

20 REPORT INTEGRATED



Save today for a **Sustainable** future



His Highness
Sheikh Hamad Bin Khalifa Al Thani
The Father Amir

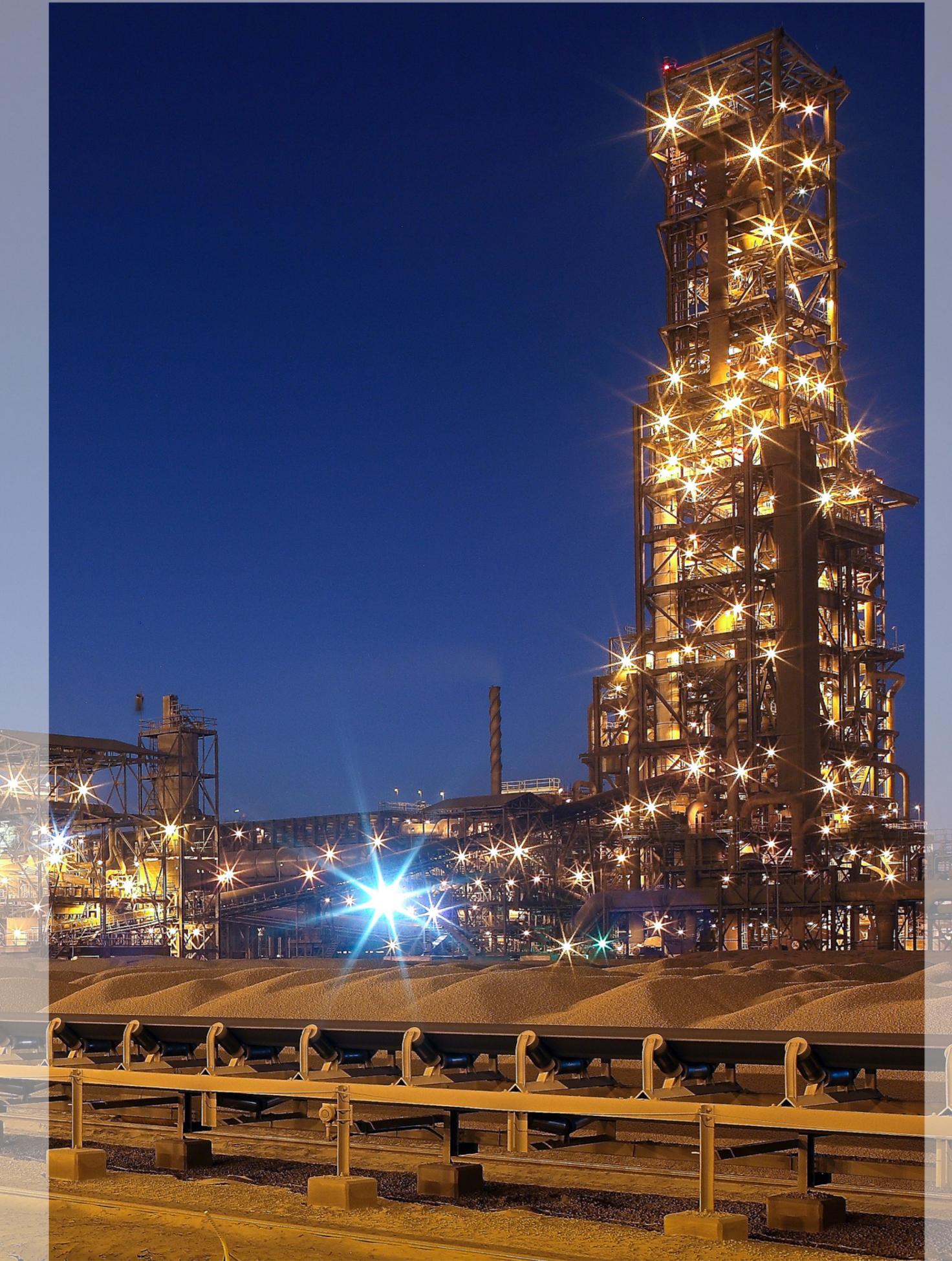


His Highness
Sheikh Tamim Bin Hamad Al Thani
The Amir of the State of Qatar

CONTENT

INTEGRATED REPORT 2020

About the Report	4
Messages from Chairman, MD & CEO	5
Board of Directors	7
Management Team	8
Qatar Steel's COVID -19 Response	11
Sustainability Management Approach	17
Building the Future	24
Achieving Profitable Growth	28
Ensuring a Safe and Healthy Work Environment	30
Creating a Balanced Ecosystem	41
Contributing to National Growth & Development	51
Developing a High Performing & Motivated Team	53
Practice Good Governance	57
Appendix: GRI Content Index	62
Appendix: Sustainability Performance Data	67



About the Report

Welcome to Qatar Steel's 1st integrated annual and sustainability report. It covers the period from 1st January 2020 to 31st December 2020. This report is guided by Qatar Steel's commitment to sustainability, accountability, and transparency. Within these pages, you will find a comprehensive review of the company's performance, including financial achievements and sustainability progress for the year 2020. This report is intended to be the cornerstone of the company's annual public reporting.

This report has been prepared in accordance with the GRI Standards: Core option. This report discloses performance against key performance indicators relevant to the World Steel Association (worldsteel) and the United Nations Sustainable Development Goals (SDGs), as well as outlines the global sustainability goals Qatar Steel strives to achieve through its strategy roadmap and operational activities.

We encourage you to share your feedback on this report by contacting: sustainability@qatarsteel.com.qa.

Message from Chairman



The current COVID19 pandemic has not only brought new challenges to our daily lives but also disturbed the global market and triggered crisis in many countries and economies. It has also challenged us to view and think differently in a quest to survive the crisis. Our ability to respond quickly to new situations depends on the pre-established foundation of everything we have been focusing on in the past few years, including business transformation, the development of flexible remote office tools and technologies, and employee engagement. Our efforts in business transformation along with cost management and price and demand recovery in our main markets in the third quarter, allowed us to end the financial year as forecasted.

To support and build a culture of collaboration, inspiration, and best practices to achieve great results, we renewed our core values during 2020. This approach is reflected in our latest corporate statement of "Building the Future".

There has been a world-wide growing significance or focus on Climate Change and the increasing calls for the "Green Steel Agenda" in our industry. The State of Qatar's ratification of the Paris Climate Agreement, the 2050 National Low-Carbon Strategy, and the Qatar Government's commitment to reduce greenhouse gas emissions to a lower level set new targets for our company to reduce carbon dioxide emissions. The carbon dioxide intensity set a new short-term goal where we plan to reduce greenhouse gas emissions per ton of steel from 2021 through achieving a 3% reduction by 2023. This goal is supported by our specific activities on operational efficiency and the development of a Decarbonization Strategy. Qatar Steel is committed to sustainable development. We will continue to reduce our ecological footprint, reduce energy and resource consumption, and recyclability, thereby enabling us to increase the scrap recycling in feed-mix to 45%.

During 2020, we reviewed our mid-term strategy with a focus on investment in improving our occupational health and safety systems and environmental safety projects. Our operations directly affects the lives and health of our employees and local communities. In these challenging times for the health system, we support local health organizations and communities and will continue to do so. We modernized the factory's medical infrastructure in 2020, enabling us to improve the effectiveness of medical services to our employees. As part of the new operating strategy, Qatar Steel's Sales & Marketing activities have now been moved back into Qatar Steel from September 1, 2020. This strategy has a limited international component.

Qatar Steel contributes to the sustainable development of the region by creating job opportunities and improving the quality of life of its employees and their family. During the epidemic, we continued to support small and medium-sized enterprises, assisted in solving pressing social challenges, while protecting cultural heritage, and developing culture and education.

Looking forward to future growth and success.

Saad Rashid Al-Muhannadi

Message from MD & CEO



It is with great pleasure that I am presenting Qatar Steel's first integrated annual and sustainability report. This integrated report features our financial and operational highlights, as well as our sustainability performance in various aspects including health and safety, governance, environment and community development.

The year 2020 was marked by global uncertainty as a result of the Covid-19 pandemic; this new normal and the many challenges that it poses has further highlighted how truly globalized our world is, and the need for companies to think and act in a sustainable manner. Business continuity was one of the biggest threats/challenges brought to us by the pandemic. Our employees are our strength and we are proud that they stood by us during these challenging times. I would like to express my heartfelt gratitude to all employees and service providers at Qatar Steel for their dedication and commitment in helping the company maintain continuity in business operations during these times. This being said, we have operated and will continue to operate prioritizing the employee safety not only related to steel business but also in terms of the ongoing pandemic.

At QS, we opened the year by concluding the BUILDING THE FUTURE Workshop and with the expectation that the wheel of business (over the next 3-5 Years) will turn and that the Steel Industry would start to recover. Instead, shortly thereafter, everything changed as the pandemic spread rapidly around the world. From one day to the next, demand for our products and services began to shrink and our way of working changed and it affected the performance owing to a multitude of reasons, including unstable market conditions due to Covid-19, disruptions in the demand for steel, and lower steel prices. To secure the financial stability of the company, we implemented a detailed plan to reduce our fixed cost structure by 30%, by the end of 2020, and to generate cash through reducing inventories, managing receivables closely and reducing investments - this included mothballing some of the production units to restrict sales only to the local market. These actions helped us to improve our performance in the latter half of the year and enabled us to meet or exceed our targets.

2020 was a very successful year for Qatar Steel in terms of the health, safety and environment performance category. Qatar Steel achieved a "best ever" total of 10 Million working hours without any LTI (Qatar Steel and Contractor employees), as well as a LTIFR of Zero (0) for 2020. The Total Recordable Incidence Frequency Rate also shows a continuous downward trend, with another "lowest" recorded for the company at the end of 2020. These figures indicate the success of our HSE system, and it is our intention to build on this system to further improve our performance on the health and safety front. We also achieved "1 Rosette" rating in UK CARES Sustainable Constructional Steel (SCS) Certification Scheme for the first time since the commencement of certification and became the first company in the Middle East and fourth in the world out of 26 certified companies to achieve this status. We also conducted a new materiality assessment in 2020, and in the process of developing Sustainability Roadmap (2021-2025); in keeping with our intention of updating our sustainability strategy in line with Qatar National Vision 2030.

Under Qatar Steel's vision of being the world's leading steel company, we will continue to deliver our products successfully, focus on HSE performance with higher targets, exceed customer expectations and thereby strive to maintain the company's sustainable growth, increase our corporate value, and ensure QS plays a vital role in the development of a sustainable society.

Mohammed Nasser Al-Hajri

Board of Directors 2020



Saad Rashid Al-Muhannadi
Chairman



Abdulla Mohamed Al-Mahmoud
Vice Chairman



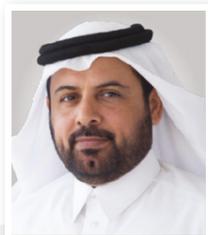
Mohammed Nasser Al-Hajri
Managing Director & CEO



Khalid Jaham Al-Kuwari
Director



Adel Abdulla Al-Rumaihi
Director



Khalid Thamer Al-Hemaidi
Director



Khalid Mohammed Al-Hitmi
Director

Management Team 2020



Mohammed Nasser Al-Hajri
Managing Director & CEO



Yousef Abdulla Q. Al-Emadi
Chief Business Excellence Officer



Khalid Ali M. Mandani Al-Emadi
Chief Procurement Officer



Ahmed Sabt F. Kalifa
Chief Manufacturing Officer



Mohamed Saleh Al-Bahili
Chief Technical Officer



Sheikh Abdulla Bin Fahad Al Thani
Chief Commercial Officer



Issa Hassan Al-Hajri
Chief Human Capital Officer



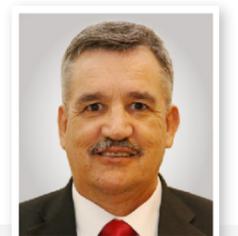
Shahrolaizat Bin Othman
Chief Financial Officer



Anjit Ahuja
Internal Audit Manager



Dafa Allah Khatab
General Counsel & Board Secretary



Alexander Stramrood
HSE Manager

2020 Highlights

1.21
MMT

Production of **billets** in 2020

Production of **DRI** in 2020
0.752
MMT

0.969
MMT

Production of **rebars** in 2020

Qatar Steel is the first company in the Middle East and one of four companies in the world to achieve **UK CARES** prestigious

"1 Rosette" rating in Sustainable Construction Steel (SCS)

Qatar Steel has developed a **monitoring plan** for point source air emission, noise level, ambient air quality, hazardous waste, ground water and by products and recycled materials within the area of operations.

According to the plan, all reports and records are reviewed and monitored to establish compliance with the **Consent to Operate (CTO) permits** issued by the **Ministry of Municipality and Environment (MME)**.

The **iron ore** used in production is sourced from companies

certified by the **ISO 14001** Environmental Management System, and the **ISO 9001** Quality Management System.

490,791
metric tonnes

of recycled material used as input material for **steel making** in 2020.

Qatar Steel is the first integrated steel plant and large-scale organization in Qatar to fulfill the requisite criteria and receive the **"Qatar Quality Mark"**

from the Qatar General Organization for **Standardization, Quality & Conformity Department**.

With the production of billet confirming to **Malaysian Standard SIRIM**

Qatar Steel added one more product to its **portfolio** in 2020

Our high **customer satisfaction** rating based on the results of the **Annual Customer Satisfaction Survey** is testimony to Qatar Steel's constant improvement

as a company with regards to **delivery speed, completion of orders and maintaining a higher ratio of long-term orders to short-term orders**.

Average GHG emission from Scope 1 and Scope 2 stands at **1.25 -1.30 MT CO₂/MT** steel production which is below the world **average of 1.85**

(according to **World Steel Association** standards).

1055
metric tons

of **plastic and paper waste** has been given to **recyclers**

Qatarization rate jumped to

Qatarization rate jumped to **14.74%** in 2020 from **8.56%** in 2019

Qatar Steel HSE methodology is based on the principles of **ISO 14001 and ISO 45001**

(Plan, Do, Act, and Check), along with Visible Felt **Leadership** which is one of the cornerstones of Qatar Steel's HSE **management strategy**.

PSM gap analysis conducted in October 2020 showed

82% compliance with **OSHA 14 elements** PSM program

- 10 million** working hours without LTI
- LTIFR of **0**
- 0** work-related fatalities

Qatar Steel had a **record HSE performance** in 2020:

In 2020, the support of our strong governance structure has been integral in maintaining business continuity, serving our customers, and keeping our people safe, whilst meeting

the **challenges** of operating during a **pandemic**.

Qatar Steel wholeheartedly **appreciates** and is **grateful** for the **support and dedication** of our employees, who have been crucial in

maintaining business continuity during such challenging times

E-learning became a game changer for the **L&D department**

as with the introduction of the e-learning portal, the company was able to **deliver training** to employees on a range of diverse topics.

In 2020 the **HSE E-Learning Platform** accessible online to all employees was launched

in order to **curb the challenges posed by Covid-19**, and to meet the new social distancing norms.

New **fire prevention and emergency action plan**

was **developed and launched** in 2020.

201 employees were trained as Designated First Aiders

with the internationally recognized **certification of HABC**.

Two new policies on Infection Prevention and Control, and Medical Confidentiality

were **executed** by Qatar Medical Services

A **Crisis Management Committee** led by the MD & CEO was established early in February 2020,

in order to **ensure business continuity and resilience**. The committee was responsible for taking steps towards establishing **employee safety and wellbeing**, as well as **operational and production continuity**.

Qatar Steel's COVID-19 Response

On 15th April 2020 the first positive case was identified and recorded within Qatar Steel. Owing to this incident the company saw a spike in COVID-19 cases by the end of April and decided to shut down the plant for a few weeks. This resulted in successfully arresting the spread of the virus at the workplace due to the strict implementation of various preventive measures:

- 1. Activation of Crisis Management Committee:** At the onset of the pandemic, the Crisis Management Committee, led by the MD & CEO as the Crisis Commander and comprising all Chiefs Officers, and Senior Managers, was activated to put together a strategic response to addressing and mitigating potential risks arising from the pandemic. The Committee was key in ensuring business continuity and reduced disruptions to operations.
- 2. Governance and risk management:** A de-escalation plan for coming out of lockdown and COVID-19-related restrictions was laid down by Qatar Steel in line with Qatar Petroleum's guidelines. Qatar Steel Medical Services team was in charge of liaising with the Communicable Disease Center (CDC) and the Ministry of Public Health (MOPH) to stay ahead in receiving information and implementing safety measures at all times.
- 3. Successful establishment of safety culture and social distancing norms at the workplace:** In addition to the current Life Saving Rules, a new A Life Saving Rule was introduced relating to maintenance of social distancing, wearing of masks, and prohibition of gatherings.
- 4. Sanitization of the workplace:** Sanitization of the offices and plant buildings took place on a regular basis by the Facilities Department through the usage of advanced cold fogging technology with emission of nano droplets. A total of 129 hand sanitizing dispensers were installed in selected areas of office and plant buildings.
- 5. Medical Screening:** Employees returning from annual leave and/or sick leave were screened onsite for COVID-19 at the Qatar Steel Medical Services facility before returning to work. A facility was also created to isolate suspected infected cases.

1. About Qatar Steel

1.1. Qatar Steel Company (overview)

Founded in 1974 as the first integrated iron and steel plant in the Arabian Gulf, today Qatar Steel over the course of four and a half decades has firmly established its position as a leader in the steel industry within the GCC region.

Commercial production began in 1978 and the company has since then strived to meet the growing demand for steel in Qatar and globally through the provision of unparalleled quality, flexibility and reliability in all its products and service offerings.

Qatar Steel's production plant is located in Mesaieed Industrial City, 45 kilometers south of the capital Doha where the company's corporate headquarters are based. The plant with its office occupies an area of 1,811,773 square meters, and a further 243,750 square meters plot adjacent to the site is reserved for future development and expansion.

The plant consists of several operational facilities such as direct reduction plants, electric arc furnaces, ladle furnaces, continuous billet casting machines, rolling mills, and calcinated lime plants. These facilities are operated using state-of-the-art technology to ensure efficient and high-quality production of direct reduced iron, steel billets and reinforcing steel bars (rebar).

