قطر ستيل
QATAR STEEL

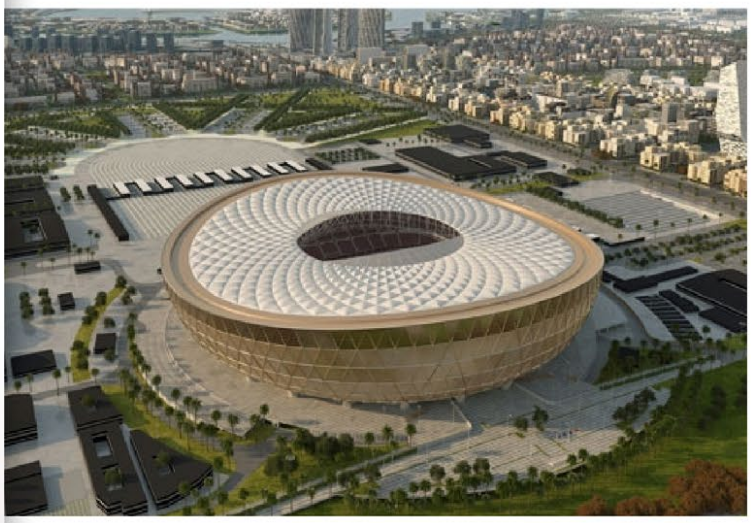
Leading for a **sustainable** future

2021
ANNUAL SUSTAINABILITY REPORT

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

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QATAR STEEL

About the Report

Welcome to Qatar Steel's Annual Sustainability report. It covers the period from 1st January 2021 to 31st December 2021. 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 2021. 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 and the <IR> Framework, (Jan 2021 edition). This report discloses performance against key performance indicators relevant to the World Steel Association (worldsteel) and the United Nations Sustainable Development Goals (SDGs).

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

Dear Stakeholders,

During 2021 the recovery in the global economy gathered momentum as countries and industries strove to recover from the impact of COVID-19.

The Pandemic highlighted weaknesses within global supply chains, which faced increasing pressure after the lockdowns ceased and the demand for goods and services rose rapidly leading to supply shortages and issues surrounding logistics. In several industries, the rise in raw material demand resulted in record-high commodity prices and steel was no exception.

As anticipated, organizations with robust Environmental, Social and Governance management have demonstrated a high-level adaptation to the resulting uncertain landscape in the contemporary business world. We at Qatar Steel, have adopted an integrated approach that merges value creation with ESG.

Qatar Steel has also embarked on the journey towards carbon neutrality embracing and incorporating its commitment within our Vision and Mission Statements, also joining our peers in the Global Steel fraternity in reporting our emissions via the World Steel Associations 'Step Up' program and being a signatory to the latest Sustainability charter. Our focus has shifted to embracing increasingly tighter Green House Gas (GHG) emission targets and adopting best practices, especially with regards to the circular economy and the control of waste. We have worked hard to control our use of water, with the installation of a Near Zero Liquid Discharge plant, becoming a leader within the regional steel industry in minimizing and recycling this precious resource.

Through the adoption of our High-Performance Organization approach we are focusing on our other precious resource, our people, and have been able to help them improve their skills through onsite training, and wellbeing, through our continued emphasis on lifestyle balance.

Qatar Steel has registered a strong Financial performance in 2021 after two years of extreme disruptions. This achievement is credited to the courage, dedication and tenacity of our people. In 2021, we developed a new Sustainability Road Map 2022-2026, encompassing new objectives, based on benchmarking to regional and international peers and aligning with the Qatar National Vision 2030. The new objectives will serve as a catalyst empowering us to leverage our ESG performance and increase the value produced within our business.

I am delighted to present Qatar Steel's Annual Sustainability Report, showcasing our ESG management approach and overall performance. I would also like to thank our stakeholders for their support and assistance that allowed us to continue operating safely and optimally throughout the challenging lockdown periods during which we note with pride that we continued to run safely, reliably and efficiently across our organization upholding Safety and Integrity. To this end, I am confident that with the right direction and support, Qatar Steel is going to continue creating value for all our stakeholders while respecting cultural heritage and remaining a responsible steward of the environment.

Looking forward to future growth and success together.

Best regards,

Saad Rashid Al-Muhannadi

Message from MD & CEO

Dear Fellow Stakeholders,

In the recent past we all faced unprecedented challenges due to the Covid-19 Pandemic and the sharp post Pandemic recovery, which resulted in shortages and price escalations. The repercussions of the outbreak seem to suggest that conventional approaches are insufficient to respond to the type of uncertainty a Global Pandemic creates and a new approach to resilience is needed. The Pandemic also brought sustainability into sharp focus, especially the interconnections between the living and working environments, and the impact on our everyday lives.

We at Qatar Steel have experienced that the integration of Environmental Social and Governance (ESG) structures into business decisions paves the way for agility to be built into the business and strengthens its adaptive capability. Leveraging our well-structured ESG management approach, I am proud to report that Qatar Steel remains on a steady footing to weather future possible market shocks and uncertainties. Our foundations are built on the primary strength of our business: our people, and I would like to emphasize that during this challenging period, our employees demonstrated their normal high-levels of dedication and commitment to remain focused on the execution of strategies which support our agile and resilient operations.

Studies suggest that companies with high ESG scores have delivered better risk-adjusted returns post Pandemic. Acknowledging the role of ESG in our business, we developed the new ESG Sustainability Roadmap 2022-2026 and incorporated new objectives greater aligned to the changing operating landscape. We are committed to tracking our ESG performance and continuously improving our position, addressing any gaps timeously.

