's plant consists of four integrated primary units:

1. Direct Reduction Plants (DR1 & DR2)
2. Electric Arc Furnaces (EAF1, EAF2, EAF3 & EAF4)
3. Continuous Casting Plants (CC1, CC2, CC3 & CC4)
4. Rolling Mills (RM1 & RM2).

Production occurs sequentially (as listed), with each unit feeding into the following one.



The primary units are composed of a Midrex process based DRI/HBI Combo Mega Module (DR-2), Electrical Arc Furnaces with a Ladle Refining Furnace, a Continuous Casting plant and RM Reheating Furnace, Rolling Mills with the latest automated features, as well as other auxiliary supporting facilities including well-equipped jetty facilities, a main power substation, and others.

The direct reduction unit transforms Iron Ore Pellets into solid iron. First, iron ore pellets are fed into the DR furnace, where they are heated and oxygen is removed via the introduction of Hydrogen and Carbon Monoxide, which is converted from Natural Gas by the reformer. The resulting Metallic Iron is then cooled through the circulation of cooling gas from the lower part of the furnace. This process produces Directly Reduced Iron (DRI).

Direct reduction is an iron-making process for the new era. It is a process whereby iron ore pellets are converted at high temperature to a high pure form of iron. Qatar Steel has adopted the gas-based Direct Reduction process technology in its integrated steel complex for iron making.

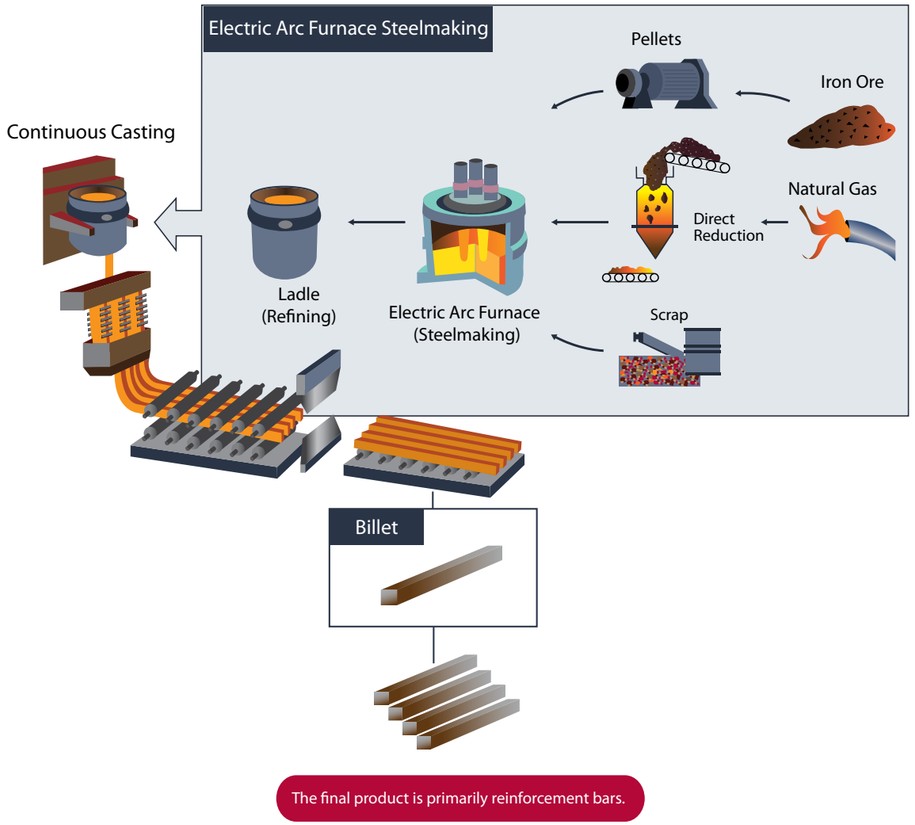
Production from DR1 has steadily increased over its 30 years of operation, exceeding 800,000 mt (0.8 Million ton) annually from 2004 onwards and reaching 870,000 mt (0.87 Million ton) in 2011. In 2007, Qatar Steel commissioned its DR2 module – a first-of-its-kind COMBO Plant – with a capacity of 1.5 Million ton per year.

Electric Arc Furnaces annual capacity:
EAF 1&2= 640,000 mt (0.64 Million ton)
EAF 3= 750,000 mt (0.75 Million ton)
EAF 4= 800,000 mt (0.80 Million ton)

After the DRI leaves the direct reduction unit, it is fed into one of Qatar Steel's four electric arc furnaces, where it is combined with scrap metal to produce molten steel at a production capacity of more than 2 Million ton per year.

To produce billets, the molten steel is poured into the continuous casting unit through a specially shaped mould, where it hardens (via introduction of cold water) as it moves through the rolls of the caster. This process shapes the molten steel into billets, which are sold as one of Qatar Steel's products. The continuous casting unit is equipped with 4 casting machines, each composed of 4 strands, and has a total capacity of over 2 Million ton per year.

Cooled billets that are not sold directly travel to the rolling mill, where the finished products are fashioned to meet Qatar Steel's high standards of quality and productivity. Once in the rolling mill, the billets are heated in a re-heating furnace and rolled to different sizes. Qatar Steel has 2 rolling mill facilities, RM1 and RM2, which have a combined capacity of 1.5 Million ton per year (RM-1=0.7 Million ton and RM-2=0.8 Million ton).



The final product is primarily reinforcement bars.

* Original design by Worldsteel.

Qatar Steel's **Approach to Sustainability**

Qatar Steel's Sustainability Efforts

At Qatar Steel, 'sustainability' is defined as the integrated management of the company's economic, social, and environmental performance in a way that maximizes value for Qatar Steel's stakeholders. This definition makes it clear that sustainability is critical to Qatar Steel's short and long-term success. Qatar Steel has already made significant progress towards sustainability. In 2006, Qatar Steel received a CARES Sustainable Reinforcing Steel certificate, which highlights the integration of sustainability into Qatar Steel's organizational strategy and operations. Internally, Qatar Steel developed a Sustainability Manual to set out its Sustainability Management Systems (SMS), including the company's strategy for the sustainable production of DRI/HBI and reinforcing bars based on CARES standards.

Stakeholder engagement helps to identify Qatar Steel's sustainability priorities, and focus the company's efforts to achieve a higher degree of sustainability in operations. Qatar Steel developed a comprehensive strategy for engaging with its stakeholders, which can be found on page 79-80 of this report.

Qatar Steel's Sustainability Policy

The sustainability policy includes the company's commitment to:

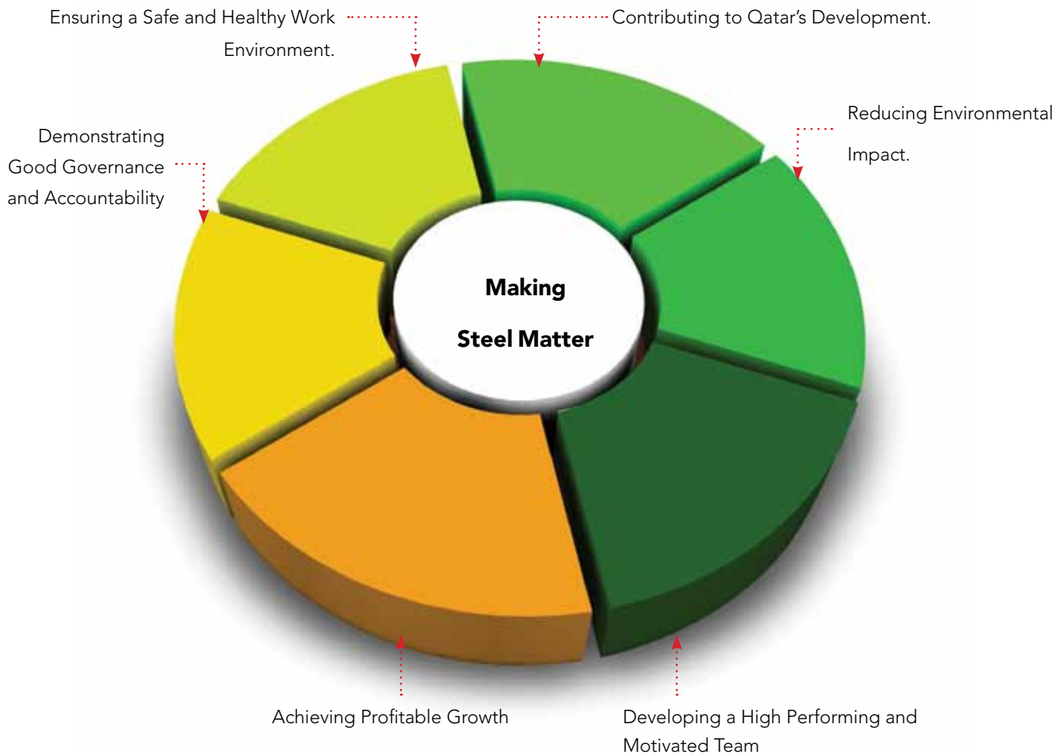
1. Prevention of injury and work-related illnesses
2. Prevention of pollution
3. Customer satisfaction
4. Sustainable production
5. Continual improvement
6. Compliance with legal and other requirements

The sustainability policy is communicated to all employees including staff working on behalf of Qatar Steel. All are expected to fulfill the requirements of the policy in their work related activities and decisions. The policy statement is prominently displayed in central locations throughout the company premises and is published on the Qatar Steel server and website. The Sustainability Policy will be communicated to subcontractors and suppliers during the induction and orientation process and as part of contractual documents. It will be annually reviewed (primarily during management review meetings) to ensure that it remains relevant and appropriate to Qatar Steel's business process.

Qatar Steel's Sustainability Approach and Framework

Qatar Steel developed a specific sustainability framework built on its existing business operation structure. Qatar Steel's sustainability framework is aligned with the company's current Corporate Strategy Map, and demonstrates Qatar Steel's commitment to the Qatar National Vision 2030, the National Development Strategy 2011-2016 and the Qatar Petroleum (QP) DG SDI initiative. Qatar Steel has been a practitioner of the Balanced Scorecard model (BSC) over the last ten years, and has adopted the best practice Strategy Execution Premium Model XPPTM recommended by Palladium Group, the founders of BSC. This model links VMV (Vision-Mission-Value) and Strategy Map to Qatar Steel's day-to-day operations. The Corporate Strategy Map is coordinated among all units, departments and employees through the establishment of objectives, which are regularly tracked, monitored, and improved upon through analysis of Key Performance Indicators (KPIs). This report, and future sustainability reports, presents Qatar Steel's performance and commitments for each of the main focus areas presented of the framework.

Qatar Steel Sustainability Framework



Qatar Steel's approach to sustainability is based on the company's slogan, **'Making Steel Matter.'** Each of the six supporting elements shown above allows Qatar Steel to deliver top quality innovative steel products that meet and exceed customer expectations. Qatar Steel balances the six elements to ensure the reliability and availability of company plants while enhancing productivity to meet increasing demand for Qatar Steel's products. Qatar Steel's focus on balance and excellence in each element helps to build trust in the company. Continuous engagement with customers' needs further demonstrates Qatar Steel's dedication to customer service, and is an integral part of Qatar Steel's commitment to **Making Steel Matter.**

Making Steel Matter in a sustainable manner involves diligent measurement, management, and reporting across the following six focus areas:

1. **Contributing to Qatar's Development:** Steel is an important component of Qatar's current physical and economic development. It also plays a vital role in the country's long term social, human, and environmental development, as outlined in the Qatar National Vision 2030. Through its commitment to the QNV 2030, Qatar Steel aims to continue as a positive force contributing to sustainable development in Qatar.

2. **Reducing Environmental Impact:** Qatar Steel is working to reduce its environmental impact through investment in cutting edge technology and continuous improvement of efficiency. These actions improve productivity, reduce Qatar's overall environmental impact, enhance customer loyalty, and support Qatar Steel's promise of Making Steel Matter.

3. **Ensuring a Safe and Healthy Work Environment:** The safety of employees, contractors and physical assets are of vital importance to Qatar Steel. Placing health and safety as a top priority ensures that everyone shares in Qatar Steel's success.

4. **Developing a High Performing and Motivated Team:** Qatar Steel's highly skilled team consistently delivers quality products to satisfy its valued customers. Qatar Steel invests heavily in its employees through training and development. Qatar Steel's satisfied and engaged workforce is major catalyst of success.

5. **Demonstrating 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.

6. **Achieving Profitable Growth:** Profitable growth, both for Qatar Steel and the State of Qatar, is achieved by maintaining business excellence, meeting increasing consumer demand through expansion and growth, and contributing to Qatar's infrastructure development.

Qatar Steel's Sustainability Performance Data

Sustainability Focus Area	Indicators	Performance		
		2009	2010	2011
Making Steel Matter	% of billets scrapped and reprocesses due to quality parameters	0.1	0.16	0.27
	% of rebar scrapped due to quality parameters	0.010	0.032	0.010
	DR reliability, average (%)	98.32	94.40	96.94
	EF reliability, average (%)	95.18	94.96	96.61
	CC reliability, average (%)	97.54	98.25	97.49
	RM reliability, average (%)	88.58	90.12	92.28
	DR availability, average (%)	92.79	87.43	90.39
	EF availability, average (%)	88.19	87.85	87.32
	CC availability, average (%)	90.49	91.43	88.74
	RM availability, average (%)	84.80	77.24	84.65
	DR yield, average (%)	69.39	69.05	69.43
	EF yield, average (%)	91.52	91.31	91.30
	CC yield, average (%)	97.42	98.55	98.37
	RM yield, average (%)	98.51	98.25	98.35
	Customer satisfaction (%)	81.80	78.20	80.60
Contributing to Qatar's Development	Qatarization (%)	11.57	12.05	11.72
	Spending on locally-based suppliers and contractors, as percentage of total spending*	38	30	61
	Community investment (QR)	203,000	355,000	310,000
Reducing Environmental Impact	Environmental investment ('000 QR)	0	1,020	3,000
	Electricity (MWh)	1,473,436	1,784,160	2,053,681
	Total GHG emissions (mt)	1,276,768	5,604,075	5,828,175
	Scrap used as input material (mt)	254,722	298,193	369,842
	Natural gas consumption (m3)	650,506,224	670,075,543	697,644,756
	Fresh water consumption (m3)**	1,040,310	1,493,869	1,333,370
	Slag (mt)	176,715	236,982	244,534
	Spills (m3)	0	0	0
Ensuring a Safe and Healthy Work Environment	Lost Time Injury Frequency (LTIF), employees	2.67	1.02	2.69
	Number of work-related fatalities, employees	0	1	0
	Fire incidents	9	17	16
	Number of emergency response drills conducted	16	16	16
	Lost Time Injury Frequency (LTIF), contractors	New indicator		
	Number of work-related fatalities, contractors	2	0	0

Qatar Steel's Sustainability Performance Data (Contd.)