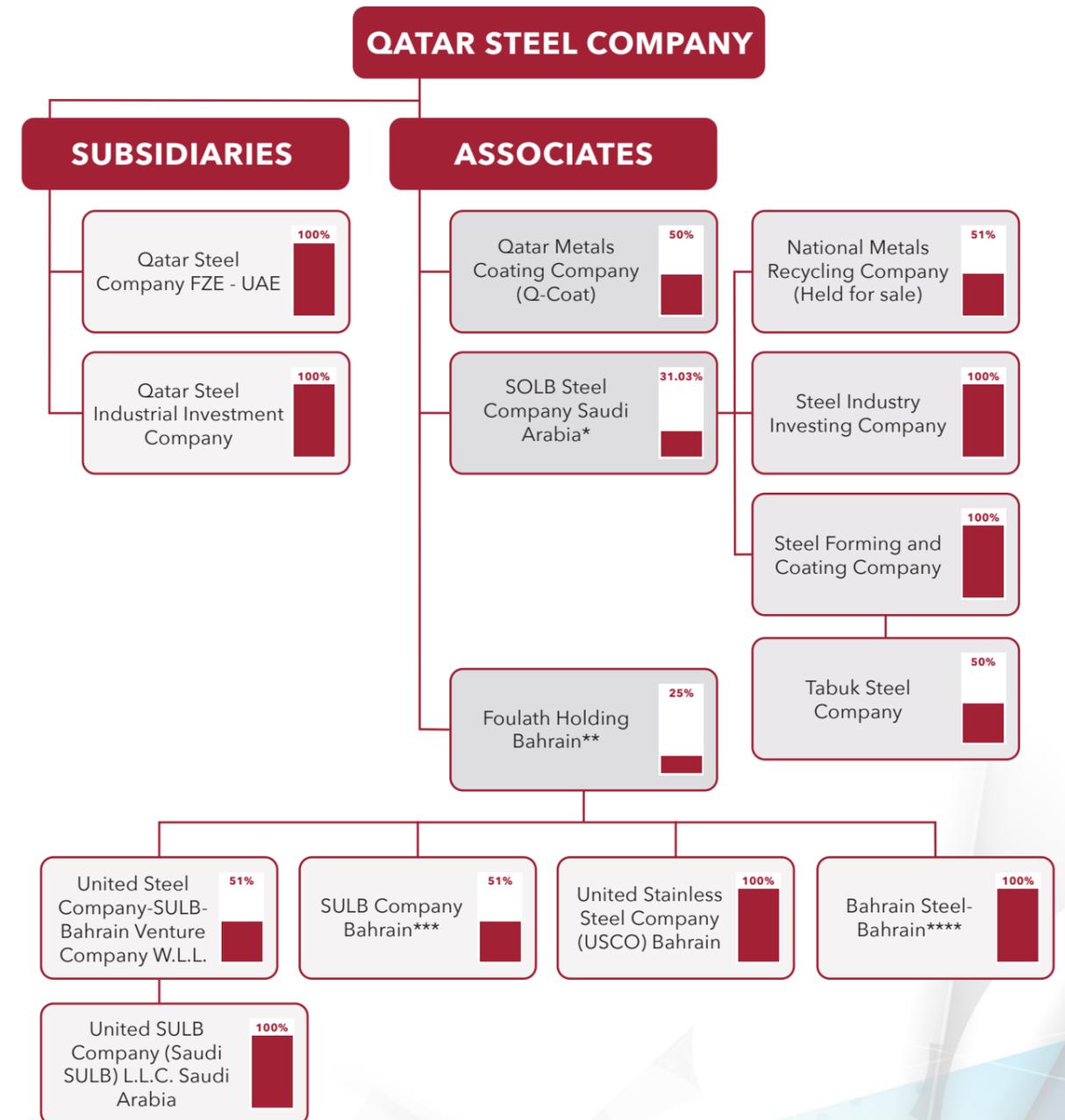
1.2. Ownership, Subsidiaries and Affiliates

Qatar Steel is fully owned since 2003 by Industries Qatar, which is a subsidiary of Qatar Petroleum with investments in the petrochemicals, fertilizer and steel sector.

Qatar Steel operates two primary subsidiaries: UAE based subsidiary - Qatar Steel Company FZE (QSC FZE) and Qatar Steel Industrial Investment Company. The former was established in July 2003 to meet the demand for wire rod and rebar products in the GCC and internationally. It has two production facilities in Jebel Ali Free Zone, Dubai; a wire rod mill and a rebar mill with a capacity of 240,000 and 300,000 metric tonnes per year, respectively.

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

Refer to <https://www.qatarsteel.com.qa/vision-mission-and-values/investment-in-subidiaries-and-associates/> for an overview of Qatar Steel's Subsidiaries and Affiliates.

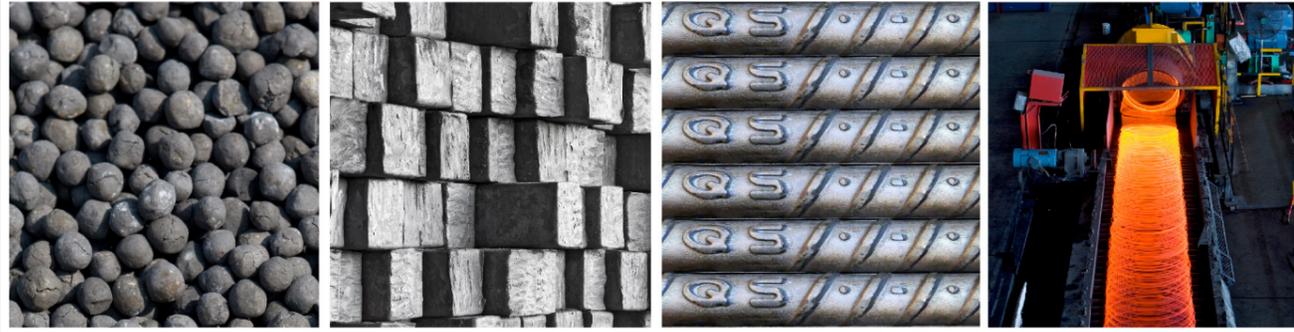


* Formerly South Steel Company
 ** Formerly Gulf United Steel Holding Company (Foulath) BSC Closed
 *** Formerly United Steel Company (SULB) B.S.C. (Closed)
 **** Formerly Gulf Industrial Investment CO. (E.C.)

1.5. Products & Value Chain

Qatar Steel has the following main product categories:

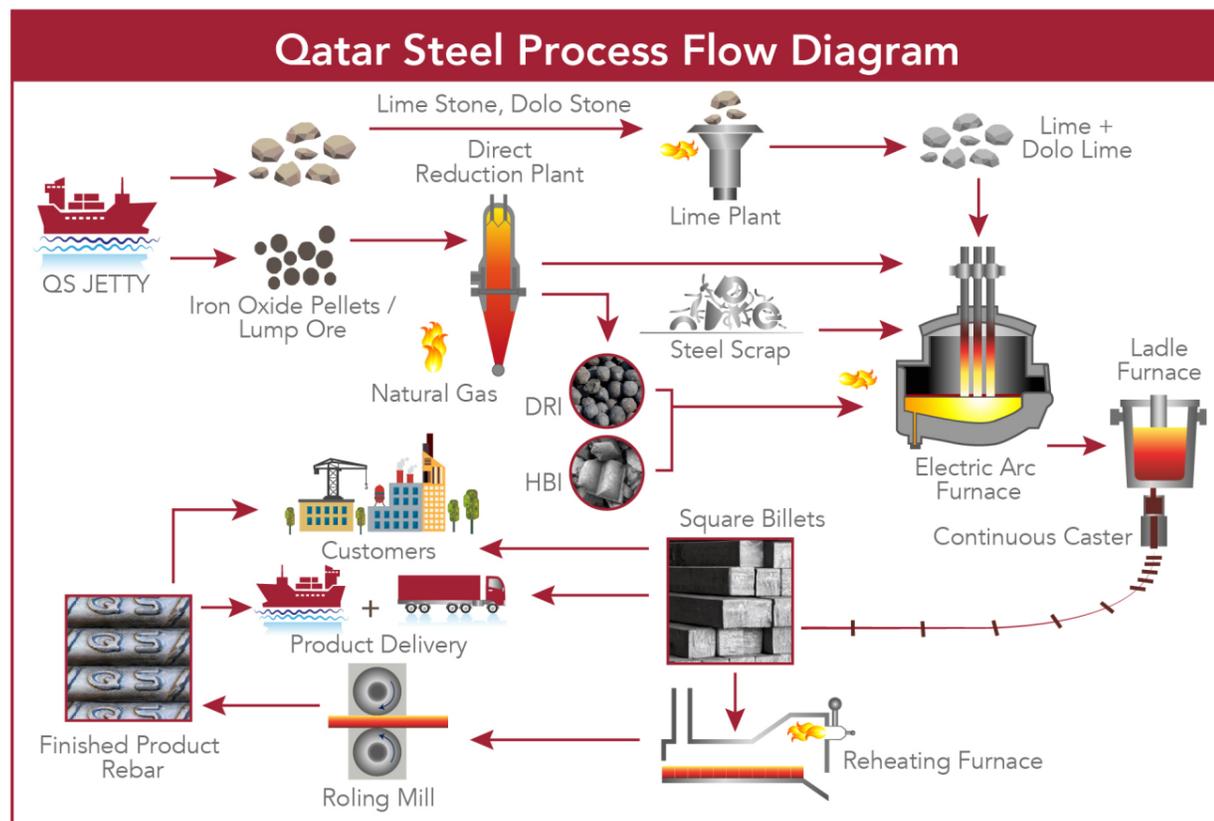
1. Cold Direct Reduced Iron (DRI)
2. Steel Billets
3. Reinforcing Steel Bars (Rebar)
4. Wire Rod and Rebar in Coil (From QSC FZE)



2020 was a challenging year in terms of steel production. The first half of the year was characterized by a need to halt production due to reduced global export capabilities. In lieu of these market conditions, a decision was taken to mothball some of the facilities and focus production to meet steel demand solely in domestic markets. Rebar - Qatar Steel's top sale product providing approximately two-thirds of Qatar Steel's gross sales - was halted and with sales only resuming at the end of 2020.

1.6. Plant Operations

We strive to maximize efficiency and operational excellence in all stages of our manufacturing processes. Production activities in our state-of-the-art production facilities and steel plants are streamlined and synchronized towards the achievement of these objectives of efficiency, operational and product quality excellence.



Qatar Steel uses the MIDREX® Direct Reduction Plants to produce DRI, which is among the industry's most productive and reliable direct reduction plants. The DRI iron produced from the direct reduction plants is used to produce steel.

In addition to the two direct reduced units (DR1 and DR2) for iron making, Qatar Steel operates three steelmaking electric arc furnaces (EAF3, EAF4 and EAF5) and two rolling mill facilities (RM1 and RM2). The company also operates two auxiliary units of lime kiln (Kiln1 & Kiln2), which produce quicklime and dolomite.

In April 2020, under the direction of the shareholders, Qatar Steel adopted a new production optimization model by adjusting the production to meet local market demand for rebar. As a result of the same, a decision was taken to mothball DR2, EAF3, EAF4 and RM1 facilities, and produce the required quantity using the remaining facilities, which was sufficient to cater to the demand from the local market.

Plant Production Highlights and Improvements in 2020



- **DR1** production for the year was 463,659 MT, most of which was consumed in-house.
- Yearly Average CDRI Metallization was 94.36% and Carbon was 2.41%.
- Major Shutdown was successfully completed within 53.94 days against the planned 56 days.
- New and improved QS Permit to Work (PTW) system was implemented during this shutdown.



- **DR2** production for the year was 298,956 MT, most of which was consumed in-house.
- Yearly Average CDRI Metallization was 94.13% and Carbon was 2.65%.
- Major shutdown was successfully completed within 21.92 days against the planned 24 days.
- New and improved QS Permit to Work (PTW) system was implemented during this shutdown.
- Mothballed in March 2021 due to uncertain market conditions resulting from the pandemic.



- **EAF5** achieved production of 1,228,505 MT of molten steel.
- Achieved scrap ratio of 44% in second half of 2020.
- Unit consumption for refractory was 6.24 kg/MT in 2020 as compared to 6.62 kg /MT in 2019.
- EAF-EBT average life reached to 244.41 heats in 2020 from 229.71 heats in 2019
- EF5 mold tube average life reached to 2265.80 heats in 2020 from 1227.18 heats in 2019.
- EF5 tundish sequence average life reached to 129.64 heats in 2020 from 118.12 heats in 2019.
- Increasing the Dolomite ladle bricks set consumption ratio reached up to 87% in 2020 from 83.61% in 2019.



- **Lime Calcination Plant** Installation of a recycling facility at conveyor C468 for the recycling of spilled material through existing handling system in order to reduce material loss.
- Installation of safe & permanent maintenance platforms at various locations inside the plant in order to avoid the frequent need for temporary arrangements like scaffolding, and also to allow for ease of inspection & maintenance.
- Successful completion of the fire water network extension project.



- **RM2** produced 729,417 MT of finished products; notwithstanding a stoppage of 1334.25 hrs (55.59 days) due to major shutdown, adjustment and power stoppages, in addition to running of low profile tonnage for 1.5 months due to the uncertain market situation.
- Production yield was 97.85% | Productivity was 124.18 MT/hr | Roll rotating ratio was 86.46%.
- Plant availability was 6793.75 hours.

Some of the major activities which were accomplished during the shutdown are as follows:

- Replacement of reformer tubes, roof, catalyst and bottom assemblies
- Descaling of various equipment and piping
- Furnace inspection and clean out
- Process gas and top gas fuel lines replacement with stainless steel
- Furnace feed conveyor belt replacement

2. Sustainability Management Approach

Qatar Steel's sustainability management approach forms the foundation for the establishment of sustainability within the company. The approach is based on the integration of the company's Material Topics, Sustainability Policy, Sustainability Framework, Corporate Strategy Map 2021-2025, and the Sustainability Roadmap 2020. The Sustainability Roadmap is in the process of being updated for 2021-2025.

These tools work together to enable Qatar Steel to measure its progress and continuously improve upon its sustainability efforts both on a local level in line with stakeholders' opinions and the Qatar National Vision 2030, and on an international level in line with the United Nations Sustainable Development Goals (UN SDGs) and with the World Steel Association (Worldsteel).

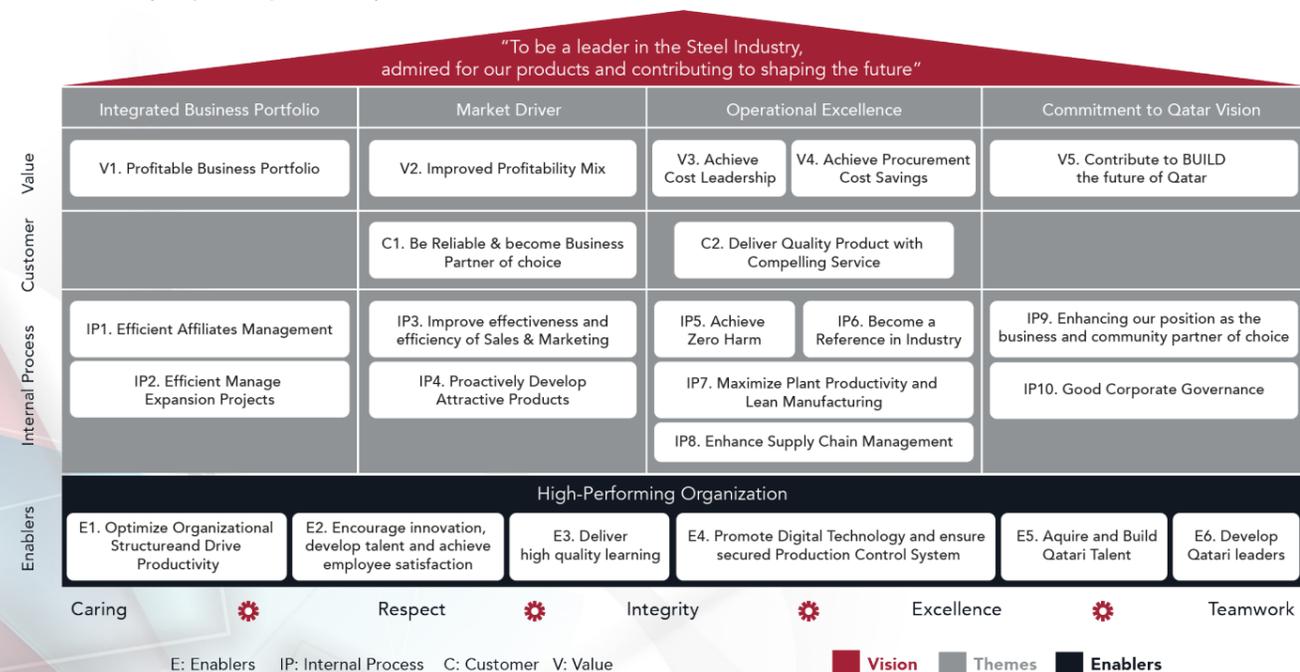
2.1. Qatar Steel Strategy Map



Qatar Steel's Corporate Strategy Map is integral to the continued success of our business. It provides a holistic approach to business management as it consists of key priorities identified through consultation with internal and external stakeholders.

These priorities are further dissected into key performance indicators, which are in turn monitored and measured in balanced scorecards and regularly reviewed at all levels of our organization from the employee to the corporate level.

Qatar Steel's strategy map was updated in 2020 to meet the corporate objectives for the next five years and in line with the company's long-term aspirations.



2.2. Sustainability Framework

Qatar Steel's Sustainability Framework was amended in 2020 in order to prioritize HSE's operational criteria along with the other pillars of the Sustainability Framework, and is centered on seven pillars with the core theme 'Building the Future.' These pillars are envisioned to have the greatest impact on the company's performance and our stakeholders. The pillars provide the foundation for the establishment and core management of sustainable development within our company. Each of the seven pillars link to material issues identified as most material to the company. These issues are monitored on a regular basis through the course of the year.



Sustainability Pillars	Definition
Building the Future	Contributing towards building a sustainable future in-line with QNV 2030
Contributing to National Growth & Development	Efforts towards building a better society by providing education, health care and employment opportunities for nationals, with special focus on youth.
Achieving Profitable Growth & Business Portfolio	Contributing to Qatar's economic growth by managing Qatar Steel's growth through seizing potential expansion opportunities in operating units [including internal up-gradation and new capacity additions], and through prospective strategic investments.
Practice Good Governance	Upholding our values, establishing code of conduct, and training & developing team members. Promoting risk management culture and positioning Qatar Steel for sustained business continuity.
Developing a High-Performing & Motivated Team	Developing people to reach their full potential, improving the organization's culture, providing support at the different stages of the career lifecycle and encouraging a welcoming workplace.
Ensuring Safe and Healthy Work Environment	Engaging with stakeholders, promoting healthy and safe workplace practices and supporting the community.
Creating a Balanced Ecosystem	Efficient use of resources, creating awareness about the ecosystem, reducing waste for a better future, and complying with regulatory bodies.

2.3. Stakeholder Map

Qatar Steel understands of the importance of continuous stakeholder engagement. Qatar Steel has a dedicated Stakeholder Map that identifies key stakeholder groups, their priority issues, how the company engages with them, as well as their importance for the company and vice-versa. Through our stakeholder engagement process we are able to map our strategy development and decision-making processes in line with our stakeholders' expectations.

We always cater to our stakeholders' aspirations and expectations and have identified investors, shareholders, employees, steel associations, customers, suppliers, government regulators and local communities as our key stakeholder groups.