We have adopted an integrated way of thinking companywide and this enables us to manage our financial and non-financial assets in a holistic and sustainable way, and report same in this this report, which reflects our performance in all spheres, over the past two years.

With our pioneering spirit we understand that we play a leadership role within our sector in the region, and within the greater Steel Making community. We attach utmost importance to improving our performance in high impact ESG areas. We have defined our strategic objectives and understand the material issues impacting our business, whilst developing the necessary responses required to meet the everchanging challenges we face. Diligently, we review and report our performance on a regular basis in various forums, striving for excellence in every aspect of our business. Our efforts are recognized, and we achieved the World Steel Association's (World Steel) Safety and Health Excellence Recognition in 2021, for safety culture and leadership.

Accepting the devastating effects of the emerging climate crisis, we join the wider steel manufacturing fraternity in initiating mitigation efforts and striving for Carbon Neutrality. Through are new Vision and Mission statements we commit to Carbon Neutrality and have intensified efforts in decarbonization, reducing emissions to 0.95 CO2/ MT steel production in 2021, which is well below the world average of 1.89 (World Steel Association). In addition, we are tackling the global waste issue by embracing the circular economy and increased our scrap recycling consumption. In line with our commitment we received recognition for our 10-year participation in the "World steel Climate Action Data Collection Program" as a climate action data provider from the World Steel Association.

We embrace the future, and also look at sustainability from a business perspective. Our commitment remains to conduct and grow business in ways that contribute positively to society and environment. Our sustainability lenses include new technologies such as digitalization and data analytics that will lead to significant improvements in energy use and emissions whilst the highest level of cyber security.

I am proud to present our Annual Sustainability Report 2021 to our valued stakeholders. I am heartfully thankful to all our employees who played an outstanding role in our success, and all our stakeholders and partners that involved in the preparation of this report.

Best regards,

Abdulrahman Ali Al-Abdulla

Board of Directors 2021

Saad Rashid Al-Muhannadi
Chairman

Abdulla Mohamed Al-Mahmoud
Vice Chairman

Abdulrahman Ali Al-Abdulla
Managing Director & CEO

Khalid Jaham Al-Kuwari
Director

Adel Abdulla Al-Rumaihi
Director

Haytham Abdulaziz Al-Meer
Director

Mohd Ali Ahmed Al-Mohammed
Director

Management Team 2021

Abdulrahman Ali Al-Abdulla
Managing Director & CEO

Yousef Abdulla Al-Emadi
Chief Business Excellence Officer

Ahmed Sabt Kalifa
Chief Manufacturing Officer

Sheikh Abdulla Bin Fahad Al-Thani
Chief Commercial Officer

Mohamed Saleh Al-Bahili
Chief Technical Officer

Khalid Ali Al-Emadi
Chief Procurement Officer

Issa Hassan Al-Hajri
Chief Human Capital Officer

Shahrol Aizat Othman
Chief Financial Officer

Dafa'allah Khatab
General Counsel

Alexander Stramrood
HSE Manager

Sunil Kindra
Internal Audit Manager

2021 Highlights

- Qatar Steel Released of Annual Sustainability Report.
- Developed the new Sustainability Road Map 2022 - 2026 with new objectives, based on benchmarking with regional and international steel companies and in line with Qatar National Vision 2030.
- Increased PRODUCT TRACEABILITY by supplying rebars with new product tag comprising of 'QR Codes' and 'Qatar Quality Mark'.
- Achieved World Steel Association's (worldsteel) Safety and Health Excellence Recognition 2021 (for safety culture and leadership).
- Qatar Steel Company (QPSC) received a recognition for its 10-year participation in the "Worldsteel Climate Action Data Collection Programme" as climate action data provider from the worldsteel association.
- The Quality Assurance Laboratory of Qatar Steel is 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. 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. 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. 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 has received the Quality Mark license issued by the Saudi Standards, Metrology and Quality Organization (SASO) in accordance with the standard SASO ASTM A615:2018 Grade 60. The certificate certifies that it has granted Qatar Steel the right to use SASO quality mark on the products following the fulfillment of requirements according to the related normative. This will enable Qatar Steel to export rebar to Saudi Arabia.

- Qatar Steel received the Quality mark license as per KWS GSO ISO 6935-2:2012 Grade B500B-R Standard issued by the Public Authority for Industry in Kuwait. This certificate ensures that QS rebar is meeting the specified standard requirements and enables Qatar Steel to export rebar to Kuwait market.

- Obtained recertifications according to ISO 14001:2015 and 45001:2018.

- 4.31 out of 5 points from customer satisfactions survey, with 4.86 gained on product quality.

- The average GHG emission from Scope1 and Scope 2 has been found to be around 0.95 CO2/MT steel production for 2021, which is below the world average of 1.89 (World Steel Association).

- Average % of scrap recycled as feed mix in EAF was maintained at 33%, compared to the average 16% of the 2016-2019 period.

- Started a “Planting Tree” initiative which will proceed in 2022.

- On July 2, 2021, Qatar Steel crossed the sentimental mark of 80,000 followership on QS Linkedin.

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, over the course of four and a half decades Qatar Steel 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 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).