Developing a High Performing and Motivated Team	Number of employees	1,685	1,743	1,809
	Total number of training hours provided	24,385	21,603	16,270
	Average hours of training per employee per year	14.5	12.4	9.0
	Employee satisfaction (%)	89	N/A	N/A
	Employee turnover (%)	8.4	3.6	4.4
Demonstrating Good Governance and Accountability	Business units analyzed for corruption (%)***	100	100	100
	GRI application level achieved by Qatar Steel's sustainability report	New indicator		B
Achieving Profitable Growth	Revenues (Million QR)	4,067	5,280	6,312
	Operating costs (Million QR)	3,598	4,231	4,785
	Total spending on contractors and suppliers (Million QR)*	371.6	603.0	575.3

* Total spending on contractors and suppliers includes services, equipment, logistics, and spares and consumable items. Calculation does not include raw material procurement.

** Water consumption numbers in this table do not include seawater used for operations.

*** Reference to the operating unit in Qatar

Qatar Steel's 2012 Sustainability Targets and Commitments

Sustainability Focus Area	Targets and Commitments
Making Steel Matter	• Conduct 2012 customer satisfaction survey • Enhance plant productivity, availability and reliability, with an aim to achieve: - DR plant – 69.10% productivity, 93.00% availability, and 97.25 reliability - EAF plant – 91.30% productivity, 87.50% availability, and 96.16% reliability - CC plant – 98.50% productivity, 87.50 availability, and 97.00% reliability - RM plant – 98.50% productivity, 93.50% availability, and 91.00% reliability
Contributing to Qatar's Development	• Enhance the company's Qatarization rate • Develop community investment projects and enhance community spending
Reducing Environmental Impact	• Reduce GHG emissions to meet the international benchmark of 1.8 tons of CO_2 per ton of crude steel cast • Increase scrap used as input material • Implement technology to recycle all by-products for use as briquetting input material for Electric Arc Furnaces
Ensuring a Safe and Healthy Work Environment	• Build on company-wide efforts to track the safety performance of company contractors. The results will be presented in 2013.
Developing a High Performing and Motivated Team	• Reinforce measurements of employee satisfaction • Conduct sustainability training for employees
Demonstrating Good Governance and Accountability	• Develop a 2012 sustainability report • Continue to check the company's operations unit to safeguard against corruption
Achieving Profitable Growth	• Achieve new expansion and growth through a Greenfield SMS facility (EF5), which is expected to be operational in the 1st quarter of 2013.

Making **Steel Matter**

Making Steel Matter

Excellence in all of Qatar Steel's operations is required in order to genuinely Make Steel Matter. Qatar Steel realizes that its customers desire high-quality products manufactured with efficiency, reliability, and the lowest possible environmental impact. Qatar Steel's products and services are designed to meet and exceed these exacting standards. Qatar Steel views every transaction as an opportunity to push the boundaries of quality and sustainability.

Excellence in quality, sustainability and safety are central to Qatar Steel's ability to stay ahead of its competition.

Passion for the company's brand and constant efforts to distinguish Qatar Steel from its competition provide the fuel necessary to elevate Qatar Steel above other companies.

Product Quality and Innovation

Qatar Steel's quality assurance system has been integrated into every aspect of the company's operations from order placements to final delivery and beyond.

Qatar Steel's commitment to quality means:

1. Qatar Steel fully understands and will fully conform to the requirements of customers at all times.
2. Qatar Steel will deliver defect free products and services to all of its customers on time.

Qatar Steel's quality assurance system has been integrated into every aspect of the company's operations from order placements to final delivery and beyond.

All products, including reinforcing bars and wire-rods are manufactured from selected raw material with defined chemical compositions and assured quality. Inspections are conducted throughout the manufacturing process, with 'sample testing' of output performed to ensure compliance with customer requirements. Qatar Steel also uses quality control laboratories equipped with the most modern computerized testing and analytical instruments, such as:

Quality Control (QC)-Circle Activities

This is an activity for continuously improving Qatar Steel's actions using various QC techniques and input from small groups of employees, which started in 1980.

How QC-Circle Woks?

Several workers from the same department voluntarily get together and choose a leader by consensus. They hold periodic meetings to discuss specific challenges related to production methodology and quality. QC-Circle meetings are usually held during working hours and do not interfere with normal business functions.

Benefits Achieved by QC-Circles

QC-Circles represent 224 million QR savings for Qatar Steel. This is a remarkable achievement in 28 years (from 1981 to 2008). Qatar Steel also emphasizes the intangible benefits such as hard work, less absenteeism and higher motivation made possible through the QC-Circles program. The activity was stopped after2008; however, the company aims to re-launch this initiative in 2012.

Optical Emissions Spectrometer, which analyzes the steel samples received from the electric arc furnaces (bath sample), ladle furnaces (bath sample), continuous casting shops (ladle sample) and rolling mills (rebar sample).

X-ray Fluorescence Spectrometer (XRF), which examines samples from a wide variety of the company's products, including DRI, HBI, Iron Ore, Ferro Alloys, by-products, Limestone, Dolomite stone, Steel Slag, and others.

Oxygen and Nitrogen analyzers, which determine The Quantity (Concentration) of Oxygen and Nitrogen in steel, Iron Ore, Ferro Alloys, Recarburizer, and any other irregular materials.

New Technology for Enhancing Product Quality

Qatar Steel produces high strength reinforcing bars by exclusively Micro-Alloying Iron with Vanadium. In order to remain cost effective, Niobium is also introduced to the Alloy to improve strength and ductility of Qatar Steel's reinforcing bars.

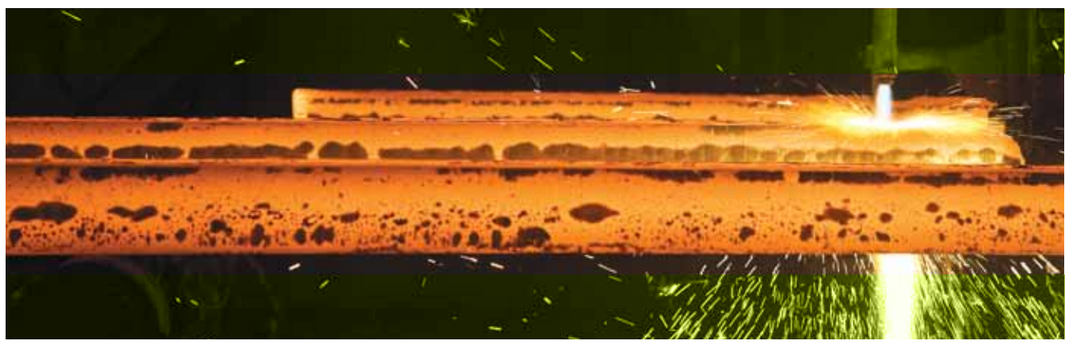
Qatar Steel uses a ladle furnace to ensure greater homogeneity of its steel, resulting in greater consistency of physical properties and a more uniform chemical composition. To improve cost efficiency, Qatar Steel uses a Thermo-Mechanical Process to produce reinforcing bars of varying standards in its new rolling mill (RM2).

Third Party Certification

As a result of the company's determination to produce high quality products, Qatar Steel has received many prestigious accreditations including the Saudi Arabian Standards Organization (SASO), Japanese Industrial Standards (JIS), UK CARES, and Dubai Central Laboratory (DCL) of Dubai Municipality for conforming to standard specifications of ASTM A615:2008. Qatar Steel guarantees that the quality of its products satisfies all local and international requirements. Qatar Steel's Quality Management System complies with the requirements of BS EN ISO 9001:2008 and the relevant CARES Quality and Operations Assessment Schedule. Qatar Steel is also certified as a quality manufacturer and suppliers of products conforming to BS 4449:1997 Grade 460B and BS 4449:2005 GradeB500B .

Qatar Steel's comprehensive, integrated and standardized quality assurance processes allowed the company to achieve a rate of 0.01% rebar scrapped in 2011 for reason of quality. Similarly, Qatar Steel's 0.27% rate of billets scrapped for reason of quality is very low. All scrapped billets and rebars were recycled into operations for environmental and economic savings.

Product Quality	2009	2010	2011
% of billets scrapped due to quality parameters	0.1	0.16	0.27
% of rebar scrapped due to quality parameters	0.010	0.032	0.010



Innovative Products and Services

High demand for steel products as a result of the Qatar's economic boom makes it imperative that Qatar Steel completes its projects on schedule and in a cost effective manner. For this reason Qatar Steel's vision to focus on the need of other targeted markets with selected value added products and exceptional customer service, Qatar Steel has established a state-of-the-art fully integrated and fully automated Re-bar Fabrication Facility (RFF) at its existing plant at MIC.

Qatar Steel management has a new department for conducting research and development in the fields of iron–making and steel-making. The company believes that with the Research and Development Department, new product development, process improvement, cost reduction, and sustainable and recyclable steel production can be achieved in alignment with the QNV 2030 and corporate strategic objectives.

Qatar Steel's RFF features state-of the-art technology and is operated by a specialized team dedicated to continuous facility improvements and updates, ensuring maximum efficiency of time, money, and effort. This efficiency is passed on to Qatar Steel's customers, whose reinforced concrete design and construction projects benefit directly from Qatar Steel's expertise. Qatar Steel's rebar products are used in vital and large-scale institutions such as hospitals, schools, houses, bridges, and shopping malls.

Qatar Steel's focus on innovation extends to its by-products, including slag generated from EAF molten steel processing, oxide fines produced by the DRI plant, and mill scale generated from caster and rolling mills. Instead of discarding these by-products, Qatar Steel repurposes them to maximize their value, and sell them to customers for further use.

As a special measure designed to support its Qatari customers, Qatar Steel developed innovative special length rebar supplies customized for the Qatari market. Instead of being uniformly cut to the standard 12-metre length, these special rebars are cut to various lengths ranging from 9 to 11.5 meters, and are produced in all grades to match customer requirements. The total quantity of special length rebars produced during 2011 was approximately 21,000 mt. Qatar Steel also sells 6 meter-long rebars generated during the rolling process. These alternative length rebars are used mainly by Cut & Bend companies and reduce waste. Qatar Steel's own scrap quantities continue to reduce, especially large diameter rebars, such as those with 20, 25, 32 and 40 mm diameters.

Qatar Steel showed its strong commitment to product and service innovation through the successful rolling trial conducted in coordination with the company's Research & Development department based on an inquiry received for ASTM A615 Gr 75 rebar.

The Numbers 460B and B500B in each of the standard represent the minimum strength required in steel.
460 B = 460 N/mm2, 500 B= 500N/mm2

Plant Reliability, Availability and Productivity

Qatar Steel strives at all times to achieve the highest levels of plant reliability and availability, in order to optimize productivity, profitability, and overall value for its stakeholders. Qatar Steel uses the most modern and efficient technology available, and implements an advanced maintenance system to prevent unplanned interruptions in the production process.

Qatar Steel's electric arc furnaces use the following features to enhance efficiency, reliability, availability, and productivity:

- Chemical Energy Technology (Oxygen & Carbon injection): chemical energy is used to speed up melting and reduction of electric energy, which helps reduce environmental impact while enhancing productivity by reducing tap-to-tap time.

- A remotely controlled Gunning Robot: this robot enables faster and more efficient refractory repair.

- A ladle furnace: this furnace is used as a buffer between the electric arc furnace and the continuous casting process. The ladle furnace enhances steel production, resulting in longer sequence casting, greatly improved steel quality, less rejection, and higher casting yield.

Qatar Steel has also implemented the following measures to enhance its continuous casting availability and productivity:

- Installation of an Online Tundish Nozzle change system (CNC Technology from Vesuvius) on the two new casters, which increases the continuous casting yield and the sequence length of continuous casting operations.

- Ladle Slide Gate of Vesuvius LV11 technology was introduced to ensure higher safety in operations and reduce running costs.

- Routing of heat through the ladle furnace, which achieves:

  - Increases in productivity, as the electric furnace is now used only for melting and tapping while all adjustments and trimming are being performed in the ladle
  - Homogenization of steel chemistry and temperature, due to improved purging technique
  - Isolation and floating up of unwanted Non-metallic Inclusions such as Silicates and Aluminates
  - Reduction of 'Super Heat,' facilitating smooth and accident-free continuous casting

Qatar Steel understands the importance of good maintenance. Furthermore, the company understands the distinction between types of maintenance, and places great emphasis on both predictive/preventive maintenance, swift and decisive reactive maintenance. Qatar Steel's strong relationships and lines of communication with its vendors ensure their regular and routine carrying out of preventive maintenance, along with updating of their equipment.

Qatar Steel's maintenance department utilizes an automated maintenance schedule to ensure that the company conducts necessary proactive maintenance work on the right equipment at the right time. Such maintenance includes condition monitoring, which is performed pre-emptively to avoid future mechanical and equipment damage.

In 2011, Qatar Steel's maintenance department implemented several initiatives to enhance plant reliability and availability, thereby improving productivity while reducing interruption time and costs. These measures included:

- Improving the reliability of DR2's process gas compressor by modifying DR2's process gas loop, thereby safeguarding the compressor from major damage due to internal failures.
- Modifying the 'bearing holder' braking pinch roll unit at RM2, reducing delays, pinch braking, production losses, and use of spare equipment and manpower.
- Re-arranging the 33 kV power feeder in the LF4 furnace transformer, minimizing overload for transformers and minimizing power restriction by shifting part of the load to another feeder.

Maintenance work implemented in 2011 is expected to achieve approximately 87 million QR in savings for Qatar Steel over the next few years.

The actions and initiatives listed above have improved Qatar Steel's DR plant's average reliability by 2.7% from 94.4% in 2010 to 96.94% in 2011. Qatar Steel also improved its electric arc furnace plants' average reliability by 1.7% over the same period, reaching 96.61% in 2011 from 94.96% in 2010. The average reliability of Qatar Steel's CC plants decreased slightly in 2011, while its rolling mill plants achieved a 2.4% increase over 2010's figure, reaching 92.28% reliability in 2011.

Super heat is the temperature above the liquid temperature, which is based on the percentage of elements in the particular grade of steel.