IQ/QP	Investment	Suppliers	People	Traders / Customers / End-customer influence bodies	Regulatory Bodies / Steel Association
<ul style="list-style-type: none"> Contributing to Qatar's national growth and development policy Profitable growth (from current operations) Excellent management of the investment portfolio Benchmarking and strive to 1st Quartile in Capacity, Reliability, Cost and high Capex efficiency 	<ul style="list-style-type: none"> Bring QS value in practices, methodologies, technology, etc. Capitalize on growth opportunities Compliment in production processes and materials Reference to a leading steel manufacturer 	<ul style="list-style-type: none"> Long term contracts to ensure sustainable demand On time payments of invoices Clear two-way communication to meet delivery service level agreement of resources / material 	<ul style="list-style-type: none"> Attractive job (content, security, professional growth) Reward & recognition; competitive compensation Healthy, safe & exciting working environment Employee engagement: Challenging Job with accountability 	<ul style="list-style-type: none"> Meeting the local demand for steel products Meeting the product specifications Sustainable on time delivery and availability Reliable and efficient customer service 	<ul style="list-style-type: none"> Timely adherence to standards and norms Guiding Ministry of Commerce on steel trades, competition Participating in initiatives from Ministry of Energy, Supporting SMEs Active participation at WSA programs and act as local representative in Qatar, hosting conferences
<ul style="list-style-type: none"> One to One Meetings, Visits & Workshops AGM Board Meetings Business Visit Joint Programs & Partnerships 	<ul style="list-style-type: none"> AGM Board Meetings Visits 	<ul style="list-style-type: none"> Business Visit Conferences & Seminars Emails / Virtual meeting platform 	<ul style="list-style-type: none"> Intranet One to One Meetings & Annual Gathering Training Programmes Code of Ethics & Business Conduct 	<ul style="list-style-type: none"> One to One Meetings 	<ul style="list-style-type: none"> Joint Programs & Partnerships One to One Meetings Conferences & Seminars Audit Reports Press Releases Interviews Sponsorships
<ul style="list-style-type: none"> Industry –Academic Collaboration Build Confidence with Local Communities Recycling of By-Products Financial & Economic Growth 	<ul style="list-style-type: none"> Financial & Economic Growth 	<ul style="list-style-type: none"> Quality of Goods & Services as per Contracts 	<ul style="list-style-type: none"> Perform Quality and Productive Leadership Most Important Assets to run the business 	<ul style="list-style-type: none"> Innovative Partnerships for Sustainable Growth Profitable Business Growth 	<ul style="list-style-type: none"> To Provide Fair and Clear Competitive Trading Conditions Strongly shape reputation and promote awareness of product & operations
<ul style="list-style-type: none"> Business Opportunities Product Innovation Revenue Provide Support for Social & Local Community Development 	<ul style="list-style-type: none"> Investors Return Sustainable Growth 	<ul style="list-style-type: none"> Business Opportunities Swift Payment 	<ul style="list-style-type: none"> Providing Safe & Secure Experience 	<ul style="list-style-type: none"> Meeting local, regional and international market demands Provide Quality Products 	<ul style="list-style-type: none"> Product Innovation Economic Growth Improving brand image

■ Stakeholders ■ Stakeholders Expectations ■ Ways of Engaging with our Stakeholders ■ Why our Stakeholders Important to us? ■ Why are we Important to our stakeholders?

2.4. Material Issues

Qatar Steel's materiality assessment provides insights into the expectations and needs of its stakeholders. It enables us to identify and prioritize the most material sustainability issues through an exclusive and extensive stakeholder engagement process. As part of its sustainability management, Qatar Steel revises its material issues biennially, reviewing the changing industry context, emerging trends, and stakeholder feedback. In 2020, the materiality review and update was carried out in order to align the material issues with the new Corporate Strategy 2021-2025.

Materiality Assessment

The assessment followed the steps given below:

Step 1: Long list of possible material issues

Following on the methodology of the GRI Standards, the first step for conducting a materiality matrix for an organization is through the identification of all the possible issues that will affect the organization and will impact the decision of its stakeholders in relation to the social, environmental and economic issues.

Sustainability Excellence conducted a desktop research to identify those issues and have used the following sources:

- Qatar Steel 2019 sustainability report material issues.
- International leaders in the steel industry identified material issues.
- Material issues identified by World Steel Association.

A list of 28 sustainability issues were identified, for more information please refer to the table given below.

Step 2: Level of materiality assessment

Sustainability Excellence distributed templates of the materiality assessment survey to 17 senior management focal points of different departments asking them to evaluate the 28 material topics proposed. Focal points scored the importance of each issue to Qatar Steel and to their business unit's three most significant stakeholders using a scale of 1-5. Focal points also added new issues with particular relevance to their functions and rated them accordingly. Annex A includes the actual detailed survey that was shared with focal points.

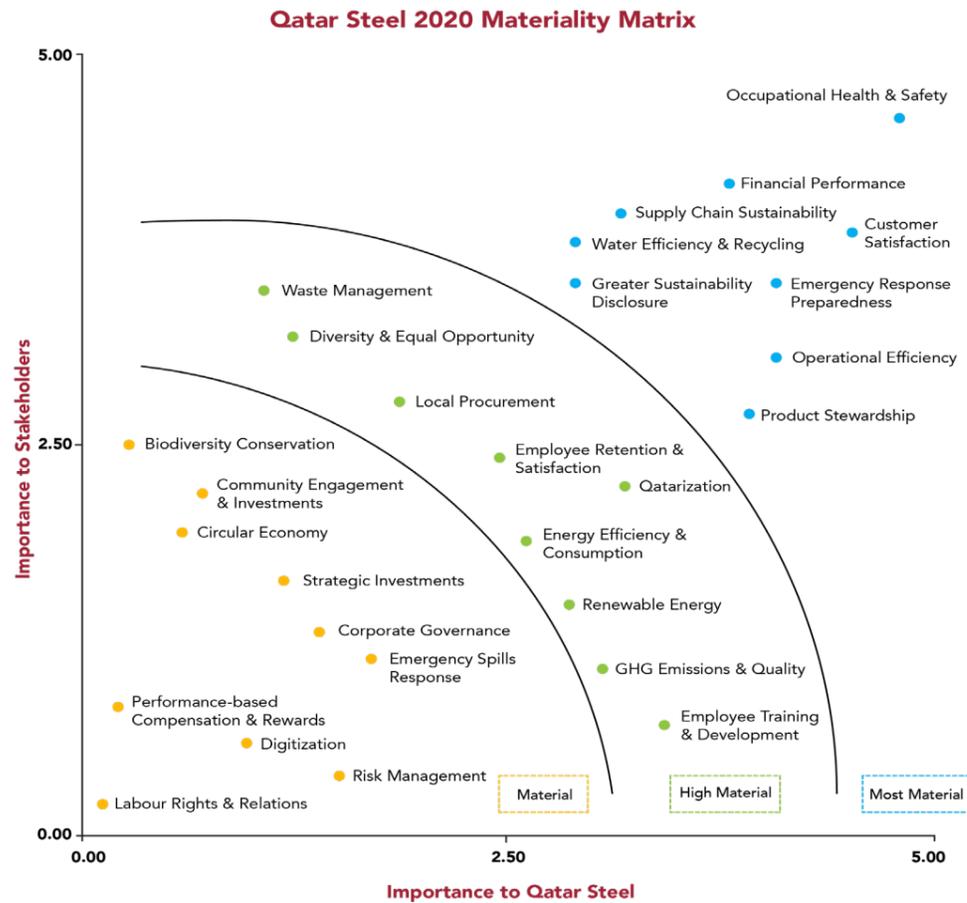
Sustainability Excellence collected the input of all the focal points and calculated the average of the values assigned to each material issue across each stakeholder group as well as Qatar Steel. The results were analyzed to determine the most material issues for each stakeholder group, for all stakeholders collectively, and for Qatar Steel. Rating of newly added material issues was normalized to account for estimator bias.

Step 3: Development of a materiality matrix and top issues list

The average scores from Qatar Steel and all stakeholder groups combined were used to generate a materiality matrix or 'map' plotting each issue on an X-Y axis where the X axis represents the significance of impacts to Qatar Steel. Values input into the final matrix were scaled to fill the 1-5 spectrum. The resulting 2020 materiality matrix for Qatar Steel is presented below representing the issues that are both of high significance for Qatar Steel and highly influential on stakeholders' assessments and decisions regarding Qatar Steel.

Top 28 Material Sustainability Issues for Qatar Steel			
1	Occupational Health and safety	11	Energy efficiency and consumption
2	Customer satisfaction	12	GHG emissions and air quality
3	Operational efficiency	13	Renewable energy
4	Emergency response preparedness	14	Local procurement
5	Financial performance	15	Employee training and development
6	Product stewardship	16	Employee retention and satisfaction
7	Supply chain sustainability	17	Diversity and equal opportunity
8	Greater sustainability disclosure	18	Waste management
9	Water efficiency and recycling	19	Strategic investments
10	Qatarization	20	Community engagement and investments

21	Digitization	25	Corporate Governance
22	Risk Management	26	Biodiversity Conservation
23	Emergency spills response	27	Performance-based compensation and rewards
24	Circular Economy	28	Labour rights and relations



2.5. Sustainability Roadmap

Qatar Steel's Sustainability Road Map (2016 -2020) lays down a defined path for the holistic improvement of the sustainability management plan for Qatar Steel. It outlines the performance targets to be achieved on a yearly basis from 2016-2020 under the following six thematic objectives as illustrated in the diagram.

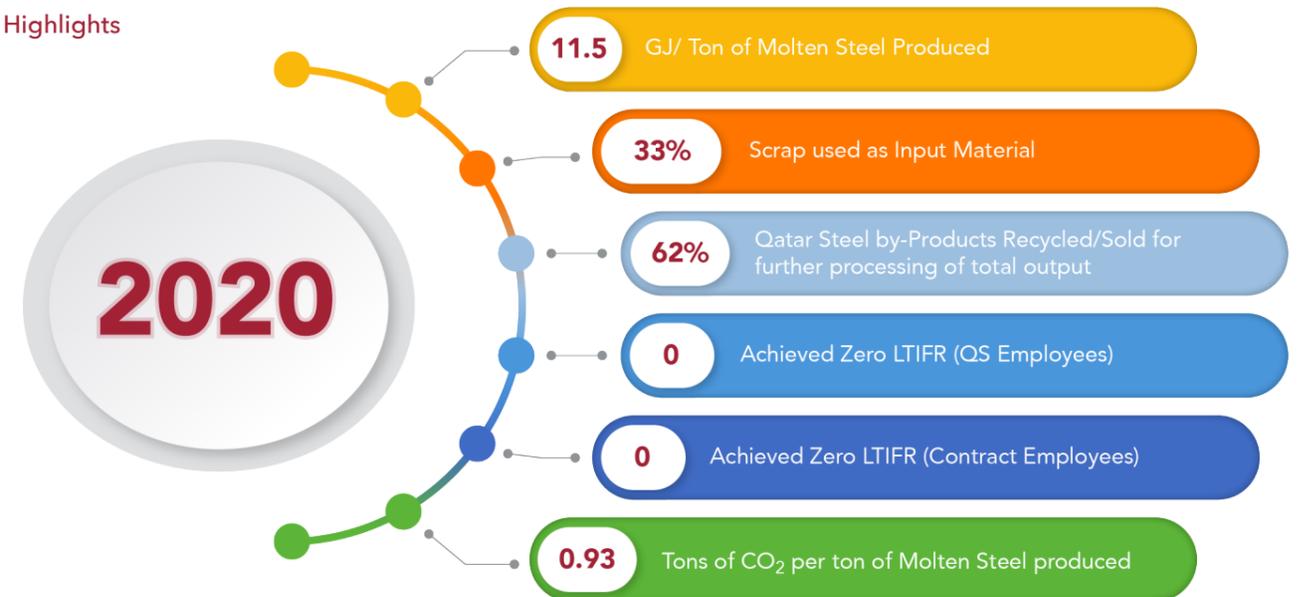
The next Sustainability Roadmap for 2021-2025 with new targets and initiatives is in the process of being developed in line with the updated Sustainability Policy, new Material Topics as listed above and the Corporate Strategy Map 2021-2025.

	Sustainable steel supplier of choice in the region		Breakthrough low carbon footprint steel industry		World-class energy consumption rates for the steel industry
	Leader in recycling and reusing among companies in the Qatar's energy and industry sector		Zero-harm culture and performance		Leading water management practices for Qatar and the steel industry internationally

Sustainability Road Map 2016 - 2020 Quantitative Performance

S.No	Objective	Baseline/Target	UOM	2016	2017	2018	2019	2020
1	Sustainable Steel Supplier of Choice in the Region	10 New Products to be developed by end of 2020 including high Strength Rebar, Wire Rods and others	Number	3	2	1	2	1
2	Breakthrough Low Carbon Footprint for the Steel Industry	1.51 tons of CO ₂ per ton of Molten Steel produced	Tons of CO ₂ / Ton of Steel	1.34	1.31	1.33	1.30	0.93
3	World Class Energy Consumption Rates for the Steel Industry	14.9 GJ/ton of Molten Steel Production	GJ/T	15.57	14.92	15.27	14.68	11.5
4	Leader in Recycling and Reusing Among Companies in the Qatar Energy and Industry Sector	Q-Companies By-Products Recycled (10,000 T)	Ton	145	13,067	9,589	4,648	3,660
		% of Scrap used as Input Material (10.9 %)	%	14.93	15.09	16.20	17.13	33.30
		QS-By-Products Recycled/Sold for further processing (48 %)	%	-	83	59	69	62
5	Zero Harm Culture and Performance	Zero LTIFR (QS Employees)	No	0.51	1.07	0.53	1.06	0
		Zero LTIFR (Contract Employees)	No	1.96	1.14	0.48	0.18	0
6	Leading Water Management Practice for Qatar and the Steel Industry Internationally	Near Zero (m ³ process wastewater discharged to sea)	m ³	767,678	708,174	622,320	617,794	222,795
		88% recycling rate of processed water.	%	16.50	31.69	35.90	21.00	28.17
		0.66 water intensity (m ³ freshwater / tons of molten steel consumed)	m ³ /T	0.60	0.63	0.65	0.60	0.59

Highlights



Sustainability Road Map 2020 Qualitative Performance

Sustainability Roadmap Objective	Progress in 2020
Sustainable Steel Supplier of Choice in the Region	<ul style="list-style-type: none"> Qatar Steel successfully received the "QATAR QUALITY MARK" license from Qatar General Organization for Standardization, Quality & Conformity Department, for production of Reinforcing Steel Bars conforming to QS BS 4449:2005, Grade B500B, for the sizes 8mm to 40mm. Qatar Steel is the first integrated steel plant and large-scale organization in Qatar that has fulfilled the criteria for obtaining "QATAR QUALITY MARK" license. Qatar Steel added one more product to its portfolio by producing billet conforming to Malaysian Standard SIRIM and this product was successfully certified by SIRIM QAS INTERNATIONAL SDN. BHD. The Quality Assurance Laboratory of Qatar Steel is now accredited by TURKAK (Turkish Accreditation Institution, Turkey), in accordance with ISO/IEC 17025 -2017, for Chemical and Mechanical testing of carbon steel used for reinforcement of concrete. TURKAK is a signatory to the European co-operation for Accreditation and International Laboratory Accreditation Cooperation (ILAC). This accreditation enables us to further maintain our reputation as a company that follows the highest standards in product quality in comparison to peer companies. Qatar Steel became the first company in the Middle East and one of the four companies in the world to achieve "1 Rosette" rating for our good performance, granted by the authority of UK CARES under sustainable construction steel certification scheme, for the production of continuous cast steel billets and hot rolled steel bar for the reinforcement of concrete.
Breakthrough Low Carbon Footprint Steel Industry	<ul style="list-style-type: none"> As part of a new project initiated in January 2020, Qatar Steel has started a different system based on Qatar Petroleum's (QP) methodology for calculating GHG emissions for Scope 1 and Scope 2 emissions, using the Intergovernmental Panel on Climate Change, EU Emissions Trading System as well as Kahramaa's emission factors. Qatar Steel has successfully completed the initial verification process by SGS, UK of its GHG reporting and accounting in November 2020 and received verification certificate from SGS UK. The average GHG emission from Scope1 and Scope 2 has been found to be around ~1.23 MT CO2/MT steel production which is below the world average of 1.85 (according to World Steel Association standards). 21 new gas detectors were installed in all the sensitive areas of the natural gas line of the reheating furnace for early detection of any gas leakage.
World-class Energy Consumption Rates for the Steel Industry	<ul style="list-style-type: none"> Qatar Steel is exploring the possibility of undertaking a collaborative feasibility study for renewable energy projects, such as installing a solar power plant to reduce the natural gas consumption onsite.
Leader in Recycling and Reusing among Companies in the Qatar's Energy and Industry Sector	<ul style="list-style-type: none"> 490,771 MT of recycled material was used as input material. Average % of scrap recycled as feed mix in EAF increased to 33% in 2020 compared to 17 % in 2019. Began a segregation waste programme in both the office and plant areas to divert recyclable waste from the source point to recyclers. Color coded containers- blue, yellow, green, brown and black - meant for collecting wood, plastic, domestic, general and paper wastes respectively have been set up across the company premises. A total of 1,055 metric tons of plastic and paper waste has been collected by recyclers.
Zero-Harm Culture and Performance	<ul style="list-style-type: none"> Internal Process Safety gap analysis was completed in 2020 with the analysis showing 82% compliance with OSHA 14 elements PSM program. External PSM assessment conducted by Qatargas Subject Matter Expert in Q4 of 2020 and by QP-MIC PSM working group in Q1 of 2021 which provided recommendations on process safety culture improvement and on individual Qatar Steel PSM elements respectively. A PSM roadmap has been established following recommendations from these external PSM assessment. Achieved a "best ever" total of 10 Million working hours without a LTI (employees and contractors), as well as a LTIFR of 0 for 2020.
Leading Water Management Practices for Qatar and the Steel Industry Internationally	<ul style="list-style-type: none"> Qatar Steel is in the process of construction of a Near Zero Liquid Discharge (NZLD) plant which will significantly reduce the amount of Treated Industrial Water (TIW) and brine discharges into the sea during plant operations.

Sustainability Pillars' Alignment with the UN SDGs

							UN SDGs
Building the Future	✓	✓	✓	✓		✓	SDG 7, 8, 9, 12
Contributing to National Growth & Development	✓				✓	✓	SDG 8, 10, 11
Achieving Profitable Growth & Business Portfolio	✓	✓	✓	✓	✓	✓	SDG 8, 9, 10, 11
Developing a High-Performing & Motivated Team					✓		SDG 4, 5, 8, 10
Ensuring Safe and Healthy Work Environment					✓		SDG 3, 8,
Creating a Balanced Ecosystem	✓	✓	✓	✓		✓	SDG 6, 7, 13
Practice Good Governance	Overall Framework						SDG 8, 16

3. Building the Future



Qatar Steel aims to be the sustainable steel supplier of choice in the region now and in the future through dedicated commitment to product quality and traceability, innovation, operational efficiency, and customer satisfaction. As the demand for sustainability in construction materials increases, Qatar Steel is committed to set new trends in the field of sustainable construction and ecological innovation.

We develop products that provide customers with eco-efficiency gains. This adds value in several ways: it provides our construction clients with more environmentally friendly and profitable solutions, it strengthens our business potential for market access and sales and it bolsters our contributions to the Qatari economy.

In 2020, Qatar Steel had an annual production of 1.21 MMT (million metric tonnes) of semi-finished product (billets), 0.752 MMT of direct reduced iron (DRI), and 0.969 MMT of finished product (rebar) in 2020.