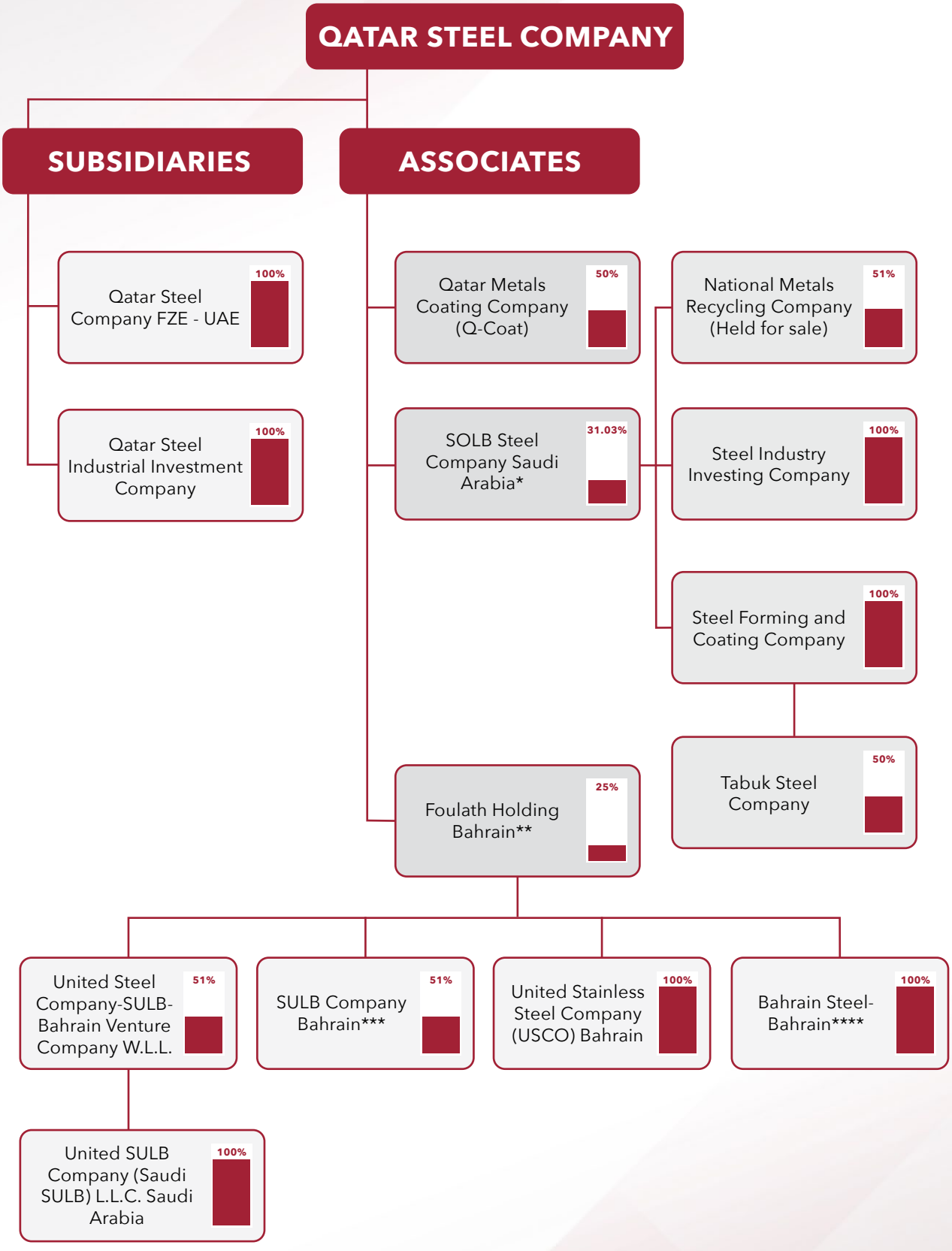
1.2 Ownership, Subsidiaries and Affiliates

Qatar Steel is fully owned since 2003 by Industries Qatar, which is a subsidiary of QatarEnergy 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/chairmans-message/investment-in-subsidiaries-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.)

1.3 Milestones & Recognitions over the past decade

2012

- Sustainable Reinforcing Steel recertification-UK CARES.
- First Sustainability Report, 2009–2011 operational, Environmental, social, and economic performance.
- First steel company in the region to be inducted into Palladium Hall of Fame for Strategy and Execution.

2013

- Received Qatar Petroleum's Award for Excellence in Sustainability Reporting for 2011
- Received UK CARES Sustainable Reinforcing Steel Re-certification
- Released Second Sustainability Report 2012

2014

- Received Waste Management Award (Category: Innovation) in Qatar Energy and Industry Sector
- QS Laboratory obtains ISO/IEC 17025:2005 accreditation from Dubai Accreditation Centre

2015

- Implemented a Sustainability Roadmap 2020 with 6 key sustainability objectives attached to specific targets that are benchmarked to 2014
- Received a BRE Global Certification for Life Cycle Assessment of our products
- Initiated a pilot project to convert our slag waste into a value-added product as a replacement of aggregate
- Initiated a transformational safety program (DuPont Method)

2016

- Became the 1st integrated steel plant in the region to achieve the ISO 27001: 2013 certification for Information Security Management Systems in recognition for its standardized and best practices implementation of state-of-the-art IT infrastructure management and Information Security management

2017

- Technical seminar on optimization of steel slag in construction and road asphalting to explore options to reuse industrial wastes
- 95,000 tons of waste EAF dust dispatched to a neighbouring cement company for reuse in cement clinker production as a sustainable solution
- Received product conformity certificate from UK CARES for newly developed QS 600 high strength rebar