Reliability	2009	2010	2011
DR1 reliability (%)	99.62	99.85	97.66
DR2 reliability (%)	97.02	88.95	96.22
DR reliability, average (%)	98.32	94.40	96.94
EF1 reliability (%)	97.54	95.67	96.45
EF2 reliability (%)	97.20	94.86	96.69
EF3 reliability (%)	91.40	94.44	96.38
EF4 reliability (%)	94.58	94.88	96.91
EF reliability, average (%)	95.18	94.96	96.61
CC1 reliability (%)	98.01	98.06	96.45
CC2 reliability (%)	97.85	97.81	96.61
CC3 reliability (%)	96.94	98.64	98.05
CC4 reliability (%)	97.38	98.49	98.84
CC reliability, average (%)	97.54	98.25	97.49
RM1 reliability (%)	89.80	87.98	90.17
RM2 reliability (%)	87.37	92.27	94.39
RM reliability, average (%)	88.58	90.12	92.28

Despite achieving improved results for reliability in most of the company's plants, the availability of certain Qatar Steel plants decreased in 2011 due to Qatar Steel's management decision to demolish EF1, EF2, CC1 and CC2. This decision was postponed after a period of deliberation. The plan's postponement left these plants up and running, but the logistical delays caused by the decision making process and procedures reduced their availability. Qatar Steel's rolling mill average availability numbers improved in 2011, despite the full shutdown of the rolling mill plant to accommodate the installation of quenching system in 2010.

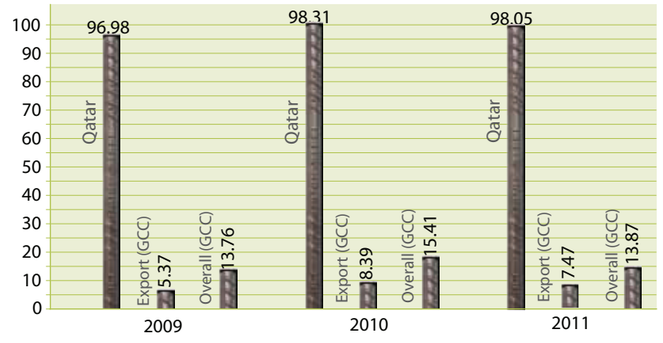
Availability	2009	2010	2011
DR1 availability (%)	92.52	93.66	93.91
DR2 availability (%)	93.06	81.21	86.87
DR availability, average (%)	**92.79**	**87.43**	**90.39**
EF1 availability (%)	94.37	90.70	87.10
EF2 availability (%)	91.15	89.49	87.43
EF3 availability (%)	83.34	85.02	87.53
EF4 availability (%)	83.90	86.20	87.21
EF availability, average (%)	**88.19**	**87.85**	**87.32**
CC1 availability (%)	94.98	93.22	87.32
CC2 availability (%)	90.09	92.64	87.56
CC3 availability (%)	90.16	89.81	90.26
CC4 availability (%)	86.72	90.05	89.83
CC availability, average (%)	**90.49**	**91.43**	**88.74**
RM1 availability (%)	88.52	73.41	84.46
RM2 availability (%)	81.09	81.08	84.84
RM availability, average (%)	**84.80**	**77.24**	**84.65**

Going forward, Qatar Steel aims to continue its strong record of reliability and productivity for all of its plants.

Productivity	2009	2010	2011
DR1 yield (%)	70.64	69.91	69.59
DR2 yield (%)	68.15	68.20	69.27
DR yield, average (%)	**69.39**	**69.05**	**69.43**
EF1 & EF2 yield (%)	92.10	91.34	91.31
EF 3 yield (%)	91.34	91.30	91.33
EF4 yield (%)	91.12	91.28	91.26
EF yield, average (%)	**91.52**	**91.31**	**91.30**
RM1 yield	98.15	97.40	97.25
RM2 yield	98.87	99.10	99.45
RM yield (%)	**98.51**	**98.25**	**98.35**
CC1 & CC2 yield (%)	95.41	98.34	98.28
CC3 yield (%)	98.37	98.52	98.08
CC4 yield (%)	98.48	98.81	98.76
CC yield, average (%)	**97.42**	**98.55**	**98.37**

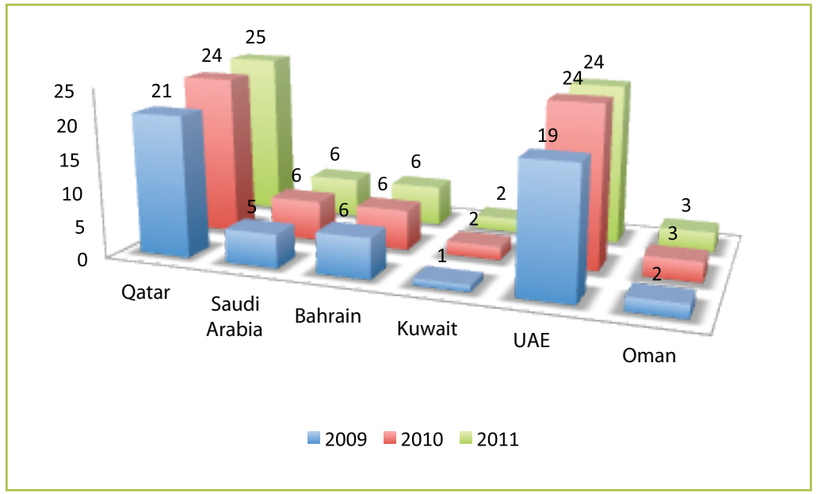
Customer Service Excellence

Qatar Steel believes that building long-term relationships with its customers is best achieved by working closely with them and remaining attentive to their needs and wishes.



Qatar Steel consistently records high sales performance, drawing strength from the company's longstanding customer relationships, efficient communication strategies, and market intelligence. In 2011 Qatar Steel supplied 98.05% of the Qatar's re-bar requirements and 13.87% of the total GCC re-bars market (Qatar, United Arab Emirates (UAE), Kuwait, Oman, Bahrain and Saudi Arabia). Qatar Steel had a GCC's market share equal to 7.47% for the export of Reinforcing Rebar in 2011.

Distribution Network (No. of traders)



Customer Satisfaction

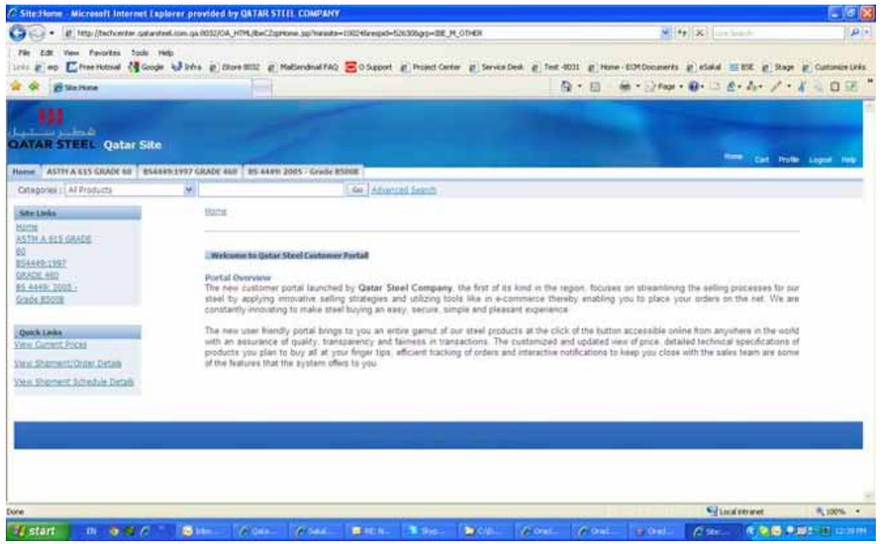
Qatar Steel's customers include distributors who deliver products to end-users in Qatar and across the GCC. Qatar Steel also sells directly to Q-Coat and to end-users through Re-bar Fabrication Facilities.

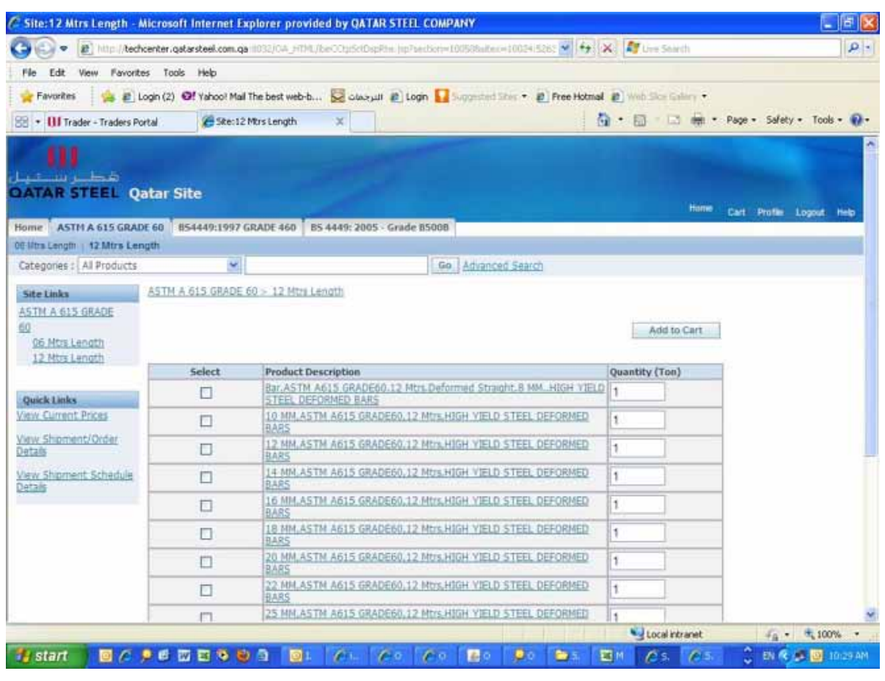
Qatar Steel strives to maintain positive relationships with its distributors. As company representatives on the ground, distributors are ideally suited to ensure that the end-user receives the highest-quality service. Annual measurement of customer satisfaction is performed to gauge Qatar Steel's performance and use customer feedback to improve operations.

All of Qatar Steel's performance assessment metrics include quality, availability, prices, delivery process, communication and responsiveness to customer feedback. In 2011, Qatar Steel achieved 80.6% customer satisfaction rate, an increase over the 78.2% rate in 2010. In 2004, to further strengthen customer service, Qatar Steel created a Customer Relationship Management (CRM) section within the marketing department. The CRM illustrates Qatar Steel's long-term commitment to constant improvement in areas such as delivery commitments, complaint handling, and other essential aspects of customer service.

Qatar Steel's customer service efforts are not limited to conventional interactions with customers and distributors. As part of on-going efforts to enhance customer experience, Qatar Steel launched an online Customer Portal system in 2009 - the first of its kind in the region. The customer portal streamlines transactions by moving the sales process to the internet, applying innovative selling strategies and utilizing new e-commerce tools and techniques. Qatar Steel's portal brings the full range of its steel products to the customers' fingertips, and is accessible online from anywhere in the world. Features include efficient tracking of orders, an interactive notification system that brings the customers and sales team closer together, and Qatar Steel's guarantee of quality, transparency, and fairness in all transactions.

Qatar Steel's Customer Portal is a primary example of the company's efforts to simplify the process of steel buying, making it an easy, a secure and a pleasant experience for customers.





Qatar Steel has developed a comprehensive and structured Traders' Performance Appraisal System whereby all Qatar Steel traders' performance, both qualitative and quantitative, are monitored through Enterprise Resource Planning (ERP) system on a monthly basis. The objective of the ERP system is to maintain an efficient distribution network through performance recognition and reward. Savings and improvements in overall quality are passed on to Qatar Steel's customers.

The success of Qatar Steel's business is built on long-standing relationships with the company's valued traders. As a result, supporting the company's traders is a vital component of ensuring customer satisfaction. Qatar Steel aims to be a risk-sharing partner with its traders, and works to minimize their business risks while to protecting their interests.

In the Qatari market, Qatar Steel carries out the following activities to support its traders:

1. Monitoring of stocks on a weekly basis, in an effort to balance order quantities with market demand, reducing stock risks.
2. Continuous monitoring of inventory to facilitate control of retail price levels to minimize the risk of price undercutting.
3. Assurance of availability of products to all local traders based on sales agreements, eliminating the risk of running out of stock at any point during the year.
4. Ensuring continuous production of essential items, to meet the changing needs of on-going projects.
5. Adherence to all market regulations, to avoid the loss of business due to competition or regulation infractions.
6. Supporting specific projects by supplying special length re-bars, thereby ensuring customer satisfaction and retention.
7. In some exceptional and deserving cases Qatar Steel has adjusted prices, in some cases retrospectively, to reflect market price fluctuations.

The scenario is different for Qatar Steel's export market as its traders deal with different products from a number of competing companies in the GCC region. In general, Qatar Steel books its orders and fixes its prices on a monthly basis, responding to the dynamics of the market, and making necessary adjustments during monthly reviews.

Above and beyond market participation, Qatar Steel also evaluates its distributors' ability and to deliver the quality service expected of Qatar Steel. To better ensure customer satisfaction, Qatar Steel conducts annual evaluation of its distributors' performance in the following areas:

• Equipment availability • Manpower availability • Health and safety compliance

• Response time/mobilization • Cooperation


قطر ستيل
QATAR STEEL

Contributing **to Qatar's Development**

Contributing to Qatar's Development

Qatar Steel is deeply committed to the development of Qatar and the Qatari people. Qatar Steel's contributions are thoroughly aligned with the Qatar National Vision 2030, the National Development Strategy 2011-2016 and the SDI initiative.

Qatar Steel, the Golden Sponsor of 'Made in Qatar' Exhibition 2011

Qatar Steel signed an agreement to become the Golden Sponsor of the 'Made in Qatar' exhibition, which was organized by the Qatar Chamber of Commerce and Industry under the auspices of HH Sheikh Tamim Bin Hamad Bin Khalifa Al Thani.

As the leading manufacturer of steel in Qatar, Qatar Steel's primary contribution to Qatar's development is by providing top quality steel, which is used for infrastructure construction of all types throughout Qatar: in schools, bridges, homes, offices, and hospitals. Qatar Steel's products are central to the rapid expansion and growth of Qatar and its future development goals including hosting of the 2022 FIFA World Cup.

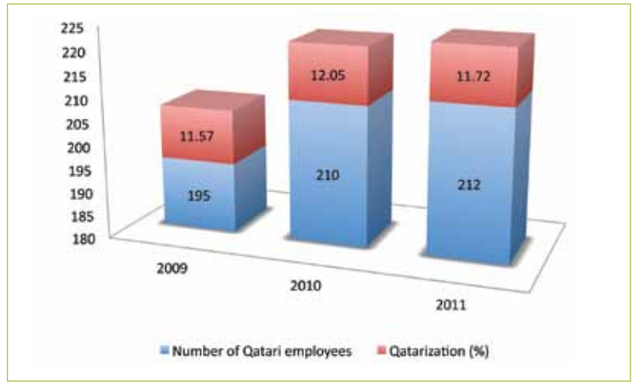
Qatar Steel has gained a reputation for manufacturing superior quality products that meet the highest international standards. The company's products are used in major public and private projects in the region, maintaining Qatar Steel's powerful presence in the GCC and retaining its position as the major player in the domestic Qatari market. Qatar Steel sells approximately 60-70% of its total inventory within Qatar.