Production	2016	2017	2018	2019	2020
Qatar Steel (in million metric tons, MMT)					
Direct Reduced Iron (DRI)	2,442,450	2,493,321	2,464,915	2,393,466	752,569
Hot Briquetted Iron (HBI)*	26,934	0	0	0	0
Molten Steel	2,544,157	2,668,763	2,598,764	2,580,956	1,228,505
Steel Billets	2,520,751	2,644,991	2,574,938	2,557,813	1,218,073
Rebar	1,893,052	1,745,143	1,846,371	1,861,587	969,171
By-Products**	219,139	285,286	340,634	255,203	372,827

Production	2016	2017	2018	2019	2020
Qatar Steel FZE (in million metric tons, MMT)					
Rebar	379,365	298,701	295,920	308,705	273,211
Wire Rod and Rebar in Coils	172,780	118,187	109,323	139,451	144,089
* HBI has been removed from QS's product portfolio since 2016.					
** includes Oxide Fines, DR Fines, DR Dust, DR Slurry, Classifier Dust, Alloy Dust, EAF Dust, Limestone Fines, Dolostone Fines.					

3.1. Product Quality

Qatar Steel strives to provide its customers with the best steel products that meet and exceed international standards. The use of stringent quality-control system qualifies Qatar Steel for several international management systems such as ISO 9001, ISO 14001, ISO 45001, BRE BES 6001 from UK CARES and product certifications like product conformity certifications for rebar conforming to different international standards such as BS 4449:2005 Grade B500B, ISO 6935-2:2015 Grade B500B-R, ASTM A706 Grade 60, SS 560:2016 Grade B500B, B600B, Nuclear Grade Application Certification from UK CARES and CS2:2012 Grade 500B conforming to Hong Kong Standard Certification from UK CARES and Civil Engineering and Development Department (CEDD), Hong Kong. Additionally, Qatar Steel is approved by the Public Authority for Industry, Kuwait for using the quality mark license as per KWS GSO ISO 6935-2:2012 B500B-R standard.



means for customers to identify and select reliable sources of testing and measurement. Based on surveillance audit conducted in 2020, accreditation revision was received on 22nd February 2021 which is valid until 26th of August 2023.

In 2020, Qatar Steel became the first company in the Middle East and one of the four companies in the world to achieve "1 Rosette" rating in Sustainable Construction Steel (SCS) Certification scheme, granted by the authority of UK CARES, for the production of continuous cast steel billets and hot rolled steel bar for the reinforcement of concrete.

In 2020, Qatar Steel successfully received the "QATAR QUALITY MARK" license from Qatar General Organization for Standardization, Quality & Conformity Department, for production of Reinforcing Steel Bars conforming to QS BS 4449:2005, Grade B500B, for the sizes 8mm to 40mm. Qatar Steel is the first integrated steel plant and large-scale organization in Qatar that has fulfilled the criteria for obtaining "QATAR QUALITY MARK" license. This will enhance the brand image of the rebar compared to other competitors in terms of quality and product conformity with the approved national standards. The "QATAR QUALITY MARK" license is an additional feather in the cap for Qatar Steel, which already has existing product conformity and sustainability certifications from internationally recognized certification bodies such as UK CARES, CEDD etc.

Refer to <https://www.qatarsteel.com.qa/certifications/> for list of certifications.



Additionally, in 2020, Qatar Steel added one more product to its portfolio by producing billet conforming to Malaysian Standard SIRIM and this product was successfully certified by SIRIM QAS INTERNATIONAL SDN. BHD.

3.2. Product Traceability

Traceability is an important concern for customers to track all the components of product origin.

On the raw material sourcing front, Qatar Steel procures iron oxide pellets from globally reputed pellet producers and can be traced back the history of production up to the palletization plant. Similarly, steel scrap procured locally can be traced up to the supplier/trader level.

On the product front, Qatar Steel allocates a charge number to each billet and rebar along with a material test certificate which is supplied when the product is dispatched to the customer. This enables customers to track the history of the production.

This is done by providing a heat number to each billet and rebar bundle that is produced. With this heat number for the billet/rebar - available on the material test certificate - the entire history of the production process can be traced. A new format for allocating heat number has been implemented from 1st July 2020:

XSSSSS

Where, X - EF number (For EF3- X =3, EF4- X =4, EF5- X =5)

SSSSS - Sequence number

For example:

EF3 Charge/heat no: - 3000001

EF4 Charge/heat no: - 4000001

EF5 Charge/heat no: - 5000001

This allows for complete traceability of material along with its production history. Further information about the sourcing of raw materials and life cycle of products can be found in the Responsible Sourcing and Material Consumption chapter.

3.3. Production Innovation & Operational Efficiency

Product innovation is integral to Qatar Steel's continued economic success and pursuit of sustainable steel. The company seeks to develop value-added products, working alongside customers to meet their needs and anticipate future trends. Qatar Steel has a long history of successfully developing cutting-edge solutions and diversifying its portfolio over time. The Quality Assurance Department is working across all levels of operations to push for product innovation, mainly focusing its efforts on the development of different grades of rebar, wire rod and billets conforming to international specifications for the export market based on customers' requirements.

In 2020, Qatar Steel added one more product to its portfolio by producing billet conforming to Malaysian Standard SIRIM. Earlier this year, Qatar Steel explored the development of dowel bars based on the needs of one potential customer and a first rolling trial was conducted to produce epoxy coated dowel bars and subsequently this was trialed with customers through our trader for their feedback. After a successful trial period, we received the first commercial order for epoxy coated dowel bars, and since then have received orders from multiple customers for this product.



3.4. Process Improvement & Modification Projects

Qatar Steel continuously carries out improvements and modifications to site equipment and processes. These improvements and modifications continually enhance the working environment by enhancing safety for operators and reducing dust emissions and other impacts on the environment. Some of the improvements and modifications accomplished in the plant are mentioned below.

1. DR2, EF3, EF4, RM1 are currently mothballed but opportunity has been found in implementing improvements to and maintenance of these plants during this downtime
2. Due to the COVID-19 pandemic, we transitioned to remote maintenance services, which was effectively managed and proved to be quite successful. Qatar Steel is planning to continue with these cost-effective remote services in future.
3. Qatar Steel is in the process of commissioning a Near Zero Liquid Discharge plant, which will significantly reduce the amount of Treated Industrial Water (TIW) and brine discharges into the sea during operations.

4. Qatar Steel's Shipping Section of the Supply Chain & Logistics Department installed 2 new Gantry Cranes behind RM2, which will improve the efficiency in stacking and product dispatch operations. In addition to performance enhancements, the overall safety performance has improved, due to no human interference during stacking and loading activities, better visibility for gantry crane operators and overall comfort ergonomics.
5. Revamp of the RM1 billet yard which improved yard safety and traceability of billets was successfully completed in September 2020.

4. Achieving Profitable Growth



4.1 Growth Strategy

The growth strategy for the future, remains as in the past, on product diversification (which is part of the old and new Sustainability Roadmap), and raw material securitization as key focus areas for the short and long term. In spite of the uncertainty and a rocky start to the year, near- to medium-term prospects domestically remained encouraging.

In view of the unstable market conditions, we took a prudent approach to impair the net book value of the facilities mothballed. The sales volumes were also impacted due to the management's decision of mothballing certain facilities, with an intention to cater local sector demand only, as compared to the international demand, amid higher competition and declining margins internationally. Furthermore, even local demand weakened in 2020 owing to the closure or near completion of large infrastructure projects.

Company recorded a net loss of QR 1.3 billion for the year ended 31 December 2020 versus QR 36 million of segmental profit the year 2019. The net loss includes an impairment loss of QR 1.2 billion relating to mothballing of part of Qatar Steel's production facilities. The net loss, excluding the one-off effect of impairment loss, would amount to QR 89 million.

While economic uncertainties continued to prevail, selling prices slightly improved in the second half of 2020, by 6% compared to last year, amid management's decision to cater the local demand predominantly starting from Q2 of 2020, where the prices of steel tend to be higher than the international markets. Qatar Steel continued its profit-making trajectory after having a difficult first half of 2020 and following the strategic restructuring initiatives implemented. Mothballing of certain steel facilities allowed Qatar Steel to primarily focus on the profitable domestic market, which led to adjustment of its cost base. Moreover, due to the improvement in the international prices, we were also able to sell some of the quantities outside the domestic market. By changing the raw material mix, we reduced our costs without affecting the quality of the final product.

Till 2020, Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.J.S.C. had been in charge of the marketing, sales and distribution of Qatar Steel products. In June 2020, Qatar Petroleum (QP) announced a decision to integrate Muntajat into QP as part of its ongoing efforts to strengthen its downstream capabilities and further enhance the State of Qatar's global competitive position in the downstream sector. As part of this integration, it was concluded that effective from 1st September 2020 the Qatar Steel's Sales and Marketing functions of Muntajat's Metals business would be integrated back into Qatar Steel. This enabled us to efficiently serve customers and perform all sales, as well as marketing and distribution activities of steel products to the client markets.

4.2 Operational Overview

Being severely affected by the global challenges of COVID-19, GCC countries severely cut crude steel production in 2020. Since Q2, Qatar Steel has not been selling overseas, as it was necessary to introduce safety measures to prevent the spread of COVID-19. The situation slightly improved in Q3, when mills started to return to the normal operational mode - they managed to ramp up output by 21% to 2.9 million t compared to the previous quarter.

Qatar Steel rebar sales in the domestic market dropped by 4% in 2020 compared to 2019, export sales dropped by 78%, and overall sales dropped 46% mainly due to mothballing of some of plant facilities and low market demand due to the COVID-19 pandemic situation. There has been a 58% cut in Rebar production mainly.

Qatar Steel FZE- Sales Data

Qty in KMT

Sales MT	2016	2017	2018	2019	2020
Rebar	382	292	302	308	276
Rebar in Coil	70	30	12	4	9
Wire Rod	110	91	98	137	137
Total	562	412	412	449	423

Qatar Steel Mesaieed- Sales Data (KMT)

Qty in KMT

Products	2016	2017	2018	2019	2020
DRI/HBI	116	91	-	-	-
Billets (Excluding Sales to QS FZE)	103	448	687	691	233
Rebar	1,934	1,668	1,846	1,823	982
Total	2,153	2,206	2,533	2,514	1,216

Total Sales Volume for All Products (QS Mesaieed + QS FZE) KMT

Qty in KMT

Country KMT	2016	2017	2018	2019	2020
Qatar	1,769	1,397	1,809	2,372	1,164
GCC (excluding Qatar)	802	549	706	590	467
Others	144	673	430	1	7
Total	2,715	2,618	2,945	2,963	1,638

Sales Volume - %	2016	2017	2018	2019	2020
Qatar	65	53	61	80	71
GCC (Excluding Qatar)	30	21	24	20	29
Others	5	26	15	0	0

4.3 Financial Highlights (Consolidated)

Financial Performance	Unit	2016	2017	2018	2019	2020
Revenue	QR Million	4,674	4,628	5,791	5,096	2,995
Net Profit	QR Million	1,076	659	789	26	(1,319)
Net Profit % of Revenue	%	23	14	14	1	(44)
Total Capital employed	QR Million	8,090	7,618	7,772	7,390	5,999
Return on Capital employed	%	13	9	10	1	(22)
Shareholder's Funds	QR Million	7,649	7,419	7,567	7,022	5,700
Return on Shareholder's Funds - %	%	14	9	10	0	(23)
Retained Earnings	QR Million	6,790	6,876	7,024	6,484	5,165
Earnings per share	QR	36	22	26	1	(44)
Debt to Equity Ration	%	9	3	-	-	-
Dividend paid % of net profit	%	84	80	63	-	(11)

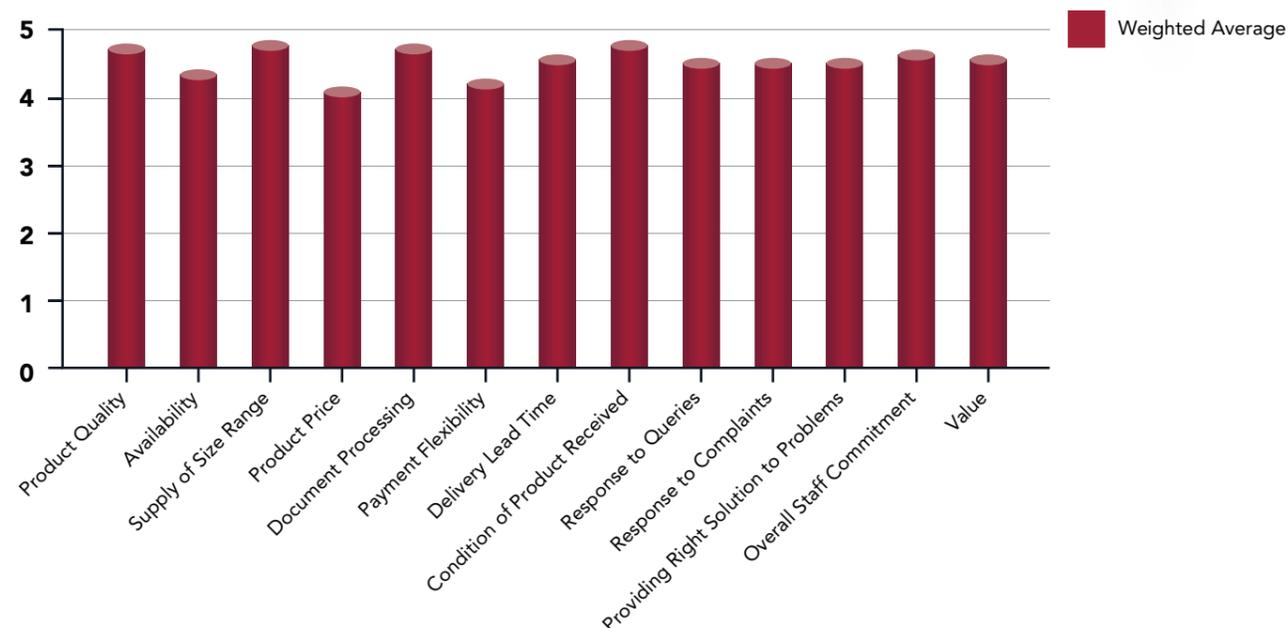
4.4 Customer Satisfaction

Customer satisfaction is one of our primary objectives, and to continue to be the first choice for our customers is the driving force behind our business operations. We look towards expanding our customer base by building a relationship of trust based on provision of world-class products and services. Our high customer satisfaction rating is based on our ability to make constant improvements with regards to delivery speed, completion of orders and maintaining a higher ratio of long-term orders to short term orders. We seek to evolve as an organization to meet our customers' needs and the ever-changing market trends, through dedicated research and development as well as innovation that helps us manufacture durable and customer-centric products.

During 2020, 18 customer complaints were received and resolved successfully. The Quality Assurance and Sales & Marketing department in coordination with other internal departments worked continuously towards reducing customer complaints by conducting detailed root cause analysis and taking effective corrective and preventive actions.

Qatar Steel regularly engages with customers through an Annual Customer Satisfaction Survey to collect their feedback and assess the overall level of their satisfaction. Customers are asked to rate Qatar Steel across different dimensions including product quality, and timely response to queries, among others. The following tables illustrate the responses we received from the 2020 survey results.

How would you rate Qatar Steel across the following dimensions?



5. Ensuring a Safe and Healthy Work Environment



Based on its Sustainability Roadmap, Qatar Steel is committed to zero harm to its employees and contractors and will continue to build systems and culture of safety among its operations, backed up with performance monitoring to ensure this objective is achieved and maintained. Qatar Steel is subjected to legal, regulatory and license conditions surrounding occupational health, safety and environmental compliance. We continue to monitor our HSE performance based against world benchmarking KPI's, and are proud to announce that we are amongst the leaders of the Steel industry in this aspect.

Qatar Steel HSE department provides advisory and supportive safety, health and environmental related to all employees, contractors and visitors, in line with current good practice and industry standards, along with working

with all departments in identifying and developing suitable systems and procedures to ensure compliance with their duties. Our methodology uses the principles of ISO 14001 and ISO 45001 (Plan, Do, Act, and Check). Visible Felt Leadership is one of the cornerstones of Qatar Steel's HSE management strategy, and many leading indicators are monitored throughout the year to ensure plans are put into action. Collaboration and partnerships, including workers engagement further enhances a strong understanding of what needs to be done by all to achieve the goal of Zero Harm.

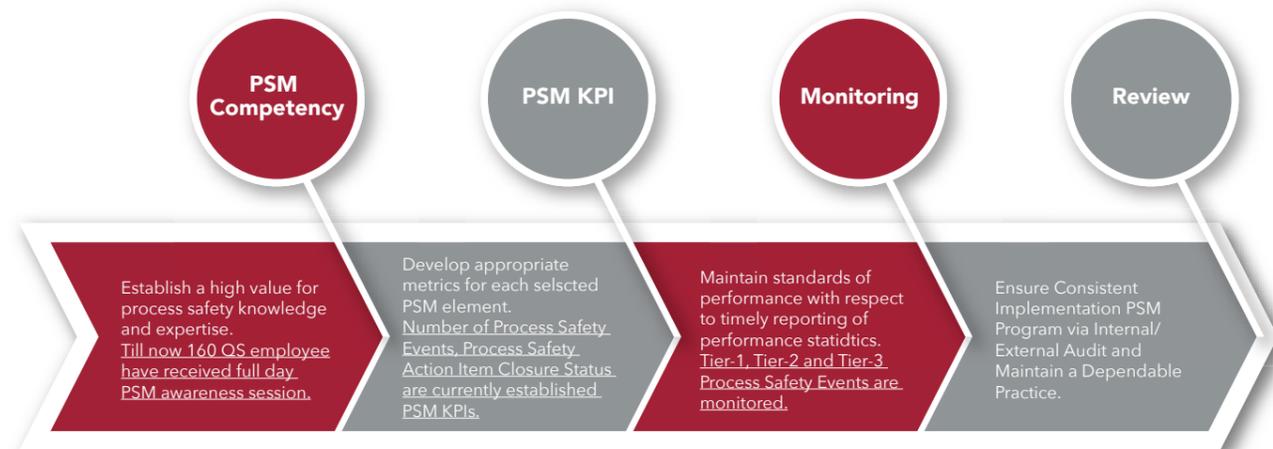
The focus in 2020 remained on completing system updates, as well as equipping the HSE department to own and sustain the achievements of the AMAN Safety Transformation Program (2016-2018). Focus areas included:

- Increasing visibility of HSE coordinators in the plant
- Reducing Qatar Steel employees risk tolerance levels
- Improving employees' perception of risk and ability to identify hazards
- Facilitating impactful safety interactions at the frontline using Behavioral Based Safety (BBS) approaches
- Enhancing and maintaining employee engagement in HSE through implementation of recommendations from the annual Employee safety survey conducted in 2020; and
- Promote positive reinforcement of safe behaviors on the frontline using a revamped HSE Award system.

5.1 Safety Governance

Qatar Steel has a robust safety governance structure that links top management to shop floor in a structured manner, with clear reporting lines and mechanisms. The purpose of the governance structure is to drive messages, concerns and progress from the bottom-up, and cascade decisions top-down while ensuring an effective process. The governance system is equipped with a set of leading and lagging KPI's and dashboards to measure and monitor safety performance in an effective, structured and sustainable manner to drive decision making.