2018

- Participated in WSA CO2 emissions data collection program
- Developed new rebar conforming to ASTM A706 Grade 60, certified by UKCARES
- Upgraded the Environment Management System to the 2015 version of ISO 14001 and is fully compliant with including the Ministry of Municipalities and Environment
- Upgraded the OHS management system OHSAS 18001-2007 to ISO 45001-2018

2019

- Successfully completed UKCARES certification for sustainability and responsible sourcing and received a rating of "VERY GOOD"
- Received "Safety and Health Excellence Recognition 2019" from World Steel Association for company's performance to ongoing commitment to health and safety
- Achieved zero environmental & regulatory non-conformances

2020

- First company in the Middle East and one of the four companies in the world to achieve "1 Rosette" rating
- Celebrated the completion of 12 months period without a single Lost Time Injury (LTIFR of 0) amongst its workforce, including contractors' employees, indicative of its robust safety programme and emphasis on safety above all
- Landmark 10 million man-hours without LTIFR recorded
- Received Safety and Health Recognition Award from worldsteel
- New GHG emissions methodology adopted and aligned with QatarEnergy

2021

- Released its first combined Annual and Sustainability Report
- Developed the new Sustainability Road Map 2022 - 2026 with new objectives, based on benchmarking with regional and international steel companies and in line with Qatar National Vision 2030
- Successfully completed the verification process and received the Scope 1 and Scope 2 GHG emissions verification certification
- Has been re-certified for ISO 45001:2018 and ISO 14001:2015
- With effect from 11th of April, 2021 rebars are supplied with new product tag comprising of 'QR Codes' and 'Qatar Quality Mark' as required by CARES and Qatar General Organization for Standardization (QATAR STANDARDS) respectively.
- On July 2, 2021, Qatar Steel crossed the sentimental mark of 80K followership on QS Linkedin
- Achieved World Steel Association's (worldsteel) Safety and Health Excellence Recognition 2021 (for safety culture and leadership)

1.4 Vision, Mission, Purpose, and Values

Strategy Workshops

A series of strategy workshops was conducted during 2021 to deliberate on the longer-term direction of the company. Such strategy workshops play an important part in formal strategic planning processes. The aim was to re-validate the current existing strategy and merge the bottom-up ideas from various departments with the ones cascading from the management team to ensure participation by all stakeholders were achieved. The workshops were attended by MD & CEO, Chiefs and the leadership team.

At the same time. short-, medium-, and long-term objectives were established for all departments. Different mandates were negotiated between the MD&CEO and departmental managers to ensure the desired business performances are monitored and sustained.

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)

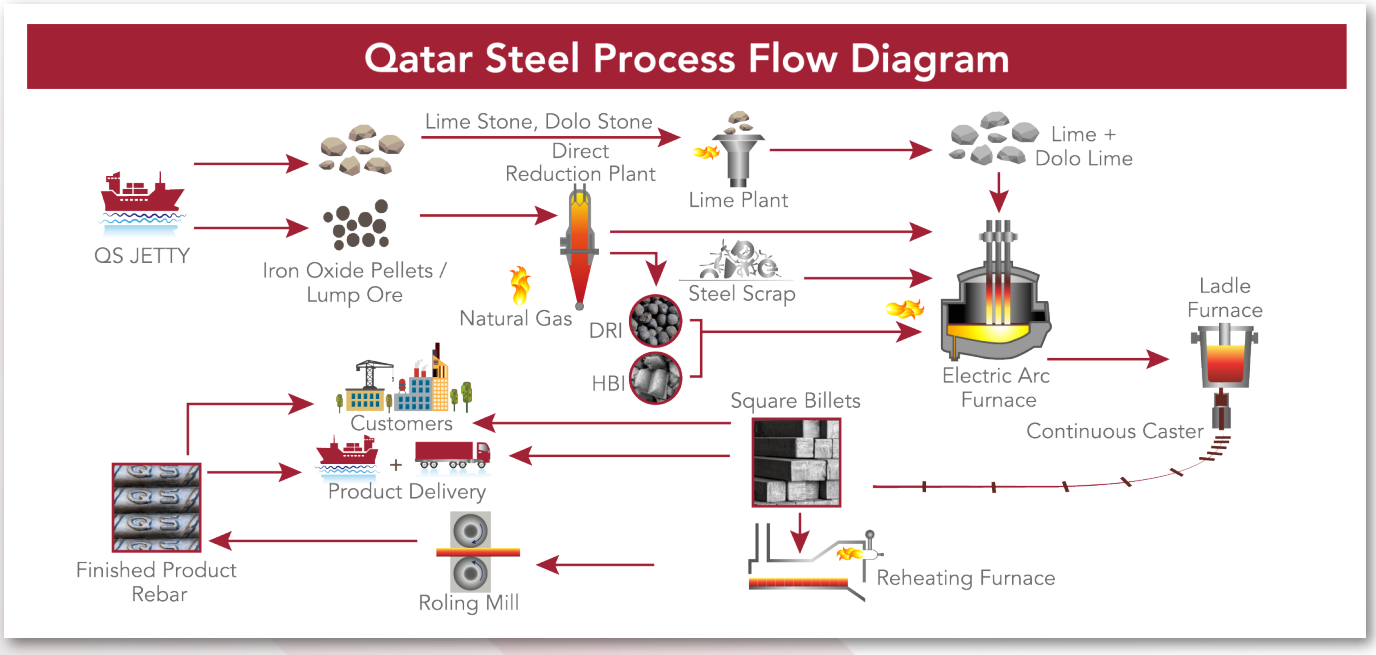
Concerning Qatar Steel's value chain:

- Products are mainly sold to Qatar and the other GCC Countries (73%) while about 27% is sold outside the region. For more details see paragraph 4.2.
- The main Raw Materials are:
  - Iron Oxide Pellets, procured from Sweden, from a supplier owning ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications and sustainability certification, and
  - Steel Scrap wholly procured locally.