Qatar Steel's support of the national Qatarization initiative further contributes to Qatar's development. The company's Qatarization efforts exert indirect economic impact through emphasis on local procurement and support to local communities.

Qatarization

The state-wide Qatarization initiative is a prominent component of the Qatar National Vision 2030. Qatar Steel's Qatarization efforts enjoy the full support of company management.

Employment by Nationality



When choosing from a pool of equally talented job applicants, Qatar Steel gives priority to Qatari citizens. Qatar Steel also works to develop local talent in Qatar, supporting Qatari undergraduates by providing training opportunities at Qatar Steel. This helps to establish a foundation of well-trained citizens as future additions to the company workforce, and promotes the technical education in Qatar.

Qatar Steel developed a specific plan for improving its Qatarization rate in 2012. This plan includes: Qatar Steel's participation in campus open houses, conducting campus visits, and establishing partnerships with a technical school and universities (including Qatar University). Qatar Steel also strives to support personal development of its employees through implementation of career development plans and enhancement of training courses.

Local Procurement

Each year, Qatar Steel purchases thousands of different components and raw materials, including Iron Ore Pellets, Scrap Steel, Natural Gas, and Spare parts for use in daily operations. As a consumer of great quantities of materials, Qatar Steel understands the importance of local procurement and the impact it has on Qatar's economy.

Procurement (QR)			
	2009	2010	2011
Spending on overseas contractors and suppliers *	232,208,003	425,348,224	222,947,319
Spending on local contractors and suppliers *	139,401,073	177,701,415	352,402,597
Total spending on contractors and suppliers *	371,609,076	603,049,639	575,349,916
Spending on locally-based contractors and suppliers, as percentage of total spending	38%	30%	61%
* Total spending on contractors and suppliers includes services, equipment, logistics, and spares and consumable items, and does not include raw material procurement			

All Natural Gas used in the company's operations is supplied by QP, and all Scrap Steel materials are purchased from within Qatar, as are other smaller items such as Lime and stationary. The majority of Qatar Steel's primary input components such as iron ore pellets are not available in Qatar; therefore the company must procure such materials externally, from countries possessing the necessary natural resources.

In 2011, Qatar Steel's local procurement totaled 139.4 million QR which made 61% of the company's total procurement, compared to 30% in 2010. This increase can be attributed to the computerization of long term contracts with local companies.

Community Investment

Qatar Steel supports numerous aspects of the local community, including, society, health, sports, and environment. In 2011 Qatar Steel spent 310,000 QR on its community investment projects. Qatar Steel strives to increase its community spending in the future, as part of the company's commitment to continued investment in Qatar's vibrant communities.

Community investment (QR)		
2009	2010	2011
203,000	355,000	310,000

Qatar Steel Launches Al-Wakra Beach Cleaning Drive

In support of Al-Wakra's environmental activities, Qatar Steel organized a beach cleaning drive in co-operation with Al-Wakra Municipality, in 2011.

Approximately 150 Qatar Steel employees volunteered to participate in this event, which was held under the slogan 'preserving the environment is one of the company's most important goals.

Qatar Steel Participation in Sports Activities

To emphasize the importance of being active and strengthening the relationships between its employees and employees of other companies, Qatar Steel collaborated with the Filipino community in Qatar, to support a basketball tournament was held at Al-Ahli Sports Club.

Qatar Steel Honored on World Blood Day 2011 and 2012

As part of Qatar Steel's ongoing commitment to the Qatari community, the company organized a blood donation campaign under the theme 'blood donation is a charitable and humanitarian way to exercise national duty'.

The blood donation event took place on Qatar Steel premises in MIC, and featured the active participation of many of the company's employees.

The World Health Organization (WHO) recognized the companies involved, as well as the donors, whose blood will help to save lives and improve the health of others. Qatar Steel was one of the key participating companies, and received a certificate of appreciation.

Helping Hand to People with Special Needs

Qatar Steel gave a financial contribution to the Qatar Society for Rehabilitation of People with Special Needs (QSRSN).

The donation is intended to support the learning activities of individuals with special needs.

Shafallah Center for Children with Special Needs

Qatar Steel is an active supporter of the various programs and activities at the Shafallah Center for Children with Special Needs. The company's contributions are not limited to financial assistance; our employees play an active role in enhancing societal awareness of the circumstances faced – and talents possessed – by children with special needs. Through this partnership, Qatar Steel is working to create a social climate that appreciates the beauty and value of people with special needs in society.


clarity

Reducing **Environmental Impact**

Reducing Environmental Impact

Qatar's robust economy is growing at unprecedented levels, which means that the environmental challenges faced by Qatar are also intensifying. Growing strains on Qatar's energy sources, water supply and natural biodiversity are some of the environmental hurdles Qatar must overcome. Though formidable, these challenges provide Qatar Steel with a unique opportunity for devising comprehensive strategy and taking decisive action to mitigate climate change and its potentially devastating consequences.

As outlined in Qatar Steel's company mission and vision, Qatar Steel aspires to achieve the best results for all of its stakeholders, including those most vulnerable to environmental disruptions. Qatar Steel is fully aware of the environmental challenges faced by Qatar and the global community, and the company is committed to reducing its environmental impact, via compliance with all of Qatar's current environmental standards and regulations and proactively working to meet future legislation applicable to Qatar Steel.

As mandated by QNV 2030 and the SDI initiative, Qatar Steel is committed to running its operations in a manner that reduces the company's environmental impact through the implementation of environmental management systems and the most eco-friendly technologies available.

Qatar Steel's Environmental Management Approach

Qatar Steel's environmental management system has been developed in alignment with the ISO 14001 standards. Qatar Steel achieved ISO 14001 certification in 2002. The company successfully achieved recertification during each of the following three-year periods.

As part of the company's 'Identification & Evaluation of Environmental Aspects' policy, Qatar Steel undertook an extensive identification and evaluation program of all environmental aspects related to the company's activities and products. Using the Environmental Impact Assessment (EIA) Qatar Steel performed on its new plants, as well as the environmental study conducted on existing plants, Qatar Steel identified the environmental factors most at risk as a result of company operations. Qatar Steel then developed and implemented control and monitoring mechanisms, including documented procedures and training, to minimize the company's impacts in these areas.

[4]A document issued by Qatar's MOE outlining the environmental performance, monitoring, and reporting conditions that must be met by the company

Reducing **Environmental Impact**

Reducing Environmental Impact

Qatar's robust economy is growing at unprecedented levels, which means that the environmental challenges faced by Qatar are also intensifying. Growing strains on Qatar's energy sources, water supply and natural biodiversity are some of the environmental hurdles Qatar must overcome. Though formidable, these challenges provide Qatar Steel with a unique opportunity for devising comprehensive strategy and taking decisive action to mitigate climate change and its potentially devastating consequences.

As outlined in Qatar Steel's company mission and vision, Qatar Steel aspires to achieve the best results for all of its stakeholders, including those most vulnerable to environmental disruptions. Qatar Steel is fully aware of the environmental challenges faced by Qatar and the global community, and the company is committed to reducing its environmental impact, via compliance with all of Qatar's current environmental standards and regulations and proactively working to meet future legislation applicable to Qatar Steel.

As mandated by QNV 2030 and the SDI initiative, Qatar Steel is committed to running its operations in a manner that reduces the company's environmental impact through the implementation of environmental management systems and the most eco-friendly technologies available.

Qatar Steel's Environmental Management Approach

Qatar Steel's environmental management system has been developed in alignment with the ISO 14001 standards. Qatar Steel achieved ISO 14001 certification in 2002. The company successfully achieved recertification during each of the following three-year periods.

As part of the company's 'Identification & Evaluation of Environmental Aspects' policy, Qatar Steel undertook an extensive identification and evaluation program of all environmental aspects related to the company's activities and products. Using the Environmental Impact Assessment (EIA) Qatar Steel performed on its new plants, as well as the environmental study conducted on existing plants, Qatar Steel identified the environmental factors most at risk as a result of company operations. Qatar Steel then developed and implemented control and monitoring mechanisms, including documented procedures and training, to minimize the company's impacts in these areas.

[4]A document issued by Qatar's MOE outlining the environmental performance, monitoring, and reporting conditions that must be met by the company

Using the company's 'Environmental Monitoring Program', Qatar Steel regularly tracks its environmental performance in order to ensure compliance with applicable external requirements, such as the Ministry of Environment (MoE)'s Consent to Operate , and to ensure that Qatar Steel's management is provided with updated information on the company's environmental impact and mitigation.

Initiatives undertaken by Qatar Steel to reduce toxic emissions illustrate the company's proactive role in protecting the environment and making the steel making process more eco-friendly. In 2011 Qatar Steel invested 3 million QR in:

Environmental Investment ("000QR)		
2009	**2010**	**2011**
N/A	1,020	3,000

1. An environmental study assessing the technology used in Continuous Emissions Monitoring System (CEMS) currently in use at Qatar Steel, and a review of other current international industry practices.

2. Ambient Air Quality Monitoring Systems (AAQMS) to combat the deterioration in air quality, per Ministry of Environment recommendations.

In 2010, Qatar Steel also invested 1.02 million QR in conducting an EIA in preparation for Qatar Steel's future expansion plans within its existing site in the MIC. Qatar Steel continues to develop the planned Greenfield Steel Melt Shop (SMS) project (EF5), featuring a lime manufacturing plant with a projected capacity of 1.1 million tons per year.

Climate Change and Emissions

Climate change poses a severe danger to the entire world. Qatar Steel understands this, and in planning and evaluating the company's operations, Qatar Steel remains aware of the negative impact that climate change could have on the steel industry, the nation of Qatar and its people. In 2011, all of Qatar Steel's emissions were within the acceptable limits set by the Ministry of Environment.

Qatar Steel's operations generate GHG emissions through the company's direct and indirect energy consumption. The main source of energy consumed at Qatar Steel is electricity, supplied from Qatar's energy grid. In 2011, Qatar Steel's electricity consumption increased by 15% over 2010's consumption levels, reaching 2,053,681.4 MWh. This increase was due to an increase in production to meet greater demand for Qatar Steel's products.

Qatar Steel's vehicle fleet is currently composed of 444 vehicles of different sizes. Light vehicles and buses are used for employee transportation while heavy vehicles and equipment are used for production-related tasks. Qatar Steel owns 274 of its vehicles, and thus able to directly track their fuel consumption. In 2011, the company recorded consumption of 2,881,203 liters of diesel and 211,976 liters of gasoline, which was responsible for 8,372 mt of GHG emissions.

Diesel is also consumed by the company's onsite electricity generators, which are used for safe shut down of the plant.

Natural gas is used for reheating of billets at the rolling mill as well as in the furnaces. In 2011 Qatar Steel's total natural gas used these operations was 75,939,234 m3.

Direct and Indirect Energy Consumption			
	2009	**2010**	**2011**
Electricity (kWh)	1,473,436,306	1,784,159,742	2,053,681,399
Natural gas for reheating at the rolling mill (Nm3)	61,839,773	57,811,405	62,786,187
Natural gas for reheating at the furnaces (Nm3)	10,327,726	13,592,627	13,153,047
Vehicle fleet – diesel (liters)	1,901,817	3,019,606	2,881,203
Vehicle fleet – gasoline (liters)	224,839	224,166	211,976

In 2011, Qatar Steel's operations resulted in 5,828,175 Mtons of GHG emissions, compared to 5,604,075 mt recorded in 2010.

GHG Emissions (Mtons)			
	2009	2010	2011
GHG emissions from electricity consumed	1,271,037	1,539,078	1,771,577
GHG emissions from crude steel of furnaces*	N/A	3,766,199	3,745,443
GHG emissions from rolled steel billets*	N/A	290,020	302,783
GHG emissions from vehicles fleet	5,731	8,778	8,372
Total GHG emissions	1,276,768	5,604,075	5,828,175

* The GHG emissions were calculated based on the UK CARES CO2 emissions for crude steel and for the rolled steel billets.

In addition to continued compliance with the MoE's emissions limits, Qatar Steel aims to reduce its GHG emissions in 2012 in accordance with the international benchmark of 1.8 tons of CO2 per ton of crude steel cast.

Air Quality

Air pollutants from operational activities are controlled at the emission source, including the DR stacks, furnaces, reformer, RM stacks, and storage units. Control is achieved through the use of the following:

- Best available technology such as low NOx burners
- Automation of operation using Level-2 operating system, Human Machine Interface (HMI), and Programmable Logic Controller (PLC)
- Low Sulphur fuel such as LNG
- Installation of air pollution control equipment such as a Dust Collection and Suppression System, Bag Filters, Scrubbers, and Stacks, to ensure that atmospheric release meet regulatory limit
- Documented operational control procedures and instructions

Other Air Emissions (mg/Nm3)			
	2009	2010	2011
Particulate matters	752	845	799
SOx	501	405	355
NOx	1,925	2,641	2,887

As a result of the above measures, Qatar Steel lowered its 2011 SOx emissions to 355 mt, a 12.3% decrease from 2010 emissions.

Natural Resources Optimization

Material Consumption

Qatar Steel's main environmental advantage is the company's reliance upon the use of Direct Reduced Iron (DRI) as the primary raw material used in the company's operations. Steel plants that use DRI operate much more cleanly than those based on scrap, owning to DRI's distinct benefits, which include (but are not limited to):

- Fixed chemical composition, which improves working efficiency in electric arc furnaces.
- Low percentage of impurities, such as Sulphur and Phosphorus.
- Low volume of harmful elements, such as Lead, Copper, and Nickel.
- Enabling of a continuous raw-material feeding system that does not require the opening of the furnace roof.
- Improved power utilization.

Qatar Steel diligently complies with regulations promoting environmental care. Unlike scrap-based steel plants, which often face emission-control challenges resulting from Heavy Metals and toxic chemicals present in the scrap, Qatar Steel's production is based on DRI, which is one of the cleanest raw materials available. An external accredited laboratory has confirmed the company's ability to maintain very low levels of Heavy Metal and Dioxin emissions.

In 2011, Qatar Steel imported 3,189,510 mt of iron ore, comprising 83% of the company's total raw materials usage.

While DRI is Qatar Steel's main raw material, steel scrap remains necessary for the production of new steel. Qatar Steel makes an effort to collect scrap from local markets, and to recycle all scrap generated from its operations. In 2011, Qatar Steel's scrap collection increased by 24% over 2010's figure, rising to 369,842 mt in comparison to 298,193 mt in 2010. The company's total scrap consumption in 2011 made up to 17% of the total raw materials used.