Process Safety Management (PSM) is the proactive application of management principles to a process for the prevention of loss of primary containment events of highly hazardous materials. PSM is a system for dealing with human performance in complicated systems that involve inherent risk. Process Safety involves the prevention of leaks, equipment malfunctions, over pressure, corrosion, metal fatigue, etc.



Process Safety Roadmap

Qatar Steel completed the initial stage of implementing Process Safety Management System and after voluntarily adopting the OSHA PSM Guidelines (29 CFR 1910.119). Qatar Steel has joined the Process Safety Management task team of the World Steel Association to network, benchmark, and align with industry best practices. Regular assessments were conducted throughout the year to monitor progress and compliance. Training interventions were also conducted and are planned for the immediate future to ensure competence amongst all stakeholders.

The major achievements for the PSM program to date are as follows:

- A Qualitative Risk Assessments/Hazard Identification (HAZID) review was conducted on the DR plants and associated gas facilities based on the Major Accident Hazard (MAH) scenarios.
- PSM awareness training session (full day) is conducted by the Process Safety Engineer for senior and intermediate level staff.

- A PSM functional committee was formed with representatives from each department (where PSM is applicable) and meets bi-monthly to plan, implement and monitor different process safety elements.
- Active participation in the QP-MIC PSM working group and World Steel Association PSM steering committee.
- Employee Participation in PSM Element Procedure (2.32.1.1.18.01), Management of Change (MOC) Procedure (2.32.1.1.14.01), Process Safety Information (PSI) Management Procedure (2.32.1.1.21.01), Pre-Startup Safety Review (PSSR) Procedure (2.32.2.1.21.01), and Process Hazard Analysis Review Procedure (2.32.1.1.21.01) has been rolled out.
- Inclusion of Tier-1, Tier-2, Tier-3 Process Safety Events (PSEs) in the Incident Tracking System.

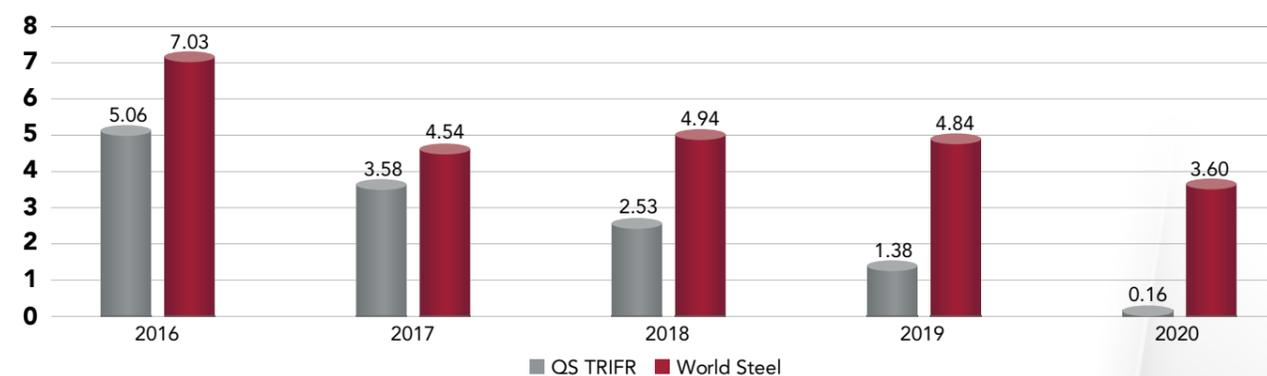
2020 Highlights:

- A gap analysis was conducted in Q1 of 2020 and action items related to finding have been closed. The analysis showed 82% compliance with OSHA 14 elements PSM program. All recommendations were closed.
- Organized external PSM assessment by Qatar Gas Subject Matter Expert in Q4 of 2020 and by QP-MIC PSM working group in January 2021, which provided recommendations on process safety culture improvement and on individual Qatar Steel PSM elements respectively.
- The PSM roadmap has been established considering the major recommendation(s) coming out from the PSM external assessment. Actions have been identified based on the nature, efforts required and priority to ensure effective implementation.
- Common understanding about process safety of Qatar Steel staff will be evaluated in the future by conducting an opinion survey and an online PSM training module will be developed for all employees.

5.2 Qatar Steel HSE KPI's

In terms of safety performance for the year, Qatar Steel had an overall decrease in the number of incidents for company and contractor employees and had achieved a "best ever" total of 10 Million working hours without a LTI (Qatar Steel and Contractor employees), as well as a LTIFR of 0 (zero) for 2020. The Total Recordable Incidence Frequency Rate also shows a continuous downward trend, with another "lowest" recorded for the company at the end of 2020. Overall there has been a significant decrease in reported injuries, unsafe acts and conditions, among both contractors and employees. Such long-term positive trends indicate Qatar Steel's sustained shift towards more preventative and less reactive management of occupational safety. There were also no work-related fatalities in 2020.

QS TRIFR vs World Steel Association TRIFR



Year	Total Recordable Injuries	QS Frequency Rate	World Steel Frequency Rate
2016	34	5.06	7.03
2017	26	3.58	4.54
2018	20	2.53	4.94
2019	13	1.38	4.84
2020	2	0.16	3.60

5.3 Employer & Contractor Safety

Understanding the principles of behavioral safety and implementing well-planned interventions is an excellent way to continually improving work-place safety performance. The Behavioral Observation Program is aimed at proactively identifying and eliminating hazards at the workplace through active participation by line management and frontline staff and contractors. Qatar Steel utilizes an IT-enabled reporting and action planning platform for employees to record observations. The program is based on monitoring the quality of observations as opposed to quantity of observations, with the necessary analysis and determining of trends to improve the workplace. Periodic analysis of these observations enables effective follow-up and improvement projects where necessary. In order to encourage active participation in this program, individual and team engagement is tracked through the relevant KPIs.

Occupational Health and Safety					
Employees	2016	2017	2018	2019	2020
Lost Time Injury Frequency Rate (LTIR)	0.51	1.07	0.53	1.15	0.00
Reportable Injuries	23	21	13	10	1
Reportable Cases (TRC)	6	6	2	4	0.37
Man-hour Worked	39,43,960	37,43,864	37,52,057	37,69,208	27,32,833
Lost Time Injuries	2	4	2	4	0
Minor Injuries Reported	21	17	11	4	1
Near Missed Reported	811	451	154	81	22
First Aid Cases, Employees	7	7	4	4	1
Occupational Illnesses	2	16	1	0	0
Contractors	2016	2017	2018	2019	2020
Lost Time Injury Frequency Rate (LTIR)	1.96	1.14	0.48	0.18	0.00
Reportable Injuries	37	26	20	3	0
Reportable Cases (TRC)	15.58	7.38	2	1	0.00
Man-hour Worked	23,74,959	35,21,458	41,62,885	56,57,090	35,15,167
Lost Time Injuries	5	4	2	1	0
Minor Injuries Reported	32	22	18	12	0
Near Missed Reported	384	451	154	81	0
First Aid Cases, Contractors	21	13	9	12	10

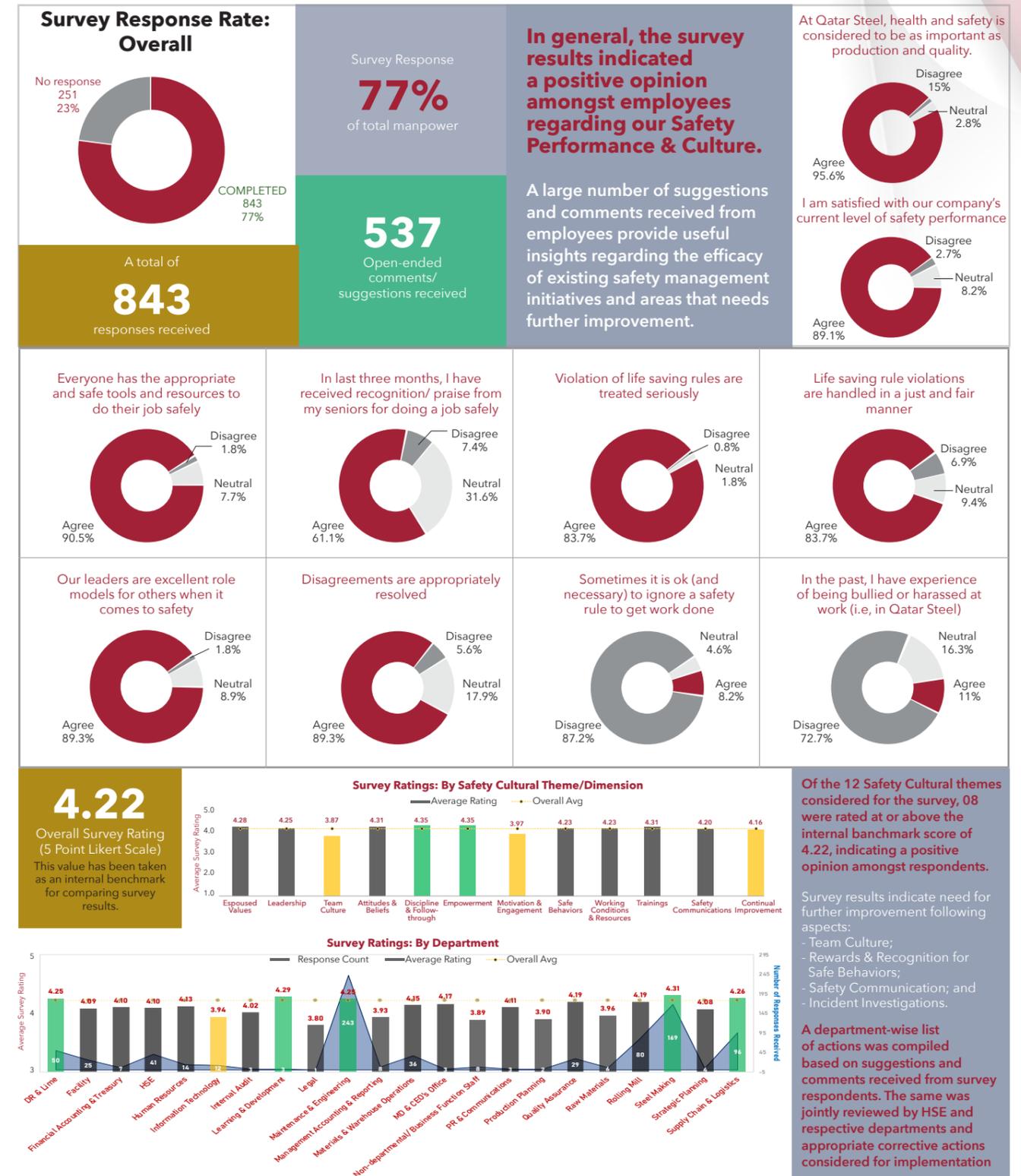
A number of supporting measures were also implemented in 2020 in order to enhance the quality of behavior observations and to maintain the engagement of workforce. These included, but not limited to the following:

- Each worker and contractor employee working with Qatar Steel has been made aware of their right and responsibility to observe, intervene and stop unsafe work through their induction training and annual refreshers. Training are provided to workers by the in-house BBS specialist to enhance their skills on Hazard Recognition and Effective Safety Interactions which are essential to the process of conducting Observations and providing feedback.
- Analysis and trending of safety observation data is carried out to monitor the healthiness of the program, providing actionable insights to decision makers on a real-time basis. The output of HSE observation data analysis is made available to concerned stakeholders in the form of an interactive business intelligence platform. The enables identification of specific issues, and effective tracking of improvement actions on a live basis.
- Implementation of Stop Work Authority (SWA) procedure in 2020, provides the requisite empowerment for staff to effectively conduct safety observations and interactions on the frontline.

Safety Culture Survey

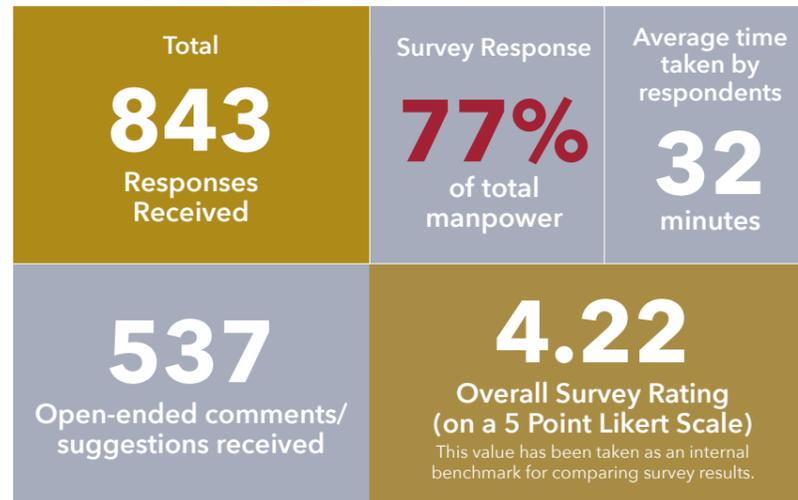
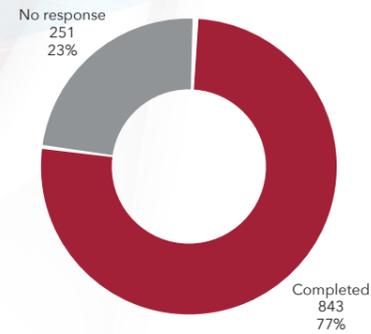
The HSE Department also conducted an Online Safety Survey for Qatar Steel Employees in August 2020. The objective of this anonymous survey was to obtain candid feedback from employees regarding the following;

- Effectiveness of on-going safety initiatives;
- Perception of overall safety management and performance;
- Prevailing safety cultural norms and patterns in employee and team behaviors, and
- New ideas and suggestions for improvement in safety.



Key results and insights received from this survey are summarized below.

Survey Response: Overall



Contractor Safety Management Audits

Internal audits were conducted in December 2020 as part of our on-going efforts to implement and maintain an effective Contractor HSE Management system at Qatar Steel. The audits were led by our internal auditors (selected by QS CSM Committee) and involved the review of performance by 5 of our long-term contract partners working at Qatar Steel. Audit recommendations include the provision of refresher training and updating of the third-party training certificates, improvement in housekeeping levels at laydown area and periodic maintenance and upkeep of porta cabins and associated fire protection measures.

HSE Rewards and Recognition System

At Qatar Steel, we believe that lasting improvement in Safety is impossible without a motivated workforce. Our HSE Rewards and Recognition system is designed to identify and recognize excellent HSE performers (both individuals and teams) and to enable positive reinforcement of safe behaviors among our workforce. Below is a list of various opportunities available for our staff and contractors to be recognized for remarkable HSE performance.

Type of Award	Who is eligible ?	Frequency of Recognition
HSE Spot Recognition	All QS Staff & Contractors (Individual)	*as and when deserving HSE behavior/ Contribution is noticed
HSE Star(s) of the Month	All QS Staff & Contractors (Individual)	Monthly once in each department
Best Near miss Report Award	All QS Staff (Individual)	Quarterly & Annually
Best Safety Observation Award	All QS Staff (Individual)	Quarterly & Annually
Best HSE Slogan Award	All QS Staff (Individual)	Annually
Best HSE Internal Auditor Award	QS Internal HSE Auditors (Individual)	Annually
Best Functional Committee Award	Functional Committee Members (Team)	Annually
Visually Felt Leadership Awards	QS Managers & Heads of Sections (Individual)	Annually
Contractor HSE Awards	Contractor (Team)	Quarterly & Annually
MD & CEOs HSE Award	QS Departments (Team)	Annually

Refer to QS HSE procedure 2.32.1.1.10.01 for more details

5.4 Safety Training

HSE training on key risks are being conducted based on Qatar Steel HSE procedures. Certified training provided by a number of third-party providers covers First Aid Training, Permit to Work, Confined Space Entry, Authorised Gas Tester, etc. Meanwhile, internal training is conducted by the Qatar Steel HSE Trainer with the support of the BBS Officer, Process Safety Engineer, Fire Fighters and the Environmental Protection Officer. Internal training includes HSE Induction for newly joined employees, yearly HSE Refresher training, Working at Heights, Accidents Investigation, Chemical Handling, Process Safety Management, Behavioral Based Safety and Radiation Safety Awareness, etc. Moreover, a competency matrix has been developed for 22 roles against 28 key HSE skills. HR, L&D and HSE departments are working on the project; as part of the first phase, department/section matrices have been completed.

In 2020, the Qatar Steel Safety department developed an HSE E-Learning Platform accessible to all its employees, to curb the challenges of COVID-19 and the decision to stop group training sessions early in 2020. E-Learning allowed ease of access to HSE training, either at work or at home. The E- Learning modules covered awareness on COVID-19, Heat Stress, and other critical topics.

An In-house Basic Fire Fighting training programme was also presented at Mesaieed plant during 2020. The purpose of the programme was to explain types and appropriate use of different types of fire extinguishers, and the immediate measures that should be taken in case of fire emergencies in the workplace.

The HSE department is in the process of establishing a new training facility for practical training demonstrations. It will be utilized for providing training with regards to working at heights, as well as confined space entry training for employees. In addition, it will serve as the training and exercise ground for the fire and rescue team. It is anticipated that this initiative will be completed by mid-2021.

6.1 Emergency Response Preparedness

The Fire Section provides emergency services using a wide range of firefighting and fire prevention methods. The team takes proactive measures like providing regular training exercises and conducting mock / fire drills (Rescue / Evacuation drill and Emergency First aid), periodic inspection, testing, maintenance & operation of firefighting equipment, such as Extinguishers, Breathing Apparatus / road run of all fire vehicles /appliances monitoring for fault fire alarm & firefighting system.

In 2020, in order to strengthen the fire and emergency response capacity at Qatar Steel, a new fire prevention and emergency action plan was developed. Additionally, the HSE team participated in the Istijaba project on rescue operations initiated by Qatar Petroleum. A project for expansion of the firefighting system for a centralized firefighting and alarm system in the HSE office was also initiated.

6.2 Security

Qatar Steel maintains a strong security system based on sound measures, including regular patrols and a CCTV system which provides 24/7 site monitoring. Due to the COVID-19 pandemic, the Security guards had an expanded role of checking temperatures and distributing masks to all visitors, in addition to verifying the health status on the Qatar COVID-19 mobile application before allowing people to enter the plant facilities.

6.3 Occupational Health

Qatar Steel's Occupational Health Centre (OHC) has three main domains: Primary Health Care, Occupational Health Services, and Emergency Medicine. The Centre aims to maintain and improve employees' health and well-being through pre-employment medical exams, periodic medical exams, and special exams for employees exposed to hazards. As part of the company's focus on preventative medicine, clinics also provided individual consultations for employees and conduct a variety of health awareness campaigns such as breast cancer awareness and diabetes check. Additionally, a total of 201 Employees were trained as Designated First Aiders with the internationally recognized certification of HABC.

New Qatar Steel Medical Facility

The new Qatar Steel Medical Facility was officially commissioned in September 2020 after the Ministry Of Public Health issued the certificate for occupancy. This facility is equipped with state of art emergency care equipment, which can cater to provide immediate care during medical emergencies. Within the Medical Center, a separate pharmacy facility has been established for dispensing of prescription drugs, which became functional in 2020 with the appointment of the pharmacist. A total number of 3435 Qatar Steel Employees and 403 contractor employees were consulted in primary and urgent care facilities at Qatar Steel Medical Services during 2020.