Overall, 79% of suppliers are certified ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. For more details see Paragraph 6.2 of this report.

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 dololime.

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. From January 2022, DRI production has been shifted to DR2 and currently, DR1 is under mothballing.

1.7 Sectorial Outlook

In 2021, recovery from the pandemic shock turned out to be stronger than expected in many regions, despite continuing supply chain issues and COVID waves. However, a sharper than anticipated deceleration in China led to lower global steel demand growth in 2021, with global steel demand increase in 2021 equal to 2.7%.

Overall, the Covid pandemic subdued global growth, whilst the associated disruptions in the supply chain led to temporary shortages. As regions began to emerge from the current wave, and immunization levels reached a crucial threshold, the sudden, and temporary return to pre-pandemic growth rates placed further strain on the supply chain and led to rapid price inflation within the primary steel markets, in which record highs for Steel Making inputs such as Ore, Scrap and Coking Coal have been recorded.

1.8 Plant Production Highlights and Improvements in 2021

In the following table the production data and improvements carried out for each plant are provided:

DR-1

- **DR1** production for the year was 780,610 MT, most of which was consumed in-house.
- Yearly Average CDRI Metallization was 94.08% and Carbon was 2.58%
- Three consignments of DRI 96,941 MT exported.
- As part of insurance recommended project fire water sprinklers along with deluge system installed on DR-1 furnace feed conveyor.

Some of the major plant modifications in DR-1 have been:

- Top slide gate pocket modification.
- Installation of stand by Hydraulic pumps.
- Cooling gas compressor suction duct modification
- Dust collection area platform & ladder modification.

DR-2

- **DR2** was Mothballed in March 2020 due to uncertain market conditions resulting from the pandemic.
- Due to change in market situation, it was decided to restart DR-2 to increase production of DRI & HBI.
- Recommissioning activities started at the end of the year 2021 and Plant start up is scheduled in the first half of 2022.

Lime Calcination Plant

For the **Lime Calcination Plant**, the main activities and initiatives for 2021 were:

- Fixing of compressed air line provided near Raw Material Screen which has reduced extra labor for carrying heavy hoses for using pneumatic tools and maintaining housekeeping in that area
- Installation of Ventilation fan installed at lubricant storage shed which has eliminated risk of accumulation of oil rich fumes in lubricant shed
- Installation of inspection & maintenance platforms at conveyor C105, C402, gas analyzer for both kilns which has avoided the use of scaffolding and reduced the rectification time during breakdown of equipment.

Rolling Mill 2 (RM-2)

- **RM2** produced 855,284 T of finished products in 2021 considering a stoppage of 359:00 hrs. (14.96 days) due to Major shut down and adjustment stoppages in addition to 1.5 months running with low productivity profile to facilitate billet export (calculated delay 3.7days).
- Production Yield was 96.91% | Productivity was 118.41 T/Hr | Roll rotating ratio was 90.74%
- Plant availability was 7871.42 hours.
- Some of the major safety-related activities carried out during the year in RM-2 are:
- Lifting cylinder base column height increased and casted to give better strength to the base
- Safety platform fabricated for stand no.16 vertical position
- Side wall extension in cold shear zero level removed to ensure free movement of forklift in that area
- Provision made at exit of stand no.18 to collect fly bar from stand no.18 exit
- Damaged cable trays beneath furnace and quenching station realigned and replaced
- Electrical JB of stand no.7 replaced

Electric Arc Furnace 5 (EAF 5)

The main production data and initiatives for **EAF 5** are:

- Achieved Production of 1,009,621.0 MT/Y of molten steel.
- CC5 Tundish sequence average life reached to heats131.29 (2021) from 129.64 heats (2020).
- CC5 casting yield (%) reached to 99.23 (2021) from 99.21 (2020).
- Unit consumption for refractory is 6.02 kg/ MT(2021) as compares to 6.24 kg/ MT(2020)
- Increasing the Dolomite ladle bricks set consumption ratio reached up to 98.00 % (2021) from 87.00 % (2020).

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 defined for the 2022-2026 period.

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 Sustainability Development Charter (Worldsteel).

Qatar Steel submitted application for Worldsteel Sustainability Charter membership in 2021, to obtain which there were 20 criteria to be fulfilled based on the overall Sustainability Management of the company. The 20 principles covered the following topics: Climate Action, Circular Economy, Environmental Care, Safety and Health, Our People, Local Communities, Responsible Value Chains, Ethical & Transparent Operations, and Innovation and Prosperity.

In March 2022, Qatar Steel succeeded in becoming a member of the World Steel Association's (worldsteel) revised and expanded Sustainability Charter and is Qatar Steel is one among the 39 worldsteel members who have provided evidence that they are aligned with these criteria and are therefore recognized as Charter Member for a three-year period.

QS adopted an approach to manage its ESG and financial impact in a holistic approach. Thus, the company is adopting integrated thinking to measure its impact in 6 capitals:

- Human, see Chapters 8 and 9,
- Intellectual: See chapter 3.2, 3.3 & 3.4
- Manufactured, see Paragraphs 1.2 and 1.6 for a description of the assets.
- Natural, see Chapter 6,
- Financial, see Paragraph 4.3,
- Social and Relationship, for Qatar Steel's partnerships, please see https://www.qatarsteel.com.qa/chairmans-message/qatar-steel-memberships/. For how the organization interacts with its stakeholders, please see Paragraph 2.3.