To the best of the company's knowledge, Qatar Steel recycles nearly 100% of all scrap generated in the State of Qatar.

Another material necessary for Qatar Steel's operations is Natural Gas, which is used to produce Hydrogen and Carbon Monoxide. These gases are then reused during the direct reduction process.

Materials Used			
	2009	2010	2011
Pellets/iron ore (mt)	3,013,860	3,137,337	3,189,810
Ferro alloys (mt)	29,445	35,440	30,101
Scrap (mt) (both purchased and internal generated scrap)	254,722	298,193	369,842
% of scrap of total steel input	16	14	17
Additives (mt) (i.e. Lime and Dololime)	70,959	94,081	77,241
Natural gas (Nm3)*	650,506,224	670,075,543	697,644,756
Chemicals (Kg) - special chemical for water treatment	44,460	109,711	95,095
Chemicals (Kg) - commodity chemical for water treatment	242,369	167,113	167,113
Lubricants - grease (Kg)	74,787	92,517	92,152
Lubricants - hyd & lub oil (liters)	355,593	442,993	429,145
* The amount of Natural Gas listed in this table includes the Natural Gas used for processing of crude steel of EF furnaces and of rolled steel billets in the Rolling Mill plant.			

Water Consumption

Qatar is one of the 5 most water-scarce countries in the world, according to the 2011 Water Stress Index. In the face of the challenges posed by Qatar's water scarcity, Qatar Steel is committed to the most efficient utilization of water possible, including reuse and recycling wherever feasible.

Total Water Withdrawal by Source			
	2009	2010	2011
Fresh water consumption (m3)*	1,040,310	1,493,869	1,333,370
Amount of money spent on fresh water consumption (QR)	4,577,364	6,573,080	5,866,888
* water consumption numbers in this table do not include seawater used for operations			

At Qatar Steel, water is used in the following areas:

1. Direct reduction process, for cooling and cleaning of gases.
2. Cooling of main equipment in the electric arc furnace and continuous casting areas, including the furnace roof, continuous casting modules, and other components.
3. Cooling of main molten steel for quick solidification during the secondary cooling in the continuous casting process.
4. Cooling of reheating furnaces and hydraulic systems in rolling mills 1 and 2, and for spray cooling of rolling mill stands.

Qatar Steel also uses fresh water, drawn from Qatar's water grid, for administrative use within company offices.

In 2011, Qatar Steel decreased freshwater consumption by 10.7% compared to 2010. This reduction helped Qatar Steel achieve savings of 706,192 QR in 2011. This reduction in water consumption was achieved through improvement of environmental efficiency and water consumption per mt of steel for the majority of the company's units.

Fresh Water Unit Consumption (m3/mt)			
	2009	2010	2011
DR1	0.32	0.31	0.28
EF1&2	0.21	0.06	0.05
EF3	0.07	0.05	0.05
EF4	0.07	0.06	0.05
CC1&2	0.19	0.15	0.16
CC3	0.14	0.13	0.13
CC4	0.14	0.11	0.10
RM2	0.07	0.06	0.06

Waste Management

Solid Waste

The most significant forms of waste Qatar Steel creates are the steel scrap and slag generated internally from the production processes, workshops, and laboratories. Scrap is collected and classified, then stored in designated areas, and finally used as raw material in the EAFs. In 2011, Qatar Steel generated and reused 112,084 mt of scrap. Slag is collected by a company subcontractor and sold externally. In 2011, Qatar Steel's slag waste amounted to 244,534 mt.

Qatar Steel's successful repurposing of used tires as a carbon source in the steel-melting process represents a significant step towards sustainability. Other programs currently in progress include pelletizing DR product dust and EF dust, recycling of refractory bricks and extracting iron from slag are some the programs under progress. The utilization of used tires as a carbon source in the steel melting process is an achievement in the right direction.

Scrap and Slag			
	2009	2010	2011
Scrap generated from operations (mt)	74,883	84,778	112,084
Slag (mt) - From EF	176,715	236,982	244,534

Dust is another significant solid waste generated by the company's operations. Dust is generated by direct reduction, the electric arc furnace, the continuous casting processes, and from raw material and waste handling during direct reduction and material control processes. Qatar Steel's dust collection system gathers dust from the DR plant fan stack and from the plant product load-out dust collection stack in the rolling mill chimney. In 2011, the total dust produced from business operations amounted to 30,739 mt, a 20% increase from 2010 volumes. In the future, Qatar Steel aims to implement new technology enabling the company to press the dust, in a process called - Agglomeration Process of Dust - into special pellets-sized structures (or briquettes) for recycling them as input material.

Qatar Steel's most significant environmental contribution is the diffusion of dust emissions, which to a large degree are the results of technology utilized in the 1970s. The revamping of the company's dust collection system in existing facilities falls within the scope of the Environmental projects.

Slurry is another significant waste generated from Qatar Steel's DR plants. After drying, the slurry is stocked with DR dust and Classifier dust and loaded for shipping and eventual sale.

In 2011, Qatar Steel also produced 320 kg of radioactive waste, in addition to standard wastes. Radioactive waste is stored in an underground tank as per Japanese standards. The company also generates bio-hazardous waste from clinic operations; this waste is collected by an authorized company and sent to an incinerator approved by Qatar's Ministry of Environment.

In 2010, Qatar Steel began recycling its paper and plastic waste. In 2011, Qatar Steel recycled 31 mt of paper and 192 mt of plastic.

Waste			
	2009	2010	2011
Dust (mt) - from DR Operation	10,790	10,426	12,140
Dust (mt) - from EF/CC Operation	12,778	15,183	18,599
Scales (mt) – RM scales	18,220	24,408	28,872
Slag (mt) - from EF	176,715	236,982	244,534
Used bricks (mt)	430	2,275	4,781
Slurry (mt)	20,244	39,009	42,287
Radioactive materials (kg)	N/A	N/A	320
Office papers (mt)	N/A	N/A	31
Plastic waste (mt)	N/A	N/A	192
Wooden waste (mt)	N/A	5,011	6,448
General waste (m3) *	6,513	1,846	2,658
Domestic waste (m3)	2,893	2,353	2,639
Bio-hazardous waste (Kg) - clinic waste	50	108	109
* Before 2010, all wood, plastic and paper waste was classified as general waste.			

Effluents

Effluents are defined as discharges of liquid waste. Qatar Steel's effluents include cooling water discharge, sanitary wastewater, and process wastewater.

Qatar Steel regularly assesses the quality of its effluents to ensure that they meet the regulatory requirements. This assessment includes regular monitoring of blow-down and wastewater quality parameters, and effective chemical dosing, treatment and testing prior to discharge.

Qatar Steel's wastewater discharge to the sea comes entirely from the blow down water expelled by DR 1&2; DR1 discharges approximately 30 m3 per hour while DR2 discharges approximately 80 m3 per hour. After the installation of the new spray jets on EF3, which is scheduled for completion by the end of 2012, Qatar Steel predicts that 20 m3 per hour of blow down water from DR1 will be utilized in EF3 to reduce fume gas temperature by vaporization. In addition, after initialization of the EF5 project, approximately 30 m3 per hour of DR2's blow down water will be utilized to quench hot gases in the EF5 fume treatment plant.

Water discharge			
	2009	2010	2011
DR 1&2 process wastewater discharged to the sea (m3)	564,530	862,657	784,993
Sewage water discharge (m3)	52,120	63,500	62,640

Currently, all domestic wastewater and sewage generated in Qatar Steel's facility is shunted through separate pipelines to the existing industrial sewage network and then collected by a company specialized in treating sewage water. All other wastewater generated from equipment maintenance cleaning and flushing activities is collected and treated by an approved service provider. In 2012, Qatar Steel plans to carry out the checks and proposals required for internal wastewater treatment.

Chemical waste is produced at Qatar Steel in the quality control chemical laboratory. In 2011, the company produced 450 liters of chemical waste, which is 61% less than 2010 volumes and 75% less than 2009 volumes of chemical waste produced. Qatar Steel achieved this significant reduction in chemical waste by using instrumentation in its Laboratory's Analysis instead of the regular chemical analysis. Currently Qatar Steel's chemical waste is neutralized via the addition of caustic soda and then sent to the slag yard. In 2012, the company plans to send chemical waste to a specialized incinerator located in the MIC.

Chemical Waste			
	2009	2010	2011
Chemical Waste (Liters)	1,770	1,130	450

Qatar Steel has experienced no oil or chemical spills during the last three years, and takes all precautions to ensure that this record is maintained. Qatar Steel provides spill-related trainings and spill kits to all employees and contractors in relevant departments and conducts regular oil and chemical drills.

Zero spills for the last 3 years

Ensuring **a Safe and Healthy Work Environment**

Ensuring a Safe and Healthy Work Environment

Preserving the safety and health of its employees and contractors is one of Qatar Steel's very top priorities. Qatar Steel has rigorous health and safety policies and procedures in place to identify and minimize all health and safety risks related to the company's plants, operations, and processes. Qatar Steel's Health, Safety, and Environment (HSE) department works diligently to ensure proper following of all policies and protocols.

Safe Work Environment

Qatar Steel strives to ensure a safe work environment for all of its employees and contractors at all times. Company protocols and measures are intended to ensure the safety of plants and equipment, to provide safety training and protection equipment, and to monitor compliance with safety policies and procedures.

Encouraging Safe Behavior

Throughout the year, Qatar Steel's HSE department promotes safety awareness to all employees and encourages them to participate in the following safety activities and competitions:

Safety Slogan – Employees are encouraged to create their own 'Safety Matters' slogans. Winners are posted on a monthly basis in all facilities, and cash awards are given.

Poster-making – Employees are also encouraged to draw a picture of safety related issue and environmental issues. The drawings should explain how the portrayed issues affect people, property, and the environment, and should suggest prevention measures. Winners receive cash awards.

Housekeeping – Qatar Steel encourages all departments to keep their work-areas clean and to perform housekeeping in order to prevent accidents both minor and major. The housekeeping award is given to the department that demonstrates the greatest emphasis on housekeeping.

Near Miss Accident Reporting – The HSE department encourages all employees to report any 'near misses' that they observe. This allows for both departmental and individual stress to be placed on the value of near miss reporting. Near miss cases highlight the underlying causes that, if ignored, could produce major accidents. Quarterly individual awards and yearly department awards in cash are given to the best performers.

In the event of any injuries or near-miss cases, Qatar Steel strictly follow protocols to identify, isolate, and correct the underlying causes.

In 2011 Qatar Steel recorded 11 lost time injuries over 4,096,531 man-hours worked by company employees. This is equivalent to a lost time injury frequency rate (per million man-hours) of 2.69 in 2011, a significant increase compared to 2010's rate. In 2012, Qatar Steel is firmly committed to implementing all recommended changes resulting from in-depth internal investigations into injury cases. Qatar Steel experienced zero fatalities over the 4,096,531 man-hours worked in 2011. However, to Qatar Steel's great sorrow and regret, the company did experience a single employee fatality in 2010, due to electrocution. Following investigation of this case, Qatar Steel immediately adopted several countermeasures, including:

1. Readdressing company safety precautions by revising welding procedures.
2. Improving the platform condition and safe guarding the human thoroughfare for Busbar hazards.
3. Conducting awareness training of electrical shock.

Fire drills are conducted annually in all working areas and plants. In 2011, 16 fire drills were held, facilitating the emergency training of employees. No major fire incidents were experienced in the period between 2009~2011; however, there were several incidents of small fires. In 2011, 16 of such small incidents were reported, all caused by employee/contractor error or technical issues. Qatar Steel implemented several action points to avoid such incidents in the future.

Safety – employees			
	2009	2010	2011
Lost Time Injury Frequency (LTIF)	2.67	1.02	2.69
Total Reportable Cases Frequency (TRCF)	25.3	23.6	20.0
Man-hours worked	3,751,132	3,937,530	4,096,531
Number of lost time injuries	10	4	11
Number of minor injuries reported	95	93	82
Number of near misses reported	8	38	36
Number of work-related fatalities	0	1	0
Number of fire incidents	9	17	16
Number of EHS training conducted	5	10	8
Number of emergency response drills conducted	16	16	16
Number of Loss of Containment (LOC) incidents *	0	0	0
Number of Process Hazard Evaluations (PHE) completed	140	150	150
Number of Process Safety Action Item Closures	140	150	150
* Loss of Containment (LOC) incidents – Number of incidents where hazardous substances are released with potential to cause harm to people or damage to assets or environment.			

At Qatar Steel, the company holds itself accountable for the safety of its contractors, who are hired for low-risk support services such as cleaning, catering, security, and maintenance work. Qatar Steel improved its safety performance over the past two years, and has experienced zero cases of contractor fatalities over this period; however, the company regretfully recorded two cases of contractor deaths in 2009, both of which resulted from individual behavioral errors. Following investigation, Qatar Steel implemented a set of countermeasures to avoid similar cases in the future, including:

- Installation of side bar support on the bodies of all trailers carrying scrap bundles.
- Use of spreader beams to balance bars during lifting.
- Training for all relevant contractors on crane operation and handling of bars.
- Awareness training conducted by HSE department for all contractors involved in crane operation.
- Requiring of certification for all riggers.
- Requiring of operators confirmation that all workers are within eye-sight prior to moving of billets.

Previously, Qatar Steel did not track safety performance details of its contractors. The company will begin such tracking in 2012.

Safety – contractors			
	2009	2010	2011
Number of work-related fatalities	2	0	0

Occupational Health

Steel making operations typically involve numerous health and safety risks, mainly due to the high temperatures and dust found in the work environment. Qatar Steel strives to continuously combat these risks and provide a healthy work environment for its employees and contractors.

Precautionary awareness of occupational health risks is an integral part of Qatar Steel's orientation program and on-site trainings, for both employees and contractors. Qatar Steel also conducts awareness and preventive campaigns on heat stress and specific occupational health hazards. Periodic noise surveys are carried out to identify areas of high noise risk, and auditory protection is mandatory within all high noise areas. Qatar Steel is currently investigating options for reducing source noise levels using an exploratory committee.

Qatar Steel maintains an onsite clinic that operates 24 hours per day, with at least one full-time nurse present at all times. The clinic is equipped to deal with numerous injuries, including those requiring minor surgeries, and is capable of stabilizing those who suffer serious injuries until they can be moved to the MIC medical centre or the nearest hospital. The clinic also conducts regular health check-ups for employees.

HSE Committee

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

HSE committee responsibilities include but are not limited to:

- 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

Emergency Preparedness

Qatar Steel's Emergency Response contingency plan is aligned with the company's general HSE commitment to safeguarding the health and safety of its employees and contractors. As a member of the HSE MIC Forum, Qatar Steel follows the Mutual Aid Plan (MAP) outlining emergency mutual assistance protocols to be followed by all members of the MIC.