Two new procedures were drafted and implemented by Qatar Steel Medical Services in 2020.

1. Infection Prevention & Control Policy: The purpose of this policy is to minimize disease transmission with the company through recommendation of methods for early identification and control of infectious diseases (such as COVID-19), and highlighting practices that accelerate the rate of spread within the workplace. The policy also facilitates compliance with reporting requirements of communicable diseases to the Ministry of Public Health.
2. Medical Confidentiality Procedure: The policy aims to protect the medical information of individuals who avail of services at the Qatar Steel Medical Services through mandatory compliance of the staff with all Qatar Steel Company policies, procedures and guidelines as well as HIPPA and other applicable legislation, for the release of medical information on patients.

Safety and Health Recognition Award of 2020

Qatar Steel was recognized by the World Steel Association for its safety and health performance for the year of 2020.



In the past years, a variety of HSE programs and initiatives were established as part of Qatar Steel main aim of achieving a zero-harm workplace. Life-saving rules, ISO 45001 certification, effective risk assessments were all part of the significant improvements that have been accomplished.

Along with this year's goal: "Nothing is more important than the safety and health of the people who work in the steel industry", Qatar Steel commits to eliminate accidents and injuries and maintain a sound safety culture through

effective safety leadership, preventing exposure from workplace hazards and addressing behavioral safety concerns. This achievement was only possible because of the commitment of all Qatar Steel employees towards their and others safety. This long-term commitment will continue as we strive to be the best in the steel industry.



HSE Day

On 21 October 2020, Qatar Steel celebrated World Steel Safety Day to promote safety and health in the workplace. The event was aimed at renewing the commitment of employees to work safely throughout the year and ultimately achieve the objective of ensuring the integration of safety in work culture and lifestyle.

The event drew attention towards the five most common causes of safety incidents in the steel industry which are: Working at Heights, Vehicle Safety, Falling Objects, Machinery Safety, Material Handling, and in particular for this year, Process Safety Management.

Upon arrival at Qatar Steel gates, all employees received reminder cards on this year's themes. This initiative was driven by the company's HSE department.

At an operational level, a safety inspection was carried out in some departments to raise awareness of the main causes of serious incidents and to make the workplace even safer.

A webinar was later presented by Mr. Alexander Stramrood, Qatar Steel HSE Manager and Mr. Jacobus Goosen, Safety Section Head and it included a keynote address by our Managing Director & Chief Executive Officer, as well as the announcement of awards and recognition to both employees and contractors, who excelled in safety during 2019.

Double Safety achievement for Qatar Steel Company (10,000,000) hours without injury & LTIFR

On 6th November 2020 Qatar Steel celebrated the completion of a period of 12 months without a single Lost Time Injury amongst its workforce, including contractors' employees. This distinct milestone of having an LTIFR of 0 (ZERO) has been achieved for the first time in the history of Qatar Steel. Although a tremendous feat, this marks the first step of the company's journey towards Safety Excellence.

Qatar Steel embarked on a journey towards Zero Harm nearly three years ago with an ambitious goal at its heavy industry plant in Mesaieed. The strategy included safety culture transformation, with focus on visible leadership, behavioral change for its employees, as well as focus on contractor employees. Management commitment and dedication, a robust Safety Observation program, and ISO 45001 certification are some of the cornerstones on which this renewed HSE strategy was built.

In recent years there has been a continual improvement in terms of its safety performance, with a drastic reduction of total recordable incidence rate and a lost time incidence rate. The company is ranked amongst the best when benchmarked against other World Steel Association member companies.

Well aware of the fact that safety is a journey without a destination and complacency is the enemy, Qatar Steel celebrate these milestones with a forward commitment to achieve the next target: to have Zero Harm to people, property, and the environment.



6.4 Health Promotion

Various health promotional activities & health tips on the following topics were circulated in 2020.

COVID-19 AWARENESS CAMPAIGN: Aimed at protecting employees from the spread of virus

An intensive COVID-19 awareness campaign was conducted across Qatar Steel on different media platforms with the intention of creating awareness among our employees and their families, and providing them with the requisite tools and knowledge to combat the spread of the pandemic. As a part of this campaign, inspiring videos were produced in-house and shared through social media platforms for quick reach.

Two of our videos 'Together We Will Fight' and 'Walking with COVID' reached a wide audience organically. Pamphlets containing these messages were distributed among the employees and displayed at various strategic locations in the Mesaieed and Doha offices. Prevention reminders were constantly updated on social media to intensify the drive and reach.

In the month of July 2020, the 'NEW NORMAL' guidelines were intimated to all of the employees through social media. An official WhatsApp group was created and messages were disseminated to safeguard employees, as well as their families and friends.



WORLD HUMANITARIAN DAY: Make this world a better place to live

World Humanitarian Day on the day of 19th August, is an occasion to educate people to help people affected by crises and mobilize political will and resources for Humanitarian work. It's a day to celebrate and reinforce the achievements of humanity who are working hard to make this world a better place. Within the limits of its capacity, Qatar Steel actively promoted the day on digital platforms recognizing the significance; an inspiring banner was placed across all of its social media platforms and the company intranet to this effect.



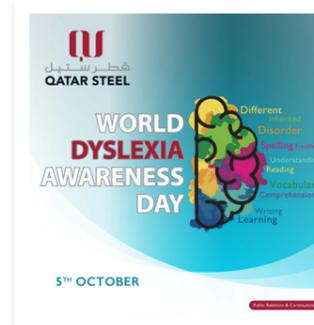
WORLD HEART DAY: Let's commit for a healthy heart

On the 29th of September, World Heart Day was promoted digitally through the creation and sharing of visuals on healthy habits which help keep the heart healthy and prevent disease. These digital posters and infographics were posted across all social media platforms and the company intranet.



BREAST CANCER CAMPAIGN

The month of October is internationally recognized as Breast Cancer Awareness Month. It is a worldwide annual campaign involving thousands of women to increase awareness of the disease. Due to COVID-19 restrictions, in 2020 the campaign was conducted digitally through sharing banners and posters pertaining to the signs and symptoms of breast cancer. The visual was intended to enable women to identify early signs, thereby enabling them to get treatment at the earliest resulting in better chances of fighting the disease.



WORLD DYSLEXIA AWARENESS DAY: Let's win together

World Dyslexia Day 2020 is marked every year for empowering people with dyslexia. Qatar Steel pro-actively campaigned to spread awareness through sharing of visuals on social media platforms.



WORLD MENTAL HEALTH DAY: Together let's fight the stigma

World Mental Health Day is observed on 10 October every year, with the overall objective of raising awareness of mental health issues around the world and mobilizing efforts in support of mental health. Visuals to spread awareness were developed and shared on social media platforms and the company's intranet.

6. Creating A Balanced Ecosystem



Qatar Steel values the importance of our planet's natural environment and strives to adhere to high standards to responsibly manage environmental impact. We understand that companies that fail to adequately manage environmental risks may face increasing pressure not only on their social license to operate, but also their ability to continue to generate strong financial returns. Therefore, in alignment with the Qatar National Vision 2030, Qatar Steel's long-term objective for sustainability is to improve the efficiency of overall business through constant innovation, while operating within the carrying capacity of supporting the ecosystem and the existing resources.

6.1 Environmental Management Program

Qatar Steel has an effective Environment Management System in place, in compliance with the ISO 14001:2015 standard (certification by UK CARES), and which also meets the requirements of the Environment Protection Regulations laid down by the Ministry of Municipality and Environment (MME). As part of our effort towards constant improvement of systems and processes, internal audits were conducted by Qatar Steel internal auditors. Additionally, the UK CARES certification body conducted an external surveillance audit during October 2020, reflecting our commitment to conduct our operations and align our environmental objectives, targets and programs in accordance with globally accepted environmental standards.

At Qatar Steel, we regularly track our compliance with regulatory requirements related to the environment through establishment of procedures for effective implementation of environmental standards. This helps us ensure that all our environmental permits are updated according to schedule, and environmental tools and equipment are calibrated on a timely basis. For instance, environmental reports are communicated on a quarterly basis to all concerned departments within Qatar Steel, QP/MIC and MME. For ensuring compliance with Consent To Operate (CTO) permits issued by the Ministry of Municipality and Environment (MME), Qatar Steel has developed a monitoring plan for point source air emission, noise level, ambient air quality, hazardous waste, ground water and by products and recycled materials within the area of operations. According to the plan, all reports and records are reviewed and monitored to establish compliance. In case there are findings of deviation on parameters set by CTOs, mitigation and recommended controls are strictly implemented. In 2020, Qatar Steel successfully renewed its CTO permits for two of its on-site processes, namely, Slag Recycling and Briquetting Plant. As part of the renewal, officials from the Ministry of Municipality and Environment (MME) conducted site inspections and found no instances of non-compliance or deviations from CTO conditions. The issued CTO permits are valid till 23rd November 2023.

6.2 Responsible Sourcing & Material Consumption

Qatar Steel is committed to improve the environmental, social, and economic impacts of its operations, including throughout the supply chain. This commitment starts with the responsible sourcing of raw materials. The iron ore used for our production is sourced from globally reputable companies, all of which are certified by ISO 14001 Environmental Management System and ISO 9001 Quality Management System. Companies with this certification tend to have clear environmental objectives and processes in place to achieve them.

In 2019, Qatar Steel completed a Life Cycle Assessment (LCA) on its products through a third-party evaluator, BRE Global, in accordance with the requirements of EN15804:2012 and A1:2013. By applying Life Cycle Assessment (LCA) to its products, Qatar Steel is fully aware of the environmental impacts of its products throughout all stages of their life cycle, from mining to manufacturing, transport, use and recycling or disposal. This "cradle-to-grave" analysis

is required to meet the international accreditations in manufacturing for the company's high-grade steel. We aim to take full advantage of steel's infinite recyclability by recycling steel scrap generated in Qatar, to further reduce the environmental impacts of our main products.

The LCA also provides the company with the necessary data to benchmark the environmental performance of the main products and acts as structural support for our environmental decision-making. Understanding and improving the lifecycle performance of our main products are crucial ways in which we can contribute to a more sustainable economy.

Additionally, Qatar Steel has achieved a Responsible Sourcing of Construction Products certificate from UK CARES. The Environmental Product Declaration (EPD), which quantifies the environmental impact of products, is publicly available on www.greenbooklive.com. This EPD certificate was renewed in 2019 after the UK CARES Audit and valid until 20th October 2022.

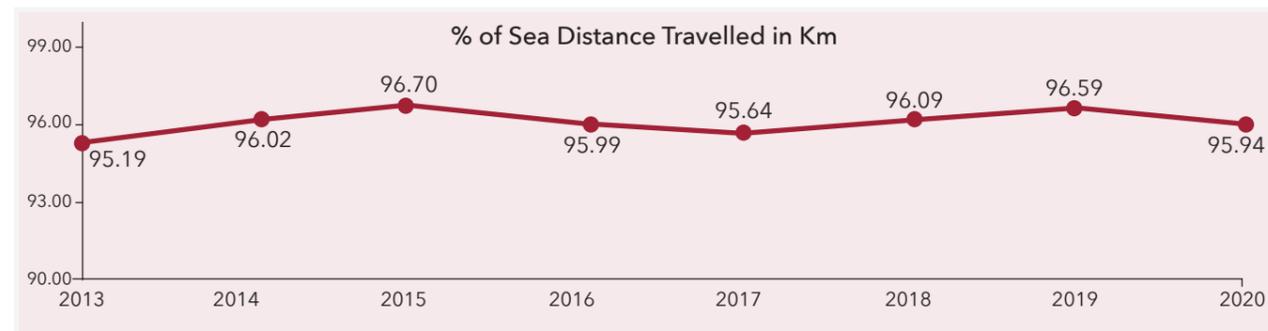
Qatar Steel holds BRE BES 6001 Issue 3.1 responsible sourcing certification from UK CARES since 2016. The BRE standard BES 6001 has been published for construction product manufacturers to ensure and then prove that their products have been made with materials that have been responsibly sourced. The standard includes a framework for various aspects such as the organizational governance, supply chain management and environmental and social aspects that must be addressed in order to ensure the responsible sourcing of construction products. In 2019, Qatar Steel has added a new feather in its cap by achieving a performance rating of "VERY GOOD" and continually working to further enhance the rating.

6.3 Transport Impact Assessment

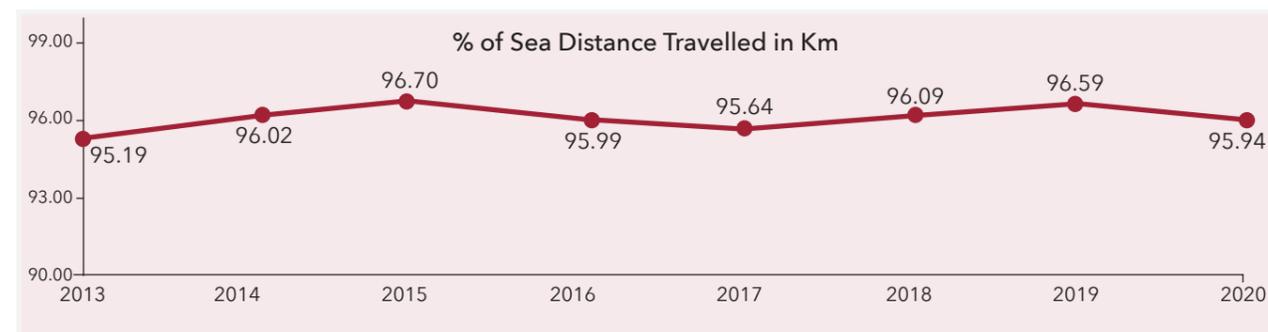
In line with the company's sustainability approach, Qatar Steel also seeks to minimize the impact associated with the transport of materials, goods and people involved in its operations. Therefore; a transport impact assessment is conducted yearly, gathering data like transport distance of incoming material by land and by sea, and reporting the impact data as a part of the EPD. A similar study for sold materials is also conducted. As a result of the transport impact assessment, the company aims to use sea-route as the main means of transportation in order to reduce the total logistical footprint impact.

Distance Travelled by Land and Sea	2016	2017	2018	2019	2020
Incoming Raw Material					
Distance travelled by sea in km/ton	0.065	0.069	0.089	0.095	0.277
Distance travelled by road in km/ton	0.003	0.003	0.004	0.004	0.012
Total Distance travelled by both land and sea in km/ton	0.068	0.072	0.093	0.098	0.289
Sale Product					
Distance travelled by sea in km/ton	0.03	0.05	0.10	0.15	0.41
Distance travelled by road in km/ton	4.90	2.48	0.88	0.77	1.18
Total Distance travelled by both land and sea in km/ton	4.926	2.529	0.977	0.925	1.597

Transport Impact Assessment (Sale Product)



Transport Impact Assessment (Incoming Material)



6.4 Product Inputs: Recycled Raw Material

As a leader of sustainable steel in the region, Qatar Steel aims for continuous improvements in its steelmaking process using materials that are responsibly sourced as well as using recycled or scrap material wherever possible. Overall, in 2020, 490,791 metric tonnes of recycled material such as scrap steel that is either generated internally or purchased locally and reduced briquettes produced from generated by-products was used as input material.

Recycled Raw Material Input for Steel Making (in metric tons)	2016	2017	2018	2019	2020
RBQ (Reduced Briquettes)	73,438	36,567	90,737	86,507	22,244
Scrap (Purchased locally and Internally Generated)	429,382	454,693	475,644	499,795	464,887
Lump Coke (from neighboring Aluminum Company)	0	13,067	9,589	4,648	3,501
Cryolite (from neighboring Aluminum Company)	0	1,176	576	641	159
Total Recycled Input Material	502,820	505,503	576,487	591,591	490,791

6.5 Efficient Energy Usage

The production of steel is an energy intensive process. The company recognizes the importance of reducing energy consumption in order to minimize the environmental impacts as well as increase the company's operational efficiency.

	2016	2017	2018	2019	2020
Diesel Consumption - Fleet (GJ)	95,386	86,254	87,023	93,639	43,407
Gasoline Consumption - Fleet (GJ)	5,431	4,258	5,332	4,964	2,962
Natural Gas (GJ)	32,061,912	31,976,912	31,920,138	30,229,449	10,628,470
Total Direct Energy Consumption (GJ)	32,162,733	32,067,624	32,012,492	30,328,052	10,674,839
Total Indirect Energy -Electricity Consumption (GJ)	7,449,323	7,757,361	7,673,773	7,568,203	3,447,963
Total Energy consumption (GJ)	39,612,056	39,824,985	39,686,265	37,896,255	14,122,802
Energy intensity (GJ/Tonnes of molten Steel Produced)	15.57	14.92	15.27	14.68	11.5

Overall, in 2020 there has been a significant reduction in energy consumption across all categories and thereby in the energy intensity as well. This is in part due to reduced production from mothballing, as well as the sustainability measures and strategy implemented at Qatar Steel. Unlike most international steel manufacturers, Qatar Steel uses natural gas as an energy source for producing steel, which is cleaner and more environmentally friendly than the method of burning coal. The company further sets itself apart from its competitors in terms of sustainability by following an Electric Arc Furnace (EAF) route for the production of steel which is less energy intensive than other steelmaking routes followed widely in other parts of the world, such as Blast Furnace (BF) and Basic Oxygen Furnace (BOF). Qatar Steel is also exploring the possibility of undertaking a collaborative feasibility study for renewable energy projects, such as installing a solar power plant to reduce the natural gas consumption in the electricity power generation plants.

6.6 Reducing GHG and Air Emissions

Due to the carbon-intensive process of steelmaking, high levels of Greenhouse Gas (GHG) emissions, particularly carbon dioxide (CO₂), remains one of the greatest challenges that the industry faces in achieving controlled emission and sustainable operations. The International Energy Agency (IEA) notes that as global steel production increases, sustained and substantial efforts to cut emissions are of paramount importance in order to prevent the exponential growth of greenhouse gases in the atmosphere. This is achieved by prioritizing energy-efficiency improvements, increasing scrap collection, and adopting new technologies that favor low-carbon process routes. As a responsible corporate of the State of Qatar and as part of the global industrial community, Qatar Steel is committed to reducing its carbon footprint and implementing industry best practices in order to fight climate change.

As part of a new project which was initiated in January 2020, Qatar Steel has started a different system for calculating GHG emissions for Scope 1 and Scope 2 emissions. Scope 1 emissions include direct emissions at the plant (fuel combustion, materials process etc.); Scope 1 emissions from natural gas is calculated by using emission factors developed from the gas characteristics, while the emissions from materials process are calculated based on the Intergovernmental Panel on Climate Change and EU Emissions Trading System emission factors. Scope 2 emissions covers indirect emissions from the electricity which is consumed, and is calculated using Kahramaa's emission factors provided by QP. QP has appointed SGS, UK as the third-party verifier for the GHG report verification and Qatar Steel has successfully completed the initial verification process in November 2020 and received the verification certificates from SGS, UK.

The average GHG emission from Scope 1 and Scope 2 has been found to be around ~1.25-1.30 MT CO₂/MT steel production which is quite below the world average of 1.85 (according to World Steel Association standards).