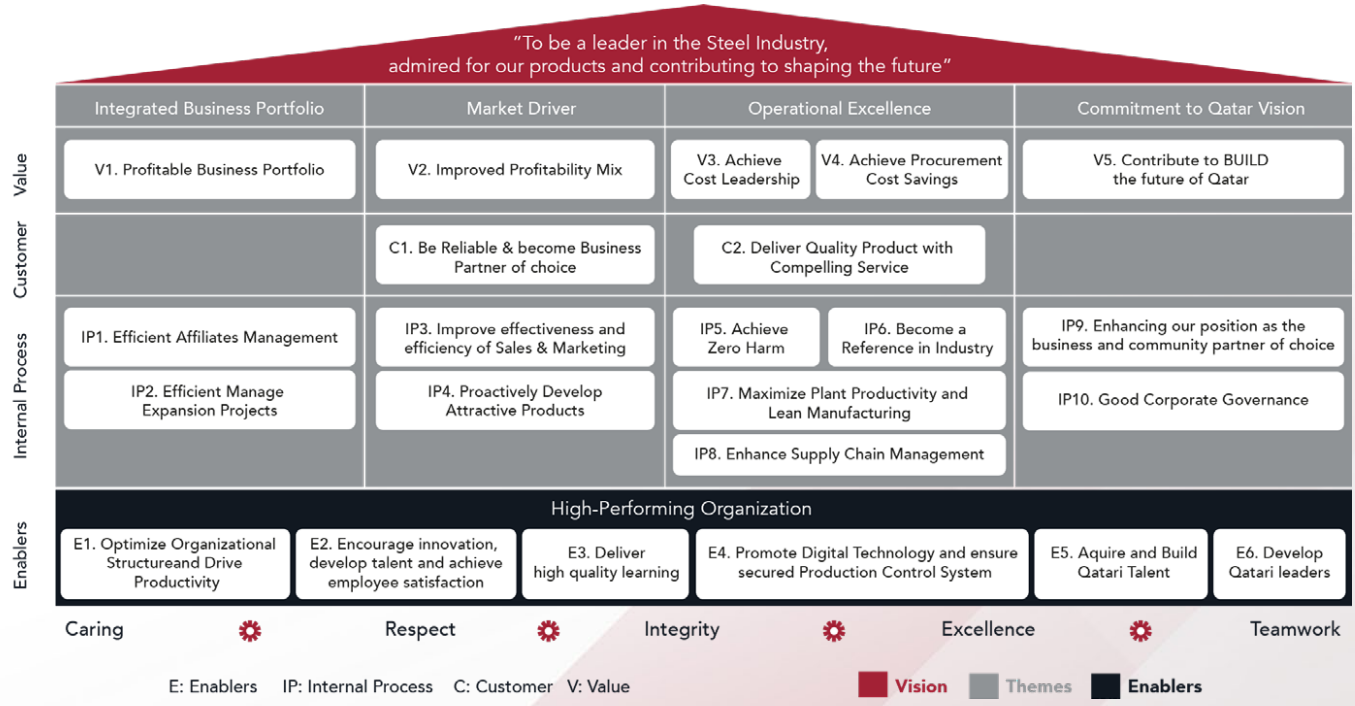
2.1 Qatar Steel Strategy Map

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.

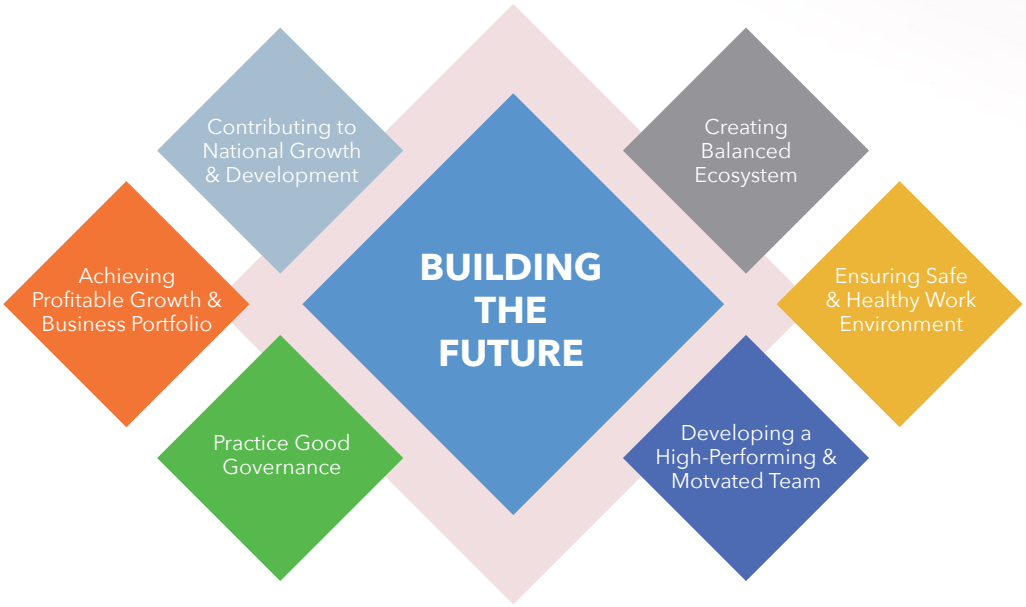
Qatar Steel's strategy map was updated in 2020 to meet the corporate objectives for the next five years and in line with the company's long-term:

Corporate Strategy Map 2021 - 2025



2.2 Sustainability Framework

Qatar Steel's Sustainability Framework is based upon major seven pillars with "Building the Future" at 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 cantered 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 (GRI 102-44). The pillars provide the foundation for the establishment and core management of sustainable development within our company. Each of the seven pillars links to material issues identified as most material to the company. These issues are monitored on a regular basis throughout the course of the year.