Developing **a High Performing and Motivated Team**

Developing a High Performing and Motivated Team

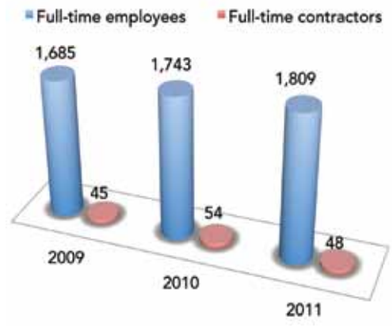
Qatar Steel's proactive and dedicated team is critical to the company's success. Employee development, via intensive engagement, training, and support, is one of Qatar Steel's highest priorities. Through the use of focused human resources management systems and planning, Qatar Steel strives to develop an ever more skilful, motivated, and satisfied team in order to more efficiently Make Steel Matter.

Management System

Effective headcount forecasting and planning are vital to achieving maximum productivity and optimal utilization of the company's human resources. Qatar Steel's recruiting procedures ensure that the company hires the best available talent while giving priority to qualified Qatari Nationals and recent Qatari graduates. Qatar Steel is committed to internal promotion of suitable and qualified employees to fill vacant positions.

Qatar Steel's dynamic investment in its employees consists primarily of focused trainings and development plans aimed at enhancing employees' knowledge, qualifications, and efficiency. Qatar Steel is also committed to measuring its employees' satisfaction and engaging with them regularly.

Workforce Profile



Qatar Steel strives to maintain a diversified workforce. At the end of 2011, the company workforce was composed of 1,809 full time employees from 24 different countries, with a Qatarization rate of 11.72%.

Equal opportunity for both genders is another element of Qatar Steel's approach to employment. The physically demanding nature of the steel industry's work environment, however, as well as the relatively remote location of the company's facilities has limited the number of female applicants to the company. Nevertheless, Qatar Steel is proud to have hired 13 female employees in 2011.

Qatar Steel uses short-term contractors for support services within different areas of work; however, Qatar Steel also hires contractors who work full time to support the company's maintenance and general services departments. In 2011, the company hired 48 full-time contractors.

Training and Development

Qatar Steel ensures that all of its employees are capable of carrying out assigned tasks, and are equipped with the skills required to perform competently, efficiently, and to industry standards.

Orientation training is provided to all employees, including new entrants, to ensure that employees are aware of the importance of conforming to the integrated management system and job requirements. This initial instruction is augmented with in-depth training on job-specific manufacturing processes and tasks. Additional, more detailed job training is based on Qatar Steel's internal training management system. Qatar Steel also provides English language training to enhance communication and ensure better comprehension of technical training courses.

Qatar Steel also provides training to its apprentices, interns, suppliers, and subcontractors. This training consists of the development of skills required for efficient and high-quality work, awareness of duties and environmental responsibilities, and work health and safety.

Training			
	2009	2010	2011
Total number of training hours provided	24,385	21,603	16,270
Average hours of training per employee per year	14.5	12.4	9.0
Total cost of training (QR)	1,879,189	3,124,692	1,555,417

The average number of training hours per employee was 9.0 in 2011, compared to 12.4 hours in 2010. In 2011, Qatar Steel invested 1,555,417 Qatari Riyals in employee training programs.

Qatar Steel's training and development department uses post-course feedback and employee performance evaluations to measures the effectiveness of training and make continuous improvements.

Performance-based Compensation

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

Qatar Steel further bolsters its employees' performance by conducting yearly performance appraisals. In 2011, the company conducted performance appraisal for all its employees.

Employee compensation is calculated according to a basic scheme of salary, bonuses, and awards and recognition. Qatar Steel provides the following benefits to its employees:

- Competitive basic salary
- Annual salary raise
- Housing allowance
- Transportation allowance
- Mileage allowance
- Health insurance

Additional allowances for Qatari and non-Qatari employees are granted when appropriate.

Employee Satisfaction and Retention

Employee Engagement and Satisfaction

Qatar Steel ensures on-going engagement with its employees through different communication channels, including daily, weekly, and monthly meetings, social gatherings, and the internet (via Qatar Steel's website portal).

The satisfaction of the company's employees is a measure of great importance to Qatar Steel. The company conducts an annual satisfaction survey for all employees. In this satisfaction survey, Qatar Steel measures employee satisfaction in various areas such as working environment, compensation and benefits, career development and others. In 2009, Qatar Steel employee satisfaction was 89%. The survey was not conducted in 2010 or 2011; however, Qatar Steel is committed to measuring employee satisfaction in 2012.

33rd Annual Family Day

Qatar Steel organized its annual family day for its employees and their families in May 2011. The event was held at Marah Land in Al Wakra Park.

Employees Retention

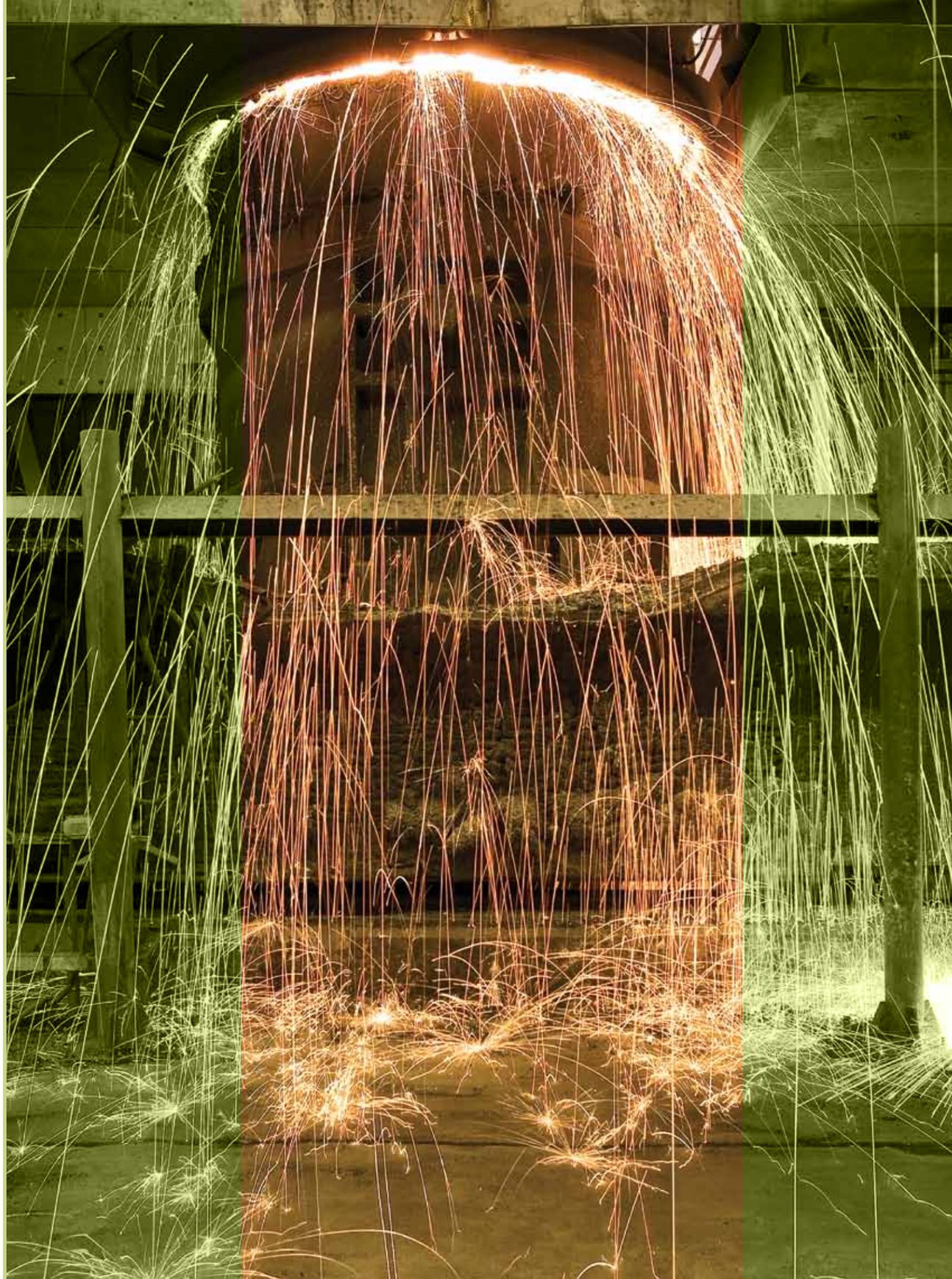
Qatar Steel's integrated human resources management system and engagement programs help the company to retain its employees and achieve a low turnover rate. In 2011, overall turnover rate was 4.4%, a 4.8% decrease from 2009.

Employee Attrition Rate			
	2009	2010	2011
Total number of employees who left the organization	141	63	80
Turnover (%)	8.4	3.6	4.4

Human Rights

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

Child or compulsory labor is strictly prohibited at Qatar Steel, and no cases have been reported during company operations. Similarly, in 2011 there were no reported cases of discrimination by any Qatar Steel employee or stakeholder.



Goverance **and Accountability**

Demonstrating Good Governance and Accountability

Corporate Governance

The Board of Directors, Qatar Steel's highest governing body, is responsible for general organizational oversight and the establishment of corporate hierarchy. The board members are seven highly qualified individuals selected by the company's shareholders – Industries Qatar (IQ) – under a General Assembly resolution ensuring that those chosen have the relevant and necessary experience.

Board of Directors	
H.E. Yousef Hussain Kamal	Chairman
H.E.Dr. Mohammed Bin Saleh Al-Sada	Vice Chairman
Mr. Ali Bin Hassan Al-Muraikhi	Director & General Manager
Mr. Fahad Hamad Al-Mohannadi	Director
Mr. Abdel Rahman Ahmed Al-Shaibi	Director
Dr. Nasser Mubarak Shafi¬ Al-Shafi¬	Director
Mr. Mohamed Hitmi Ahmed Al-Hitmi	Director

The Board of Directors performs its duties independently and impartially in accordance with company law, and its members hold positions of responsibility within other organizations as well. The Board is mandated to meet at least four times per year.

Accountability, Excellence, Fairness, Honesty, Respect

Qatar Steel is committed to the maintenance of high ethical standards among all directors, officers, employees, trainees, and secondees (the latter by virtue of their association or employment with the company). All individuals are expected to adhere to the highest standards of personal and professional integrity, and to comply with Qatar Steel's Code of Ethics and Business Conduct and all applicable laws, rules, and regulations.

The term 'whistle blower' refers to any person who voluntarily reports an incident that does not comply with the Code of Ethics and Business Conduct. To protect such individuals, it is the responsibility of the whistle blower's immediate superior, the Ethics and Business of Conduct Committee, and any other authorized person identified in the policy to ensure that information reported upon is handled with the utmost confidence.

Qatar Steel's performance is reviewed by the Board during the General Assembly meeting, where the Board's report on the previous year's results and future prospects is presented for discussion. The General Assembly meeting also provides an opportunity to discuss discharging of Board members.

Committees are formed by the Board in accordance with the company's strategic and organizational requirements. There are currently two committees in existence:

1. Tender committee – a permanent committee that searches for methods of procurement with prescribed financial limits.
2. Audit committee – a recently formed committee that reviews the effectiveness of the internal audit function.

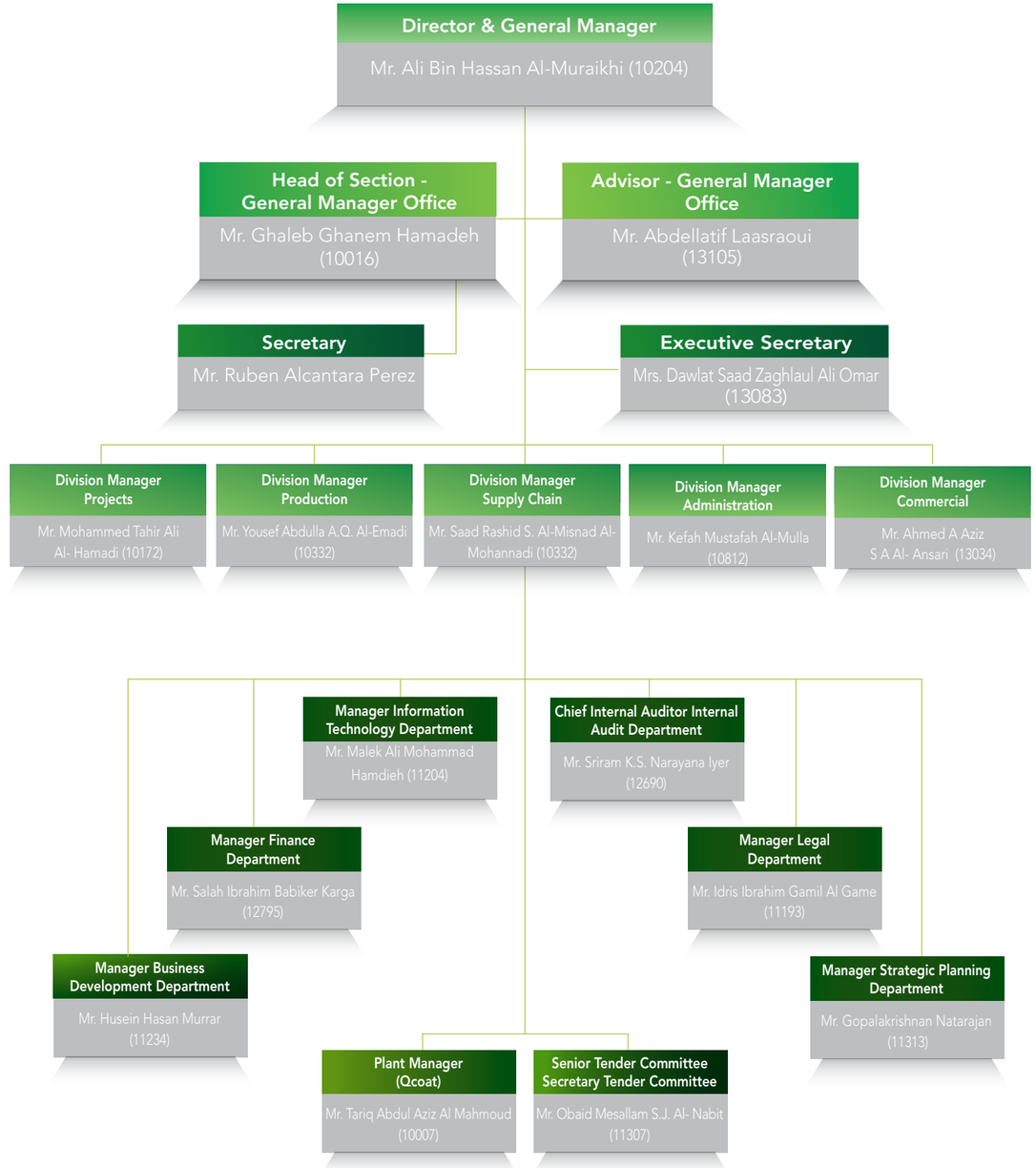
Remuneration for the Board of Directors is determined by the General Assembly. Adherence to Qatar Steel's Code of Ethics and Business Conduct guarantees conflicts of interest among the Board are avoided.