GHG Emissions Accounting & Reduction

Data	2016	2017	2018	2019	2020
Scope 1 - Direct GHG emissions (tonnes of CO ₂ eq)	1,630,798	1,628,400	1,625,694	1,540,456	683,740
Scope 2 - Indirect GHG emissions (tonnes of CO ₂ eq)	1,785,012	1,858,825	1,838,795	1,813,498	456,759
Total GHG emissions (tonnes of CO ₂ eq)	3,415,811	3,487,225	3,464,490	3,353,955	1,140,499
Total GHG emissions intensity (tonnes of CO ₂ eq/ tonnes of molten steel produced)	1.34	1.31	1.33	1.30	0.93

*Please see the certificate link below for more information:
<https://www.qatarsteel.com.qa/certifications/>

Flare Reduction

Data	2016	2017	2018	2019	2020
Gas Flared (MMSCF)	0.823	0.893	0.8252	0.8181	0.7685
Total Natural Gas Consumption (MMSCF)	29,948	29,868	29,815	28,236	9,928
Total Natural Gas Consumption in Nm ³	802,350,151	800,223,032	798,802,243	756,492,715	265,977,723
Flare Intensity (Gas Flared in MMSCF/Total Natural Gas Consumption in MMSCF)	0.000	0.000	0.000	0.000	0.000

Methane Emissions Reduction

Data	2016	2017	2018	2019	2020
Methane emitted (Tons)	-	-	-	16	16
Total Natural Gas Consumption in Tons	620,217	618,572	617,474	584,769	205,601
Total Natural Gas Consumption in Nm ³	802,350,151	800,223,032	798,802,243	756,492,715	265,977,723
Methane Intensity (Methane emitted in Tons/Total Natural Gas Consumption in Tons)	0.00000	0.00000	0.00000	0.00276	0.00785

Other Air Emissions

Qatar Steel has two MIDREX based Direct Reduction Plants, three electric arc furnaces, two rolling mills and two lime calcination plants. The plants are run on electric power supplied by the local electricity distributing entity, KAHRAMAA and natural gas supplied by Qatar Petroleum. The use of cleaner energy sources reduces the pollutants emissions substantially.

In order to check the environmental emissions, Qatar Steel carries out regular environmental monitoring such as continuous Ambient Air Quality Monitoring (AAQM), monthly ambient air quality monitoring at different locations by third party, CEMS monitoring, manual stacks monitoring where CEMS is not installed, ground water quality monitoring, process water discharge, noise etc. Further, all the emission sources are equipped with pollution control measures such as bag house filters (at electric arc furnaces and furnaces at Kilns), cyclone dust collectors and wet venturis (at Direct Reduction Plants). In addition to the pollution control measures at the point air emission sources, there are control units for fugitive air emissions such as closed conveyer belts, hoppers, suction hoods etc.

The monitoring results are quarterly shared with the QP-MIC and MME (regulatory authorities). External and internal audits are carried out routinely to ensure that the monitoring and environmental management systems are working as per regulatory and best practice requirements.

Data	2016	2017	2018	2019	2020
SOx emitted (tonnes)	1,349	212	977	1,196	211
NOX emitted (tonnes)	737	1,275	1,001	1,032	538
Particulate Matter (PM) (tonnes)	2,477	318	479	978	326

6.7 Water Consumption & Effluents

As a company operating in a water-scarce region, Qatar Steel aims to reduce water consumption to the best of its ability, for the benefit of operations, as well as of the community and environment. Qatar Steel uses water in the form of freshwater, seawater, and recycled water in its operations, mainly as a cooling agent in addition of process requirement. Qatar Steel's water management approach focuses on three objectives:

1. Decrease freshwater consumption,
2. Reduce wastewater discharge
3. Increase the recycling rate of processed waste water.

Water Management	2016	2017	2018	2019	2020
Freshwater Used (purchased, m3)	1,501,960	1,641,604	1,488,152	1,554,644	673,570
Processed Waste Water Discharged (to sea, m3)	767,678	708,174	622,320	617,794	222,795
Water Recycled or Reused (m3)	151,565	322,519	348,495	289,130	64,639
Water Recycled (%)	16.5%	31.7%	35.9%	21.0%	28.17%
Water Intensity (Freshwater Used / Metric Tonne of Molten Steel)	0.60	0.63	0.65	0.60	0.59

Discharge of used water (wastewater) has been an issue for industries which not only causes contamination to the environment but it is also a resource and monetary loss for the industries. Near Zero liquid discharge (NZLD) is an engineering approach to water treatment where almost all maximum water is recovered and contaminants are reduced to solid waste. Qatar Steel is in the process of construction of a NZLD plant. Once commissioned, plants with NZLD efficiencies will operate with significantly reduced volumes of Treated Industrial Water (TIW) and brine discharges into the sea. In consideration of full plant operation, the cooling sea water discharge, ~28,000 m³/hour and TIW discharge ~83 m³/hour is going to be reduced to ~9.6 m³/hour after the installation of NZLD plant. Commissioning of this plant reaffirms the Qatar Steel Management's commitment towards the environment and sustainability.

6.8 Waste Management & Recycling

A comprehensive procedure has been developed for identification, segregation, collection and disposal of waste generated within our operations. A summary of all waste shipments for non-hazardous wastes is reported to MME each quarter. Hazardous waste is stored at an approved hazardous waste storage facility and shall be disposed locally by the third parties within the coverage of disposal contract. Qatar Steel has studied and implemented various options to reuse / recycle the production waste. Palletizing of EF dust, recycling of refractory bricks and extracting iron from EAF Slag are many examples of our salient achievements.

In this direction, the Facilities Department has undertaken various initiatives in the non-hazardous waste management segment. For many years, unsegregated waste generated in the company used to be sent to the landfill. In order to reduce the negative environmental impact resulting from the same, we started segregating waste from the source point of generation and diverted the recyclable waste to recyclers. Color codes of blue, yellow, green, brown and black have been provided for containers meant for collecting wood, plastic, domestic, general and paper wastes respectively. The steel skips and plastic bins which are properly colour coded and labeled, are placed in different parts of plant and office areas to collect wastes in a segregated manner. PP jumbo plastic bags, HDPE cans, packing cardboard boxes etc. constitute a considerable portion of our waste streams. As of now, 1,055 metric tons of plastic and paper wastes have been successfully given to recyclers.

Operational By-Product Management					
Metric tonnes	2016	2017	2018	2019	2020
On site storage	86,573	180,752	385,178	262,132	142,632
Recycled Internally	83,940	177,755	211,272	194,595	53,454
Sold to third Party for further processing/recycling	606,929	544,488	339,309	400,418	176,741
Total waste generated	777,441	902,995	935,759	857,145	372,827
Total Recycled + Sold	690,869	722,243	550,581	595,013	230,195
Percentage of Operational waste Recycled/sold to third parties as byproduct for recycling	89%	80%	59%	69%	62%

Detailed by-product Management Performance for year 2020				
Non-Hazardous Waste	Generation (Total) in metric tonnes	Recycled/ Sold (Total) in metric tonnes	% Recycled/ Sold	Method of Disposal
Oxide Fines	25868	62117	240	Sold to External Customers
Mill Scale	15354	14599	95	Sold to External Customers
DR Slurry + Classifier dust	11476	39000	340	Sold to External Customers
DR Fines / HBI Fines	10046	17154	171	13,194 Tons sold to External Customers, 1799 Tons Recycled in EAF through basket supply, 2159.50 Tons supplied to Briquetting Plant
DR dust	8471	1286	15	Recycled in Briquetting Plant.
EAF Dust	23456	19612	84	Recycled at Neighboring Cement Plant (Including balance stock quantity from the previous years)
Alloy dust	1047	0	0	Stored in the yard.
EF Slag	176913.22	498.49	0.3	Initiatives are in progress to recycle it in Road Construction/cement production. 498 Tons used for yard levelling at RM shipping section.
LF Slag and collected dust	33196.22	0	0	Stored in the yard.
Undersize Limestone (PM-LSF)	3599	5812	161	4668 Tons sold to External Customers. 147 Tons recycled internally for landfilling. 997 Tons recycled for pulverizing to use it in DR plant
Undersize dolostone (PM-DSF)	12989	21403	165	20,264 Tons sold to external customers 1139 Tons recycled internally for land filling/yard.
Lime fines - pulverized lime	71	655	923	Sold to External Customer
Dolomite fines (BP-DLF)	1044	795	76	Sold to External Customer
Return Scrap + SSPM	47178	45415	96	Recycled at EAF's
Bricks / Refractories / Roof / Tundish	191	112	58	MgO Bricks were recycled at EAF as a partial replacement of dolomite.
Plastic, paper and other waste	1837	1837	100	Sold to External Customers
Grand Total	372737	230295	62	

*More than 100% because blank stock from the previous year was considered.

Hazardous Waste Generation and Disposal Method				
Type of Waste	Nature of Waste	Yearly Generated Quantity (Unit: Tonnes)	Point of Generation (Type of Operation)	Waste Handling/Management (Type of Management Process)-With Details
Disposed Oily Sludge & Grease	Semi-Solid	89.1	Maintenance Areas	Disposed to local company for incineration.
Medical Waste	Solid	0.199	Clinic	Disposed to local company for incineration.
Disposed Paints & Thinners	Liquid	0	Materials	Sold to External Customers
Electronic Waste including ink cartridge	Solid	0.19	Repairing and Maintenance	Disposed through local company.
Neutralized Chemicals	Liquid	1	QC Lab	Disposed through local company.

6.9 Biodiversity & Ecotoxicity

As recommended in the National Biodiversity Strategy and Action Plan 2015-2025, Qatar Steel is committed to preserving Qatar's natural environment. Consultants and studies have ensured that Qatar Steel's operations are not conducted in areas of high biodiversity value and do not have a harmful impact on the biodiversity in its region.

Qatar Steel is located in the Mesaieed Industrial City-MIC, a designated area for industrial usage. There are no natural habitats, reserves or sanctuaries in the nearby area surrounding the industrial city. The sea is the only significant natural body near to the plant. There are two ports, the MIC Mesaieed Industrial City Port and Qatar Steel's Port located near to the Qatar Steel boundary. Both of the ports are protected by Qatar's environmental Laws to prevent any kind of harmful activities. Analysis from earlier Environmental Impact Assessment studies which were conducted prior to any new project, showed that the area has low environmental significance and therefore the potential of environmental impacts is also low. Ecotoxicity studies are always conducted when new materials are procured.

As per the consent to operate and other regulatory requirements and guidelines applicable, Qatar Steel is monitoring the emissions, conducting environmental studies, and submitting the reports to the Ministry of Municipality and Environment and local authority at QP-MIC. There weren't any raised reports regarding the negative impacts of Qatar Steel's plant on society or biodiversity. Most of the company's environmental emissions are within the consent to operate assigned limits of Qatar's MME for analysis of gases, particulate matters, blown down water (processed water) discharge analysis, noises, and other environmental factors.

7. Contributing to National Growth & Development



In line with the QNV 2030, Qatar Steel reinforces its commitment to the pillars of social and human development through its programs, policies and initiatives on development of local talent, community investment and local procurement as illustrated in the sections below.

7.1 Qatarization

Qatarization remains a key focus at Qatar Steel; we seek to promote national and socio-economic development through the creation of employment opportunities at the company, and investing in local talent through the provision of training and capacity building programs.

We implement the following three-pronged approach to attract and retain local talent:

Qatarization	2016	2017	2018	2019	2020
Qatari employees	187	182	165	157	158
Qatarization rate (%)	10.27	9.98	9.05	8.56	14.74
Qatari new hires	5	3	2	3	11
Qatari Senior Management (New Hire)	2	0	1	0	1

1. Developing human capital programs targeted for Qataris: To attract fresh talent, we follow local industry best practices by offering incentives for Qatari nationals, such as competitive pay packages, highly specialized training, and on-going career development opportunities. Moreover, our excellent salary and benefits packages include group insurance, retirement benefits, tuition reimbursement, sick leave and paid vacation.
2. Investing in enriching and engaging practices: We support employee engagement and satisfaction and provide many development opportunities for existing employees.
3. Focusing on education: We provide educational opportunities through scholarship and sponsorship programs, as well as alternative work arrangements for newly hired Qatari trainees.

Through several engagement channels, such as career fairs, school/college tours of facilities and other activities such as off-site training programs, Qatar Steel regularly engages with Qatari nationals of all educational and professional backgrounds in its effort to attract and boost local talent. However, owing to the COVID-19 pandemic situation this did not take place in 2020, and will possibly not take place in 2021 as well.

7.2 Community Investment

Creating shared value is one of the sustainability priorities that guides Qatar Steel as a company. We aim to be strong contributor to the community in which we operate and therefore we do our part for society by investing in those initiatives that measurably impact the quality of life of the local community in Qatar. This includes community investments, running programs in local communities, sponsoring events and donating to different charitable causes. Apart from this, we also seek to hold ourselves and the company operations to the highest ethical standards. We strive to achieve excellence through performing our operations in a socially and ethically responsible manner, and put in consistent efforts to manage our business as conscientious members of our community.

In 2020, due to the challenges of budgetary restrictions arising from the COVID-19 pandemic situation, we were unable to make our annual investments in local CSR projects. However, Qatar Steel sought to contribute to the local community in other ways by organizing and running various activities and programs as listed below.

BLOOD DONATION DRIVE: Every drop of blood gives life



The blood donation campaign (EVERY DROP OF BLOOD GIVES LIFE), was organized by Qatar Steel in coordination with Hamad Medical Corporation (HMC), QS Clinic and QS HSE Department. This drive was aimed at encouraging members and colleagues of Qatar Steel to contribute to providing safe blood and to urge them to commit to the act of blood donation throughout the year in order to maintain adequate blood supply at the blood banks in Qatar.

The campaign was very successful and employees were enthusiastic to participate and donate blood. This humanitarian awareness campaign is part of our commitment to the community and in line with QS Corporate Social Responsibility.

CELEBRATION OF SPORTS DAY: Connecting the community and families



In keeping with our efforts to promote the benefits of an active healthy lifestyle, Qatar Steel participated in the celebration of National Sports Day in compliance with Qatar's vision of building a fit society and enhancing the nation's physical and mental well-being.

In the presence of the Managing Director & CEO, Chiefs, Department managers and a large number of employees, a series of sport activities were planned and executed. Qatar Steel organized fitness activities and fun sports including march past, slow jogging, race, tug-off-war, and as well as team games like, football, cricket and basketball. The event noted enthusiastic participation from all the employees.

During the course of the event, Qatar Steel management thanked His Highness Sheikh Tamim Bin Hamad Al Thani, Emir of the State of Qatar, for his generous initiative to dedicate a day for sport activities and raising the interest to participate in sports among the people who are the true wealth of the country.

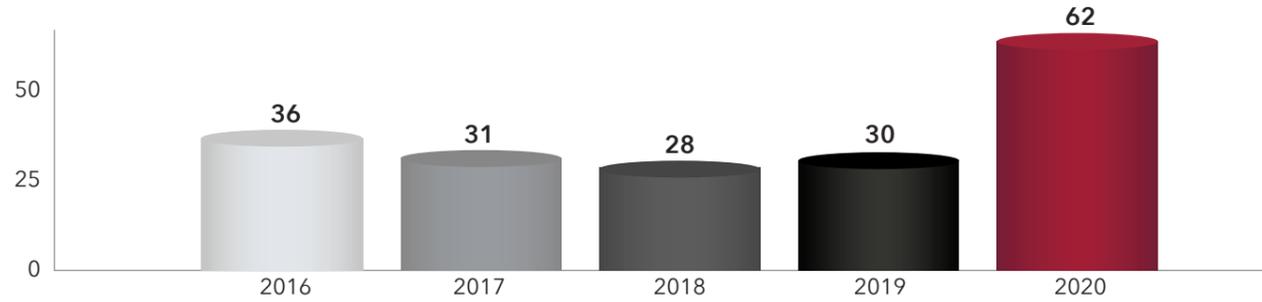
Qatar today has become a regional hub for sport and believes that human health is a priority for the state. Through participation and contributions towards this event, Qatar Steel would like to promote the significance of sports as an important aspect of human and national development.

7.3 Local Procurement

Qatar Steel actively contributes to the country's economic development by supporting the growth of local businesses through a supply chain localization program called 'Tawteen'. Tawteen is a strategic initiative led by Qatar Petroleum which contributes to developing the local economy by providing new opportunities and capacity building for Qatari based companies, particularly small and medium enterprises (SMEs). The program consists of three key pillars: new investment opportunities, supplier development initiatives and a new In-Country Value (ICV) Policy.

"Affected by the pandemic and reduced demand in export market, Qatar Steel had to revise production plan which has reduced imports of key Raw Materials to utilize inventory. Our local acquisition accounted for 62% of the overall procurement costs throughout 2020 at a time of crisis and global supply chain disruption triggered through COVID19."

Percentage of local procurement spending (%)



8. Developing a High Performing & Motivated Team



In keeping with the Qatar National Vision 2030, Qatar Steel is committed to the welfare and development of its employees, and strives to be inclusive as an employer of choice in the region. This is achieved through the work we undertake to create and sustain a flexible working environment and talent retention framework.

Qatar Steel recognises that employee well-being is key to organizational success and we seek to safeguard the same through provision of equal opportunities, generous benefits and allowances, as well as formal mechanisms to address employee grievances and concerns. The company's excellent salary and benefits packages includes group insurance, retirement benefits, tuition reimbursement, sick leave and paid vacation. Ratio of basic salary of woman to men is 1:1.

We have invested in identifying more inclusive ways of employees working with leaders, whereby leaders support their teams by trusting, empowering and coaching them to succeed while ensuring that cutting edge processes are in place so that individual accountability and employee performance is increased. These approaches ensure that our employees are provided with the pathway to work in accordance with the highest professional and technical standards.

As we still battle the economic and social impacts of the pandemic, Qatar Steel recognizes that a healthy and satisfied workforce is crucial for business success. We recognize and appreciate the wholehearted support from our employees over the past year during these challenging times.

Workforce Composition					
Workforce composition	2016	2017	2018	2019	2020
Full time Employees	1,820	1,824	1,823	1,834	1,072
Full time Contractors*	790	1,077	1,278	1,719	1,179
Total staff	2,610	2,901	3,101	3,553	2,251

*due to the fluctuating need for contractors over the course of a year, this number has been updated to yearly average which is a more accurate representation of the contractor workforce number as opposed to the previously report year end number

By Gender					
	2016	2017	2018	2019	2020
Female	9	9	9	9	10
Male	1,811	1,815	1,814	1,825	1,062

Total # of workforce by age group					
	2016	2017	2018	2019	2020
18-30	178	154	186	139	83
31-40	756	730	754	751	456
41-50	669	693	664	689	416
51-60	205	231	216	253	116
60+	12	16	3	2	1

Employment by level (Number of Individuals)					
	2016	2017	2018	2019	2020
Senior Management	23	21	19	20	23
Middle Management	217	227	214	211	174
Staff	1,580	1,576	1,590	1,603	875
Total	1,820	1,824	1,823	1,834	1,072

New hires and attrition					
	2016	2017	2018	2019	2020
Total Number of new employee hires	44	52	106	72	22
Total attrition*	96	49	111	61	785

* Due to business impacts as a result of the pandemic and subsequent shutdown of plants, unfortunately the company saw a significant proportion of its staff made redundant.