Management Systems

Qatar Steel has developed comprehensive management systems which provide clear vision and direction to the organization, ensure adequate capacity and resources for sustained development, encourage commitment and active support for change and improvement, and develop the competence, methods, and tools necessary for improvement work.

Qatar Steel's management system has achieved two ISO certifications: ISO 14001 for its Environmental Management System (EMS) in 1999 and ISO 9000 for its Quality Management System (QMS) in 1995. The continued excellence of the company's management systems is reflected in Qatar Steel's certifications, earned in 2007, 2010 and 2011 (following the ISO certification switched from ISO9001:2000 to ISO9001:2008).

Qatar Steel's management systems are carefully implemented at all organizational levels, and are intended to guarantee that customers receive the consistently reliable and high quality products and services for which the company is known. Company management strives to set a positive of commitment, customer focus, and team work.



Internal Audit

An essential part of Qatar Steel's management systems is its internal audit department, which is responsible for developing a risk based audit plan using the 'COSO Enterprise Risk Framework'. The audit plan provides reasonable assurance that:

- There are satisfactory systems, policies and procedures are in place and they are being followed to ensure that the company's assets are safeguarded and objectives are being met.
- The financial systems, procedures, and practices are in place and are being followed, to provide timely and accurate financial information for the use of directors, management and other stakeholders in determining that the company's financial objectives are being met.
- Satisfactory regulatory policies and practices are in place to monitor the company's compliance with all laws and regulations.

Qatar steel's internal audit department reports to the Audit Committee commissioned by the Board of Directors.

Accountability through Transparency

As Qatar Steel increases the embedding of sustainability management in the core of its organization, Qatar Steel recognizes that its stakeholders are a major part of the company's accountability structure. Qatar Steel acknowledges and respects the need to maintain open and transparent lines of communication with all of its stakeholders in order to understand and respond to their expectations. Qatar Steel's stakeholder mapping, presented below, captures and organizes these elements of engagement; it will continue to be developed over time as Qatar Steel further engages with each stakeholder.

This sustainability report builds on Qatar Steel's existing consistent disclosure practices. Qatar Steel's goal is to increase the company's transparency for its full range of economic, social and environmental performance metrics. Qatar Steel intends to augment transparency efforts and to hold the company accountable to all of its stakeholders. Additionally, Qatar Steel strives to further engage each and every stakeholder in new and meaningful ways as part of the company's continuing sustainability journey.

Stakeholder Group	Why Qatar Steel's Stakeholders Are Important to the Company	Stakeholder Priority Issues	Ways of Engaging Company Stakeholders	Qatar Steel's Response to Stakeholder Needs
Customers	- Develop innovative partnerships for sustainable growth - Grow business	- Quality of products - Products safety - Innovative technology - Environmentally sound products	- Site visits - Customer oriented publications - Customer satisfaction survey - Annual customer gathering	- Provide quality products - Risk sharing partnerships, help customers manage their risks - Provide innovative products that meet their needs - Continuous efforts to maintain reliability, availability and reduce the company's environmental impact
Employees	- Perform quality and productive leadership - Most important asset to run the business	- Employees health and safety - Remuneration and rewards - Working conditions and job security - Career development and operational quality	- Internet (Qatar Steel website's portal) - One to one meetings and annual gathering - Training programs - Code of Ethics	- Provide safe and healthy work environment - Ensure training and development - Competitive compensation and benefits - Secure career and experience
Government and Regulators	- Provide fair and clear competitive trading conditions - Business continuity - Develop innovative partnerships for sustainable growth	- Social and community development - Investments - Provide employment opportunities - Compliance	- Joint programs and partnerships - One to one meetings - Audit reports - Environmental statements	- Support national strategies and plans - Product innovation - Economic growth - Ensure compliance - Policies and Procedures
Investors	- Help us achieve financial and economic growth	- Good corporate governance - Profitable growth - Adopt sustainability management and reporting - Climate change	- Rational meeting - Annual investors meeting - Conferences - Visits	- Good return on investment - Sustainable growth

Local Communities	- Build confidence with local communities for business continuity	- Environment anxieties - Social and community investment - Community engagement process - Health	- Periodical meetings - Visits and workshops	- Provide financial and operational support for social and local community development - Adopting sustainability management and reporting
Suppliers	- Quality of goods and services and timely delivery as per contractual specification	- Liable sourcing - Fair bidding process - Product quality - Operational excellence - Ethical business practice - on-time payment	- Business visits - Vendors meeting - Conferences and seminars	- Transparent business opportunities - Swift payments
Environment	- Business continuity - Preserve the environment for future generations	- Climate change mitigation - Minimize natural resources utilization - Waste management	- Regular environmental checks and ensuring compliance and timely reporting to concerned parties	- Monitor and reduce the company's GHG and other emissions - Ensure operational efficiency - Monitor and manage the company's waste
Media	- Strongly shape reputation and promote awareness of product and operations	- Industrial development - Environment anxieties - Health and safety	- Business visits - Press releases - Interviews - Sponsorships	- Adopting sustainability management and reporting - Provide industrial trends

Achieving **Profitable Growth**

Achieving Profitable Growth

Achieving profitable growth is one of Qatar Steel's core business objectives. Qatar Steel has achieved successful growth by adhering to the company's integrated approach to business - an approach that emphasizes balanced consideration of economic, environmental, and social factors during all operations. . As demand for steel increases in Qatar and across the GCC, Qatar Steel continues to seek new opportunities for strategic expansion to further enhance its strong financial position.

Financial Management

To support Qatar Steel's pursuit of profitable growth, the company utilized Ernst and Young to assist in the development of company financial policies and procedures. Qatar Steel also developed a well-structured management reporting package, in order to guarantee that the right information is provided to the right management personnel at the right time. This package not only reports historical data but also projects financial forecasts. Qatar Steel's finance department prepares regular financial reports and statements according to International Financial Reporting Standards (IFRS), with external auditing conducted by a third party assurance firm.

Qatar Steel's finance department is in the final stages of completing a contract with a consultant to implement Hyperion Planning and Budgeting software for internal operations. This software is expected to fundamentally change the company's budgeting process by providing a strong reporting tool, which will serve as the foundation of Qatar Steel's future Finance Dashboard.

Financial Performance

In 2011, Qatar Steel greatly improved its financial performance, earning 6,312 million QR in revenues. This is a 19.5% increase from the compared to 5,280 million QR earned in 2010.

Financial Performance (Million QR)			
	2009	2010	2011
Revenues	4,067	5,280	6,312
Operating costs	3,598	4,231	4,785
Total spending on contractors and suppliers*			
(* Total spending on contractors and suppliers includes services, equipment, logistics, and spares and consumable items, and does not include raw material procurement)	371.6	603.0	575.3

Strategic Expansion

Qatar Steel continues to aggressively pursue a strategy of upgrades, new expansions, and general growth in order to meet the intensifying demand for steel in Qatar. This growth is also necessary for the company to remain consistent in providing steel products to various export markets, especially where the company's core re-bar business is concerned. Qatar Steel consistently seeks out strategic investments by way of acquisitions and joint ventures in iron ore and steel related production facilities. Such acquisitions would allow the company 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 5-year business plan, which is validated every year on a rolling basis and submitted to IQ.

Qatar Steel's current expansion efforts are centered on the Greenfield project (EF5), a steel melt shop, which is expected to be operational by the first quarter 2013. At year-end 2011, Qatar Steel had successfully concluded several investment deals with regional steel companies as part of its expansion plan; these deals included:

1. Signing a Memorandum of Understanding (MoU) between Algeria and Qatar (Qatar Steel and Qatar Mining) to formulate a joint venture company in Algeria, to be owned 51% by Algeria and 49% by Qatar. The company will oversee the development and construction of a new integrated steel project. Qatar Steel appointed a consultant to carry out economic feasibility and market studies for this joint venture.
2. Qatar Steel has discussed investment plans with major shareholder Xstrata to seek further interest in the iron ore projects of Sphere Minerals Ltd, including the possibility of Qatar Steel increasing its share.
3. Qatar Steel has increased its share in South Steel Company in Saudi Arabia from 20.95% to 31.0%. This follows the successful 2012 commissioning and start up of their Steel Melt Shop (SMS) and rolling mill.
4. Investments through Foulath –United Steel Company (SULB) in Bahrain for section products.

Qatar Steel's Current Investments		
	Company	% of holding
1	Qatar Metals Coating Company (Q-COAT)	50%
2	South Steel Company (Saudi Arabia)	31%
3	Gulf United Holding Company (Foulath) - Bahrain	25%
	Gulf Industrial Investment Company (GIIC)	25%
	United Stainless Steel Company (USCO)	25%
	United Steel Company (SULB - Bahrain)	12.75%
	SULB - Saudi (UGS)	12.75%

Qatar Steel also owns shares in Qatar Navigation, Qatar Electricity and Water Company, Barwa, and Vodafone.

Appendices

Appendix A - Product Specifications

DRI Specifications		
Chemical Composition		
	Guaranteed	**Expected**
Total Iron (T.Fe)	91.5% Min	92.00%
Metallic Iron (M.Fe)	85.5% Min	86.00%
Metallization	93.0% Min	94.00%
Carbon (C)	2.5% Max	
Phosphorous (P)	**0.055% Max**	
Sulphur (S)	0.005% Max	
Total Gangue(CaO+Al2O3+MgO+SiO2)	**4.8% Max**	**4.50%**

Physical Analysis	
Bulk Density (ton/m3)	1.6 ~ 1.9
Size Under 5 mm at Loading Port	5.0 % Max

HBI Specifications		
Chemical Composition		
	Guaranteed	**Expected**
Total Iron (T.Fe)	91.0% Min	91.50%
Metallic Iron (M.Fe)	85.0% Min	86.00%
Metallization	93.4% Min	94.00%
Carbon (C)	1.2% Min	
Phosphorous (P)	**0.055% Max**	
Sulphur (S)	0.005% Max	
Total Gangue(CaO+Al2O3+MgO+SiO2)	**4.8% Max**	**4.50%**

Physical Analysis	
Bulk Density (ton/m3)	2.4 ~ 2.7
Apparent Density (ton/m3)	4.9 Min
Average Size (mm)	106 X 48 X 32
Size Under ¼ Inch at Loading Port	5.0 % Max

Billets Specifications						
Chemical Composition: (As below or as per customer requirement)						
Chemistry	%C	%Si	%Mn	%P	%S	N (ppm)
	0.18~0.24	0.15~0.20	0.60~0.80	0.035 max	0.035 max	120 max
Note: Tramp Eléments (Ni + Cr + Cu + Mo) = 0.30% max						

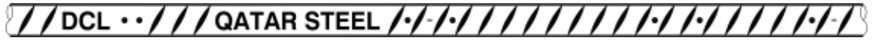
Physical Parameters:		
Sr.No.	Item	Acceptance Criteria
1	LENGTH	4 meter to 12 meter (+ 50mm)
2	SECTION	150 X 150 mm2 or 130 X 130 mm2
3	FACE LENGTH	± 3 mm
4	RHOMBODITY	3 % Max
5	DIAGONAL DIFFERENCE	≤10 mm
6	CORNER RADIUS	8 mm
7	STRAIGHTNESS	Camber 5mm/meter
8	BENDING	Not more than 5mm in 1 meter
		Not more than 30mm in 6 meter
		Not more than 60 mm in 12 meter
9	ANGULAR TWIST	Not more than 1 degree per meter and not more than 6 degrees over 12 meter length.
10	CUTTING	Both ends will be Gas Cut
11	IDENTIFICATION	At the end of each billet cast number will be stamped.
12	SURFACE	The billets will be free from surface imperfection which impair the product Quality such as longitudinal cracks, transverse cracks, Deep Ripple mark, Scab & thick scale, slag Patches, surface blow holes etc.,
13	PIPE	No Existence

Nominal, Dimensions, Weight & Tolerance Knots										
Designation	Nominal Dia. (d) (mm)	Nominal Cross Sectional Area (mm2)	Unit Mass (Kg/m)	Maximum Average Knot Space (mm)	Height of Knots		Ltgd/Ri Width (mm)	Nominal Mass Kg/ Piece		
					Min (mm)	Max (mm)		6 m	9m	12m
D8	08	50.3	0.395	5.6	0.3	0.6	3.1	2.37	3.56	4.74
D10	10	78.5	0.617	7.0	0.4	0.8	3.9	3.70	5.55	7.40
D12	12	113.0	0.888	8.4	0.5	1.0	4.7	5.33	7.99	10.66
D14	14	154.0	1.21	9.8	0.6	1.2	5.5	7.26	10.89	14.52
D16	16	201.0	1.58	11.2	0.7	1.4	6.3	9.48	14.22	18.96
D18	18	254.5	2.00	12.6	0.8	1.6	7.1	12.00	18.00	24.00
D20	20	314.0	2.47	14.0	1.0	2.0	7.9	14.82	22.23	29.64
D22	22	380.0	2.98	15.4	1.1	2.2	8.6	17.88	26.82	35.76
D25	25	491.0	3.85	17.5	1.3	2.6	9.8	23.10	34.65	46.20
D28	28	615.8	4.83	19.6	1.4	2.8	11.0	28.98	43.47	57.96
D30	30	707.0	5.55	21.0	1.5	3.0	11.8	33.30	49.95	66.60
D32	32	804.0	6.31	22.4	1.6	3.2	12.6	37.86	56.79	75.72
D36	36	1018.0	7.99	25.2	1.8	3.6	14.06	47.94	71.99	95.88
D40	40	1257.0	9.86	28.0	2.0	4.0	15.7	59.18	88.78	118.32

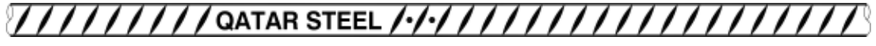
Requirement for rib geometry	
Height of transverse ribs 0.03d to 0.15d	The projection of transverse ribs shall extend over at least 75% of circumference of the product which shall be calculated from the nominal diameters.
Rib spacing, c 0.4d to 1.2d	Longitudinal rib:
Rib inclination, 350 to 750	Where longitudinal ribs are present, there height shall not exceed 0.10d, where d is the nominal diameter of the product

BS 4449:1997 GRADE 460B

BS 4449:2005 GRADE B500B



ASTM A615 GRADE 60 & SSA 2/1992



MARKING

Deformed bars produced at Qatar Steel conform to various national and international standards such as BS4449:1997 Grade 460B & BS4449:2005 Grade B500B (British), SSA 2/1992 (Saudi High Tensile), ASTM A615 Grade 40/Grade60 (American). The registered trade mark "QATAR STEEL" is rolled on every deformed bar at an interval of about one meter along with all identification marks.