8.1 Training & Development

Qatar Steel recognizes the importance of a high performing and skilled workforce that is committed to organizational excellence, in order to deliver on our business strategy. At Qatar Steel, we have different In-House, Overseas, Local Training programs, E-learning, English courses and Development programs to cater to skill-building of our employees. The Learning and Development Department continuously upgrades the training infrastructure, methodologies and content in order to ensure that our training and capacity building programs remain up-to-date. As part of capability building focus, our in-house learning facilities are fully equipped to support continuous education and skill advancement of our workforce and especially of our younger workforce.

Training Company-Wide					
	2016	2017	2018	2019	2020
Average hours of training per year for employee	9.00	12.70	29.00	24.00	16.80
Total cost of training (QAR)	669,687	972,842	1,852,786	1,487,041	429,592

E-learning programme

Technology and innovation are a high priority for our business, and became even more crucial in 2020 due to the need to transfer to online remote training due to the pandemic. An e-learning programme was piloted the beginning of 2020, much before the impacts of the pandemic were evident. This E-learning became a game changer for L&D function in its ability to continue training during the pandemic, as all in-person class room trainings were halted to avoid any contamination risks.

A total of 30 employees were selected from different departments to test the programme. They were given between six to seven modules to test over a period of one month. At the end of the program, an evaluation was carried out to assess the success of the e-learning programme. 72% agreed that the program was beneficial; and therefore, Qatar Steel's management approved the roll out of this programme to a wider number of employees.

In the next phase, new modules will be added that include more topics such as HR and finance aiming to enrich an employee's overall training and exposure to various topics.

For 2020, E-learning has been a steady presence in our training delivery and We pushed the training delivery of the platform further by developing an HSE focused e-learning portal where employees are able to access programs and training that is internally designed and specific to our company work environment needs.



In summary, the e-learning platform has two distinct systems that cover different training topics:

1. Third-party training programs that cover topics such as Business Strategy and Operations, Networking, Internetworking, Security Systems, Finance, Human Resources and Administration, Leadership and Professional Effectiveness to name a few.
2. In-house HSE training program that covers HSE topics designed by our HSE team

Live trainings were also delivered using platforms like Microsoft Teams.

E-learning report 2020				
Courses assigned	Courses completed	% completion	Total hours	Total users
1850	1850	100	1131	182

Spotlight: Honouring Ceremony

Qatar Steel MD & CEO Eng. Mohammed Nasser Al-Hajri, Chief Officers and Dept. Managers honoured a number of employees at a special ceremony held at Qatar Steel Doha Office, marking their end of service. The CEO expressed his appreciation for their dedication and generous support over the years.



9. Practice Good Governance



Fostering a system of governance and accountability based on the principles of transparency, integrity, and independence, is key to ensuring operational excellence at Qatar Steel. The company's procedures to establish a responsible governance system helps in the effective management of business risks, and also in building and retaining long-term relationships with our employees and community based on trust and goodwill. During challenging times such as the COVID-19 pandemic, the support of our strong governance structure has been integral in maintaining business continuity, serving our customers, and keeping our people safe.

9.1 Corporate Governance



Qatar Steel's commitment towards efficient and ethical leadership is driven by the company's Corporate Governance Charter, which provides the principles for the Board of Directors in its foundation of independence and protecting shareholders' rights. The seven highly skilled Board members are appointed by the corporation's principal shareholder, Industries Qatar (IQ), at the General Assembly.

9.2 Accountability & Ethics

Accountability and ethics are embedded into Qatar Steel at all levels, from senior management to intermediate staff. Annual and sustainability reports publicly demonstrate the company's commitment to this priority. Additionally, there are processes in place within each department to further ensure that these principles of accountability and ethics are upheld. Qatar Steel's Governance Charter and Procurement Policies enforce best practices in governance and supply chain management, facilitating fruitful collaboration, both within the company and with external stakeholders.

9.3 Internal Audit

The Internal Audit function continues to play a prominent role in the company's governance and management systems. It provides assurance that adequate systems, policies, and procedures are in place and being adhered to ensure that the company's assets are safeguarded and the company's objectives are being met.

The Internal Audit function provides assurance that the systems and procedures are in place and being adhered to ensure timely and accurate reporting to the directors, management, and stakeholders that help ensure the company's objectives are being met. Additionally, it assures that the policies and practices are in place to communicate and monitor the company's compliance with appropriate laws and regulations.

The Board Audit Committee also continues to support the Board in its oversight responsibilities, particularly those relating to:

1. The integrity of the company's financial statements and financial reporting process;
2. The effectiveness of the company's internal controls systems;
3. The internal audit process.

9.4 Risk Management:

The ever-changing business environment presents with it risks and opportunities which should be systematically captured, coordinated and addressed. Qatar Steel acknowledges the effective management of risks and opportunities as one of the key business growth and success enablers that requires attention from all levels of the business and the related corporate governance structures.

The risk responses to the current COVID-19 pandemic, and the risks associated with Qatar Steel's value chain, including but not limited to the supply chain processes and cyber security, have resulted in Qatar Steel's resilience and continuous improvements to achieve the respective business objectives.

Qatar Steel's integrated Enterprise Risk Management (ERM) framework and Business Continuity Management System (BCMS), has played a vital role in ensuring the identification and mitigation of key business risks through the regular reviews and updates across the entire company.

COVID-19 Crisis Management Response

In the event of a crisis, Qatar Steel has in place existing Crisis Management Procedures. In 2020, due to the COVID-19 pandemic, these Crisis Management Procedures were activated, and in accordance with the procedure, a Crisis Management Committee led by the MD & CEO as the Crisis Commander and comprising all Chiefs Officers, and Senior Managers, was put together very early on in February 2020. The Crisis Management Committee held weekly meetings and tracked progress on all key actions and activities on a daily basis. Qatar Steel also obtained considerable support from parent company Qatar Petroleum.

The purpose of the Crisis Management Committee was to ensure business continuity and resilience through:

1. Ensuring the safety of all Qatar Steel's employees, contractors and all visitors to our facilities;
2. Ensuring operational continuity by focusing on supply chain pipeline for all key raw materials, key spare parts and sales orders and deliveries execution;
3. Ensuring the continuity of production during statewide lockdowns and having in place a mitigation plan in case of possible employee unavailability due to COVID-19 infections;
4. Ensuring that all departments were able to continue with their operations with minimal disruptions;
5. Fast track of Qatar Steel's Work from Home (WFH) policy and a possible State of Qatar Curfew readiness for all key support and administrative activities;
6. Provision for employee wellness support;
7. Arranging for the safe return to Qatar passage for key employees who had been stranded abroad.

By taking mitigatory action at the onset of the pandemic, Qatar Steel managed to sustain its operations in the midst of the challenges brought about by the pandemic.

Appendices

Appendix A: Reporting scope and Boundary

This report contains information on Qatar Steel's performance in Qatar only, and does not reflect the social or environmental performance of its subsidiaries. We have considered our material topics and identified their boundaries in the table below.

Qatar Steel Material Issue	Topic Boundary
Occupational Health and Safety	Employees, Shareholders, Environment
Customer Satisfaction	Shareholders, Customers
Operational Efficiency	Shareholders, Employees
Emergency Response Preparedness	Shareholders, Environment, Society, Employees
Contractor Safety	Employees, Shareholders, Environment
Occupational Health	Shareholders, Employees, Society
Financial Performance	Shareholders, Customers, Environment, Society, Employees
Product stewardship	Shareholders, Customers, Environment, Society
Supply chain sustainability	Shareholders, Customers
Greater sustainability disclosure	Shareholders, Customers, Environment, Society, Employees
Water efficiency and recycling	Shareholders, Employees, Society
Qatarization	Shareholders, Employees, Society
Energy efficiency and consumption	Shareholders, Environment
GHG emissions and air quality	Shareholders, Employees, Society
Renewable energy	Shareholders, Environment
Local procurement	Shareholders, Customers
Employee training and development	Shareholders, Employees
Employee retention and satisfaction	Shareholders, Employees
Diversity and equal opportunity	Shareholders, Employees, Society
Waste management	Shareholders, Employees, Society
Strategic investments	Shareholders, Employees
Community engagement and investments	Shareholders, Employees, Society
Digitization	Shareholders, Customers
Risk Management	Shareholders, Employees
Emergency spills response	Shareholders, Customers, Environment, Society
Circular Economy	Shareholders, Environment
Corporate Governance	Shareholders, Employees
Biodiversity Conservation	Shareholders, Environment
Performance-based compensation and rewards	Shareholders, Customers, Environment, Society
Labour rights and relations	Shareholders, Customers, Employees, Society

Appendix B: Maturity Assessment

Qatar Steel assesses its level of sustainability maturity in line with the methodology provided by UK CARES Sustainable Constructional Steel Scheme Principles.

Principles and Practices		Maturity Level	Programs and Plans
Inclusivity	Stakeholder engagement and issue identification	Full engagement	Engaged with MME to ensure all targets agreed in the CTO are managed and reported correctly. Environmental Monitoring Program is in place to ensure compliance with all applicable regulations. Qatar Steel has integrated Sustainability in its corporate strategy and has implemented a sustainability roadmap that identifies opportunities/risks associated which are quarterly reviewed in Balance Score Card meeting. An integrated Enterprise Risk Management (ERM) framework is in place to manage business risks. To further enhance business resiliency, Qatar Steel established a comprehensive Business Continuity Management System (BCMS) in 2017.
Integrity	Key drivers	Adequately engaged	Sustainable development part of risk management through the Enterprise Risk Management System (ERM).
	Leadership	Full engagement	Leading the regional market sector on sustainability issues. Adhered to UKCARES Quality and Operations Assessment Schedule, BSEN ISO 9001, Quality Management System, and UK CARES Product Certification since 2006. Sustainability Policy and objectives developed through the Management Systems (QMS, EMS, ISO) are in place. Additionally, there is a well-developed sustainability framework and commitments. Maintains certificates for Sustainability and Responsible sourcing (BES 6001) certified by UKCARES.
	Managing risk	Adequately engaged	Adopted Environmental Management System complying to ISO 14001 and Health and Safety Management System according ISO 45001. Adopted a comprehensive and integrated Enterprise Risk Management (ERM) framework for mitigating the various risks to which the businesses are exposed to in the course of their operations and strategic actions.
	Sustainable development culture	Full engagement	Culture of sustainable development is fully integrated in all levels. Sustainability objectives are well integrated in all departmental level, and its performance is being monitored through Balanced scorecard system. Sustainability Team is in place that works as focal points for their departments who links departmental sustainability objectives with the organizational sustainability roadmap. Qatar Steel has a dedicated budget for community investment.
	Building capacity	Adequately engaged	Training plan including theoretical and practical training regarding quality, environment, H&S and Sustainability is in place. Performance Appraisal System is in place.
	Supply chain	Adequately engaged	Suppliers are selected based on technical compliance, cost, delivery time, environmental, safety and human rights performance criteria. Further developments related are expected in the coming year.
	Environmental assessment	Full engagement	Comprehensive environmental impact/ risk management functions that investigate environmental risks in the organization and communicate to the Board through the Audit Committee.
	Review	Full engagement	Sustainability Road Map is reviewed quarterly during Balance Score Card meeting. Management Review meeting is undertaken annually, and objectives/ targets are set to reflect continual improvement as a part of Sustainability Management.
	Building confidence	Adequately engaged	Qatar Steel have been issuing sustainability reports since 2011, providing a transparent channel of its sustainability performance to its stakeholders.

Appendix C: GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option, and the table below provides a reference for GRI content in the report. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the English version of the report.



MATERIALITY DISCLOSURES SERVICE

2021

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1 Name of the organization	Qatar Steel
	102-2 Activities, brands, products, and services	11, 12, 15, 16, 24-28
	102-3 Location of headquarters	11
	102-4 Location of operations	11, 12
	102-5 Ownership and legal form	11, 12
	102-6 Markets served	28, 29
	102-7 Scale of the organization	29, 54
	102-8 Information on employees and other workers	53-55
	102-9 Supply chain	19, 41, 42, 59
	102-10 Significant changes to the organization and its supply chain	No Changes
	102-11 Precautionary Principle or approach	"The precautionary approach is embedded in Qatar Steel's sustainability management approach."
	102-12 External initiatives	Qatar National Vision 2030
	102-13 Membership of associations	World Steel Association
	Strategy	
	102-14 Statement from senior decision-maker	5
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	14, 19, 61
102-17 Mechanisms for advice and concerns about ethics	58	
Governance		
102-18 Governance structure	7, 8, 12, 57, 58	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Stakeholder engagement	
	102-40 List of stakeholder groups	19
	102-41 Collective bargaining agreements	"Trade Unions are prohibited in Qatar"
	102-42 Identifying and selecting stakeholders	19
	102-43 Approach to stakeholder engagement	19, 20
	102-44 Key topics and concerns raised	20, 21
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	Annual 2020 report, Financial statements include the activities of Qatar Steel. No other entity is included.
	102-46 Defining report content and topic Boundaries	20, 21, 60
	102-47 List of material topics	20, 21
	102-48 Restatements of information	No restatements
	102-49 Changes in reporting	No significant changes
	102-50 Reporting period	January 1, 2020 - December, 31, 2020
	102-51 Date of most recent report	2020
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	4
	102-54 Claims of reporting in accordance with the GRI Standards	4
	102-55 GRI content index	62
102-56 External assurance	Not externally assured	
GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
200 series (Economic topics)		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24-29
	103-2 The management approach and its components	24-29
	103-3 Evaluation of the management approach	24-29
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	29
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	51
	103-2 The management approach and its components	51
	103-3 Evaluation of the management approach	51
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	51

Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19, 53
	103-2 The management approach and its components	19, 53
	103-3 Evaluation of the management approach	19, 53
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	53
300 series (Environmental topics)		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24, 44, 48, 49
	103-2 The management approach and its components	22, 23, 24, 44, 48, 49
	103-3 Evaluation of the management approach	22, 23, 24, 44, 48, 49
GRI 301: Materials 2016	301-1 Materials used by weight or volume	24, 48, 49
	301-2 Recycled input materials used	24, 44, 48, 49
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44
	103-2 The management approach and its components	22, 23, 44
	103-3 Evaluation of the management approach	22, 23, 44
GRI 302: Energy 2016	302-1 Energy consumption within the organization	44
	302-2 Energy consumption outside of the organization	44
	302-3 Energy intensity	44
	302-4 Reduction of energy consumption	44
	302-5 Reductions in energy requirements of products and services	44
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47, 48
	103-2 The management approach and its components	22, 23, 47, 48
	103-3 Evaluation of the management approach	22, 23, 47, 48
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	47, 48
	303-2 Management of water discharge-related impacts	47, 48
	303-3 Water withdrawal	47, 48
	303-4 Water discharge	47, 48
	303-5 Water consumption	22, 47, 48
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	50
	304-2 Significant impacts of activities, products, and services on biodiversity	50

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
300 series (Environmental topics)		
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	45-47
	103-2 The management approach and its components	22, 23, 45-47
	103-3 Evaluation of the management approach	22, 23, 45-47
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45-47
	305-2 Energy indirect (Scope 2) GHG emissions	45-47
	305-4 GHG emissions intensity	45-47
	305-5 Reduction of GHG emissions	45-47
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	45-47
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47-50
	103-2 The management approach and its components	47-50
	103-3 Evaluation of the management approach	47-50
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	47-50
	306-2 Management of significant waste-related impacts	47-50
	306-3 Waste generated	48-50
	306-4 Waste diverted from disposal	48-50
	306-5 Waste directed to disposal	48-50
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41
	103-2 The management approach and its components	41
	103-3 Evaluation of the management approach	41
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	41
400 series (Social topics)		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53
	103-2 The management approach and its components	53
	103-3 Evaluation of the management approach	54-55
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	55

Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30, 31
	103-2 The management approach and its components	22, 31, 32
	103-3 Evaluation of the management approach	22, 32, 33
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	31, 32
	403-2 Hazard identification, risk assessment, and incident investigation	33-35
	403-3 Occupational health services	36-39
	403-4 Worker participation, consultation, and communication on occupational health and safety	34-39
	403-5 Worker training on occupational health and safety	36-39
	403-6 Promotion of worker health	36-39
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36-39
	403-8 Workers covered by an occupational health and safety management system	36-39
	403-9 Work-related injuries	33
	403-10 Work-related ill health	33
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	55-57
	103-2 The management approach and its components	55-57
	103-3 Evaluation of the management approach	56-57
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	56
	404-2 Programs for upgrading employee skills and transition assistance programs	56-57
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53
	103-2 The management approach and its components	53
	103-3 Evaluation of the management approach	53, 54
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	53
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	51-52
	103-2 The management approach and its components	51-52
	103-3 Evaluation of the management approach	51-53
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	51-53

Appendix D: Sustainability Performance Data

KPI	UOM	2016	2017	2018	2019	2020
Company Performance						
Molten steel production	MT	2,544,157	2,668,763	2,598,764	2,580,956	1,228,505
Total Sales Volume	KMT	2,715	2,618	2,945	2,963	1,638
Health & Safety						
Employee Lost Time Injury Frequency Rate (LTIFR)	Nos.	0.51	1.07	0.53	1.15	0.00
Employee Reportable Injuries	Nos.	23	21	13	10	1
Contractor Lost Time Injury Frequency Rate (LTIFR)	Nos.	1.96	1.14	0.48	0.18	0.00
Contractor Reportable Injuries	Nos.	37	26	20	3	0
Environmental Performance						
Total Recycled Input Material	MT	502,820	505,503	576,487	591,591	490,791
Total Energy consumption	GJ	39,612,056	39,824,985	39,686,265	37,896,255	14,122,802
Energy intensity	GJ/MT of molten steel	15.57	14.92	15.27	14.68	11.5
Total GHG emissions	tonnes of CO ₂ eq	3,415,811	3,487,225	3,464,490	3,353,955	1,140,499
GHG emissions intensity	tonnes of CO ₂ eq/tonnes of molten steel produced	1.34	1.31	1.33	1.30	0.93
SO _x	Tonnes	1,349	212	977	1,196	211
NO _x	Tonnes	737	1,275	1,001	1,032	538

Particulate Matter	Tonnes	2,477	318	479	978	326
Water Recycled or Reused	m ³	151,565	322,519	348,495	190,613	64,639
Water Recycled	%	16.5	31.7	35.9	21.0	28.17
Water intensity	Freshwater Used /MT of Molten Steel	0.60	0.63	0.65	0.60	0.59
Total Recycled + Sold	MT	690,869	722,243	550,581	595,013	230,195
Percentage of Operational waste Recycled/sold to third parties as byproduct for recycling	%	89	80	59	69	62
Community						
Qatarization	#	187	182	165	157	158
Local procurement spending (%)	%	36	31	28	30	62
People						
Full time employees	Nos.	1,820	1,824	1,823	1,834	1,072
Contractors	Nos.	790	1,077	1,278	1,719	1,179
Employees by gender	(F/M)	9/1811	9/1815	9/1814	9/1825	10/1062
New employee hires	Nos.	44	52	106	72	22
Attrition	Nos.	96	49	111	61	785
Average training per year for employee	hours	9.00	12.70	29.00	24.00	16.80
Total cost of training	QAR	669,687	972,842	1,852,786	1,487,041	429,592



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