International Rebar Specifications produced at Qatar Steel				
Characteristics	BS 4449:1997	BS 4449:2005	ASTM A615	SSA 2/1992
	Gr460B	GrB500B	Gr60	
Chemical Composition				
Carbon (C) %	0.25 Max	0.22 Max	--	0.33 Max
Manganese (Mn) %	--	--	1.80 Max	1.80 Max
Phosphorous (P) %	0.05 Max	0.05 Max	0.05 Max	0.050 Max
Sulphur (S) %	0.05 Max	0.05 Max	0.05 Max	0.050 Max
Nitrogen (N) ppm	120 ppm	120 ppm	--	--
CE (%)	0.51 Max	0.50 Max	--	0.54
Mechanical & Physical Properties				
Yield Strength	460.0 N/mm2 Min	500.0 MPa Min	420.0 N/mm2 Min	460.0 N/mm2 Min
Tensile Strength	496.8 N/mm2 Min	540.0 MPa Min	620.0 N/mm2 Min	506.0 N/mm2 Min
Elongation (%)	14 Min	14 Min	9 Min	12 Min
Agt (%)	5	5	--	--
Weight Tolerance (%)	±4.5	±4.5	-6	10 ~ 20mm = + 4.0 >20 ~ 32 = + 3.5 >32mm = + 3.0
Bend	450	900	1800	1800
Re-bend	From 450 Back to 230	From 900 Back to 200	--	1800 to 45
Weldability				
Weldable/Non-Weldable	Weldable	Weldable	Non-Weldable	High Tensile Non-Weldable

Technical Comments:-

1. BS 4449:1997 Gr460B, BS4449:2005 GrB500B rebars are produced with low carbon equivalent & Weldable, whereas ASTM A615 Gr60 are Non-Weldable
2. BS 4449:1997 Gr460B, BS4449:2005 GrB500B rebars have High Strength Compared to ASTM A615 Gr60 which reduces steel consumption & congestion in structure, in turn reduces overall cost of project
3. BS 4449:1997 Gr460B, BS4449:2005 GrB500B rebars have High Yield Strength i.e., minimum 460N/mm2 & 500 Mpa respectively compared to ASTM A615 Gr60, without compromising on ductility
4. BS 4449:1997 Gr460 & BS4449:2005 GrB500B rebars have better bend performance, due to severe bend & re-bend angle.

Appendix B – Scope of the Report

Profile: This is Qatar Steel's first sustainability report; it reflects the company's baseline sustainability performance for the years 2009, 2010, and 2011, and covers a number of environmental, social, and economic aspects. Qatar Steel is committed to annual sustainability reporting.

Scope and boundary of the report: Qatar Steel has analyzed the sustainability issues within Qatar, the industry, and the region, and has identified its sustainability material issues in all environmental, social, and economic areas, taking into considerations the QNV 2030, the National Development Strategy 2011-2016 and the SDI initiative. Qatar Steel prioritized the key material and sustainability issues to develop its sustainability approach.

This report was developed based on the Global Reporting Initiative (GRI) framework and indicators, aiming to achieve Level B of the GRI application levels. Qatar Steel also added an index for the International Petroleum Industry Environmental Conservation Association (IPIECA).

Stakeholder inclusiveness: Based on Qatar Steel's understanding of the importance of stakeholder engagement, the company developed its stakeholder map identifying key stakeholder groups, their priority issues, how the company engages with them and Qatar Steel's response to their input. Qatar Steel believes that this report covers and communicates with all of the company's key stakeholders and Qatar Steel believes that all the identified stakeholders would be interested in reading the company's sustainability report. Qatar Steel also encourages you 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 the years 2009, 2010, and 2011. This report also presents Qatar Steel's successes as well as main challenges in the economic, environmental and social areas. This report uses the GRI G3.1 guidelines which provide clear comparisons.

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

Clarity of information: Qatar Steel has put its sustainability information in this report in a clear and easy way to communicate framework, besides using the GRI framework which helps ease the report reading and understanding.

Assurance: This report has not been externally assured.

Appendix C – GRI Application Level Statement

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Qatar Steel Company** has presented its report "Making Steel Matter" (2011) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 8 August 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

GRI REPORT GRI CHECKED

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 31 July 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*

Appendix D – GRI index

1. Strategy and Analysis		Page (s)
1.1	Statement from the most senior decision-maker of the organization.	7
1.2	Description of key impacts, risks, and opportunities.	18 - 21
2. Organizational Profile		
2.1	Name of the organization.	8
2.2	Primary brands, products, and/or services.	8
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	11, 77, 84
2.4	Location of organization's headquarters.	Qatar Steel headquarter is in Doha
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	11,13
2.6	Nature of ownership and legal form.	9, 100% owned by Industries Qatar
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	9, 34
2.8	Scale of the reporting organization.	22
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	14
2.10	Awards received in the reporting period.	11, 45, 46, 47
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	6
3.2	Date of most recent previous report (if any).	89
3.3	Reporting cycle (annual, biennial, etc.)	89
3.4	Contact point for questions regarding the report or its contents.	89
3.5	Process for defining report content.	89
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	89
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	89
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	89
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	54,55, 89
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Not applicable as this is the first report

3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable as this is the first report
3.12	Table identifying the location of the Standard Disclosures in the report.	91 - 96
3.13	Policy and current practice with regard to seeking external assurance for the report.	89
	4. Governance, Commitments, and Engagement	
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	74 - 77
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	75 - 76
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	75 - 76
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Employees can provide their feedback through proper channel; they may communicate to any Department's or Division's Manager whom reports to Directors& General Manager.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	75 - 76
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	75 - 76
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	75 - 76
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	8 - 10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	18 - 21, 74 - 76
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	74 - 76
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	74 - 76, 78
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	11 - 13

4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	11 - 13
4.14	List of stakeholder groups engaged by the organization.	78 - 80
4.15	Basis for identification and selection of stakeholders with whom to engage.	78 - 80
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	78 - 80
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	78 - 80
	Economic	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	82 - 83
EC3	Coverage of the organization's defined benefit plan obligations.	Per country law
EC4	Significant financial assistance received from government.	Qatar Steel is tax exempt
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	45
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	44
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	44
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	44 - 47
	Environmental	
EN1	Materials used by weight or volume.	54 - 59
EN2	Percentage of materials used that are recycled input materials.	54 - 59
EN3	Direct energy consumption by primary energy source.	54
EN4	Indirect energy consumption by primary source.	54
EN8	Total water withdrawal by source.	56
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Qatar Steel's operations could only affect the sea life but the company spare no efforts in complying with laws and regulations related to discharges to sea and it did not commit any violation
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
EN13	Habitats protected or restored.	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	

EN16	Total direct and indirect greenhouse gas emissions by weight.	53 - 54
EN17	Other relevant indirect greenhouse gas emissions by weight.	53 - 54
EN20	NOx, SOx, and other significant air emissions by type and weight.	54
EN21	Total water discharge by quality and destination.	59 - 60
EN22	Total weight of waste by type and disposal method.	59 - 60
EN23	Total number and volume of significant spills.	60
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	56 - 57
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	52 - 53, 59
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	53 - 54
EN30	Total environmental protection expenditures and investments by type.	52
	Social: Labor Practices and Decent Work	
LA1	Total workforce by employment type, employment contract, and region.	69
LA2	Total number and rate of employee turnover by age group, gender, and region.	72
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	71
LA4	Percentage of employees covered by collective bargaining agreements.	No trade unions allowed at Qatar
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	62 - 64
LA9	Health and safety topics covered in formal agreements with trade unions.	No trade unions allowed at Qatar
LA10	Average hours of training per year per employee by employee category.	69 - 70
LA12	Percentage of employees receiving regular performance and career development reviews.	70
	Social: Human Rights	
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Zero
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Zero
HR4	Total number of incidents of discrimination and actions taken.	Zero
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No operations or significant suppliers were identified to have human rights significant risks

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	No operations or significant suppliers were identified to have human rights significant risks
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	No operations or significant suppliers were identified to have human rights significant risks
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Zero
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Zero
	Social: Society	
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Zero
SO4	Actions taken in response to incidents of corruption.	No incidents reported
SO5	Public policy positions and participation in public policy development and lobbying.	Qatar Steel participates in public policy through its Board members who are ministers, and through sharing statistics, and through setting Qatar Steel standards.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Zero
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Zero
	Social: Product Responsibility	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	26 - 34
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Zero
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	35
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	35
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Zero
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Zero

Appendix E – IPIECA index

Environmental indicators		Page(s)
E1	Greenhouse gas (GHG) emissions	53 - 54
E2	Energy use	53
E3	Alternative energy sources	N/A
E4	Flared gas	N/A
E5	Biodiversity and ecosystem services	Qatar Steel's operations could only affect the sea life but the company spare no efforts in complying with laws and regulations related to discharges to sea and it did not commit any violation
E6	Fresh water	56 - 57
E7	Other air emissions	54
E8	Spills to the environment	60
E9	Discharges to water	59 - 60
E10	Waste	58 - 59
Health and safety indicators		
HS1	Workforce participation	68
HS2	Workforce health	62 - 66
HS3	Occupational injury and illness incidents	62 - 66
HS4	Product stewardship	26 - 27, 35
HS5	Process safety	26 - 27, 35
Social and economic indicators		
SE1	Local community impacts and engagement	40 - 45
SE2	Indigenous peoples	N/A
SE3	Involuntary resettlement	N/A
SE4	Social investment	46 - 47
SE5	Local content practices	46 - 47
SE6	Local hiring practices	44 - 45
SE7	Local procurement and supplier development	45
SE8	Human rights due diligence	72
SE9	Human rights and suppliers	72
SE10	Security and human rights	N/A
SE11	Preventing corruption	74 - 76
SE12	Preventing corruption involving business partners	74 - 76
SE13	Transparency of payments to host governments	N/A
SE14	Public advocacy and lobbying	Qatar Steel participates in public policy through its Board members who are ministers, and through sharing statistics, and through setting Qatar Steel standards.
SE15	Workforce diversity and inclusion	68 - 70, 72
SE16	Workforce engagement	71 - 72
SE17	Workforce training and development	70
SE18	Non-retaliation and grievance system	70 - 72

Appendix F – Glossary

Qatar National Vision 2030: A long term national vision which was built on the guiding principles of Qatar's Permanent Constitution. It reflects the aspirations of the Qatari people and the resolve of their political leadership. It envisages a vibrant and prosperous country in which there is economic and social justice for all, and in which nature and man are in harmony.

Climate Change: A significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years.

Qatarization: An initiative by the government of the Qatar to increase the number of Qatari nationals in all joint venture industries and government departments.

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 for which the corporation is governed.

Sustainability: A state where current generation can meet their needs without comprising the ability of future generations to meet their own.

Sustainability Management: The integrated management of economic, social and environmental issues in a manner that maximizes value for all stakeholders.

Sustainability report: An organizational report that gives information about economic, environmental, social and governance performance.

Global Reporting Initiative (GRI): A network-based organization that produces a comprehensive sustainability reporting framework that is widely used around the world with the aim of the mainstreaming of disclosure on environmental, social and governance performance. GRI is committed to the Framework's continuous improvement and application worldwide.

Gulf Cooperation Council (GCC): Is a political and economic union of the Arab states bordering the Persian Gulf and located on or near the Arabian Peninsula, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates

Greenhouse Gas Emissions: Gas emissions, which contribute to the trapping of heat inside the atmosphere (resulting in the Global Warming phenomenon).

Busbar: It is a strip or bar of Copper, Brass or Aluminum that conducts heavy currents of electrical power to supply several Electrical Circuits with either High Voltage Level or Low Voltage Level.

Appendix G – Acronyms

AAQMS	Ambient Air Quality Monitoring Systems	MoU	Memorandum of Understanding
AISU	Arab Iron and Steel Union	mg/Nm3	Milligram per normal cubic meter
CC	Continuous Casting	Mton Or Or mt	metric ton. "mt" is very accurate in Technical Writing. All abbreviation "Mton" or "mt stand for metric ton (tons).
CEMS	Continuous Emissions Monitoring System	mm	Millimetres
EAF	Electric Arc Furnace	MWh	Megawatt hour
EIA	Environmental Impact Assessment	m3	Cubic meter
EMS	Environmental Management System	PLC	Programmable Logic Controller
DCL	Dubai Central Laboratory	PHE	Process Hazard Evaluations
DG	Regulations and Enforcement Directorate	ppm	Parts per million
DR	Direct Reduction	Q-Coat	Qatar Metals Coating Company W.L.L.
DRI	Direct Reduced Iron	QR	Qatari Riyal
Foulath	Gulf United Holding Company	QMS	Quality Management System
GCC	Gulf Cooperation Council	RM	Rolling Mill
GIIC	Bahrain, Gulf Industrial Investment Co.	SDI	Sustainable Development Industry
GJ	Gigajoule	SEAISI	South East Asia Iron & Steel Institute
GRI	Global Reporting Initiative	SMS	Steel Melting Shop
HBI	Hot Briquette Iron	SMS	Sustainability Management Systems
HSE	Health, Safety, and Environment	SASO	Saudi Arabian Standards Organization
HMI	Human Machine Interface	SLUB	Foulath –United Steel Company
IQ	Industries Qatar	TRCF	Total Reportable Cases Frequency
IFRS	International Financial Reporting Standards	UAE	United Arab Emirates
JIS	Japanese Industrial Standards	UN	United Nations
kWh	Kilowatt hour	USCO	United Stainless Steel Company
Kg	Kilogram	worldsteel	World Steel Association
KPIs	Key Performance Indicators (KPIs)	XRF	X-Ray Fluorescence Spectrometer
LTIF	Lost Time Injury Frequency		
LOC	Number of loss of Containment		
MAP	Mutual Aid Plan		
MIC	Mesaieed Industrial City		

Main Consultant of the Report: Sustainability Excellence Organisation.

Designed & Printed by : Gem Advertising & Publications W.L.L.

Year of Releasing : 2012.

Sustainability's Contact Address in Qatar Steel Company QSC

Mr. Adil Al-Husseini - Technical Department Manager

P.O. Box: 50090

Telephone : +974 44778400

Fax: +974 44778515

email: sustainability@qatarsteel.com.qa

Official Website: www.qatarsteel.com.qa

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