Sustainability Pillars	Definition
Building the Future	**Contributing to building a sustainable future in-line with QNV 2030**
Contributing to National Growth & Development	Efforts towards building a better society by imparting education, health care and employment opportunities for nationals focusing on the youth population.
Achieving Profitable Growth & Business Portfolio	Contributing to Qatar's economic growth by managing Qatar Steel's growth by seizing possible expansion opportunities in operating units [including internal up-gradation and new capacity additions] and through possible strategic investments.
Practice Good Governance	Upholding our Values, Code of Conduct, and Training & developing our team members. Promoting Risk Management Culture and positioning QS for sustained business continuity.
Developing a High-Performing & Motivated Team	Developing people to reach their full potential, improving the organization's culture, supporting different stages of career lifecycle, and encouraging a welcoming workplace.
Ensuring Safe and Healthy Work Environment	Engaging stakeholders, promoting/driving healthy and safe practices, and supporting the community
Creating Balanced Ecosystem	Efficient use of resources, awareness on 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 (GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44) 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/ QatarEnergy	Investments	Suppliers	People	Customers	Regulatory Bodies/ Steel Association
• Contributing to Qatar's national growth and development policy • Profitable growth (from current operations) • Excellent management of the investment portfolio	• Bring QS value in practices, methodologies, technology, etc. • Capitalize on growth opportunities • Compliment in production processes and materials • Reference to a leading steel manufacturer	• 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	• Attractive job (content, security, professional growth) • Reward & recognition; competitive compensation • Healthy, safe & exciting working environment • Employee engagement: Challenging Job with accountability	• Meeting the local demand for steel products • Meeting the product specifications • Sustainable on time delivery and availability • Reliable and efficient customer service	• 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
• One to One Meetings, Visits & Workshops • AGM • Board Meetings • Business Visit • Joint Programs & Partnerships	• AGM • Board Meetings • Visits	• Business Visit • Conferences & Seminars • Emails / Virtual meeting platform	• Intranet • One to One Meetings & Annual Gathering • Training Programmes • Code of Ethics & Business Conduct	• One to One Meetings	• Joint Programs & Partnerships • One to One Meetings • Conferences & Seminars • Audit Reports • Press Releases • Interviews • Sponsorships
• Industry – Academic Collaboration • Build Confidence with Local Communities • Recycling of By-Products • Financial & Economic Growth	• Financial & Economic Growth	• Quality of Goods & Services as per Contracts	• Perform Quality and Productive Leadership • Most Important Assets to run the business	• Innovative Partnerships for Sustainable Growth • Profitable Business Growth	• To Provide Fair and Clear Competitive Trading Conditions • Strongly shape reputation and promote awareness of product & operations
• Business Opportunities • Product Innovation • Revenue • Provide Support for Social & Local Community Development	• Investors Return • Sustainable Growth	• Business Opportunities • Swift Payment	• Providing Safe & Secure Experience	• Meeting local, regional and international market demands • Provide Quality Products	• Product Innovation • Economic Growth • Improving brand image

Stakeholders | Stakeholders' expectations | Ways of engaging with stakeholders | Why is the stakeholder important to us? | Why are we important to our stakeholder?

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 (GRI 102-44, GRI 102-46, GRI 102-47). As part of its sustainability management, Qatar Steel revises its material issues biennially, reviewing the changing industry context, emerging trends, and stakeholder feedback. Nevertheless, during the annual management review meeting related to sustainability management the topics are checked to assess their relevancy. In 2020, the full 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 (GRI 102-46). In this step, a list of 28 sustainability issues was identified:

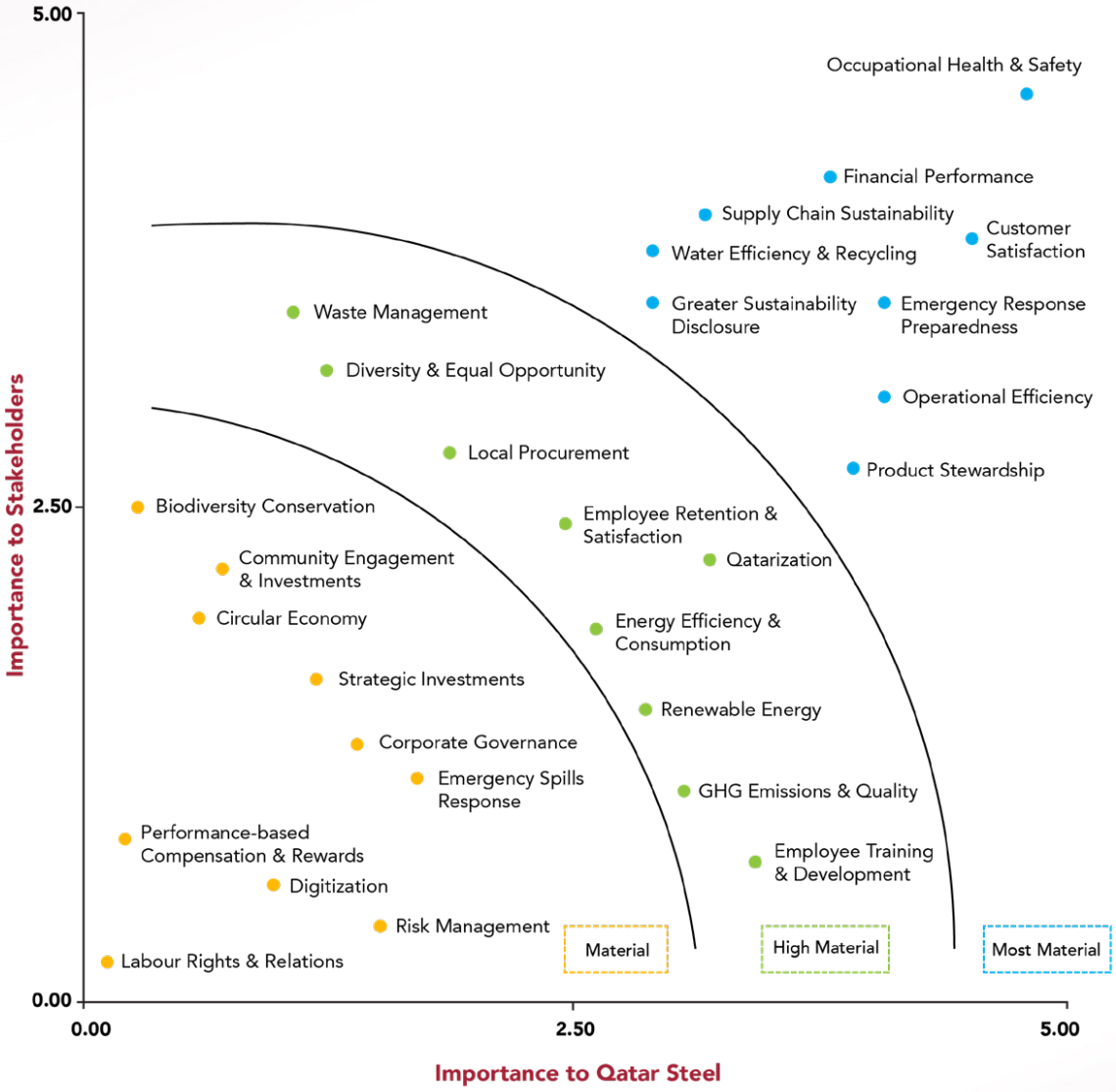
Top 28 Material Sustainability Issues for Qatar Steel			
1	Occupational Health and safety	15	Employee training and development
2	Customer satisfaction	16	Employee retention and satisfaction
3	Operational efficiency	17	Diversity and equal opportunity
4	Emergency response preparedness	18	Waste management
5	Financial performance	19	Strategic investments
6	Product stewardship	20	Community engagement and investments
7	Supply chain sustainability	21	Digitization
8	Greater sustainability disclosure	22	Risk Management
9	Water efficiency and recycling	23	Emergency spills response
10	Qatarization	24	Circular Economy
11	Energy efficiency and consumption	25	Corporate Governance
12	GHG emissions and air quality	26	Biodiversity Conservation
13	Renewable energy	27	Performance-based compensation and rewards
14	Local procurement	28	Labour rights and relations

Step 2: Level of materiality assessment

Senior management focal points of the various departments scored the importance of each issue to Qatar Steel and to their business unit's three most significant stakeholders (GRI 102-43, GRI 102-44). The results were analysed to determine the most material issues for each stakeholder group, for all stakeholders collectively, and for Qatar Steel.

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 and the Y axis represents the significance to QS's stakeholders (GRI 102-44). 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 (GRI 102-47). The same matrix is valid for 2021:

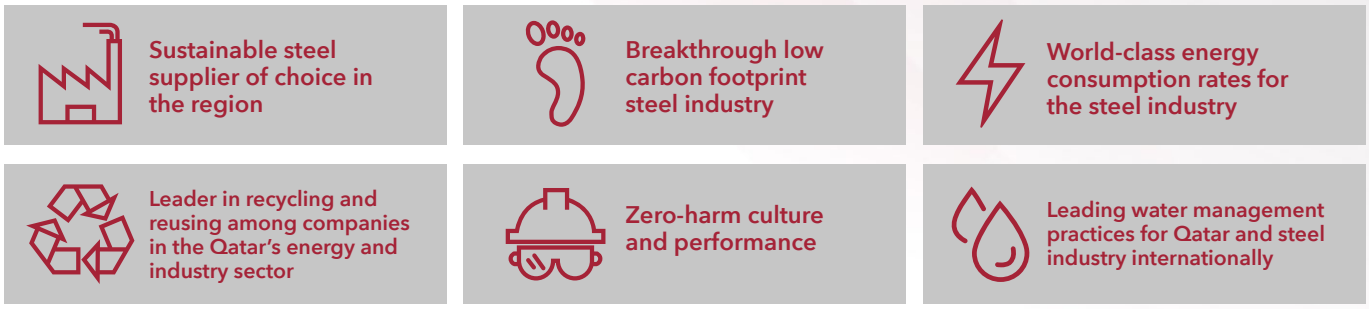


2.5 Sustainability Roadmap

In 2021, Qatar Steel proceeded with monitoring the objectives based on the Sustainability Roadmap 2016 - 2020 and it was decided to develop a new Sustainability Road Map 2022 - 2026 with new objectives, defined by benchmarking with regional and international steel companies and in line with Qatar National Vision 2030. This process was carried out and completed in 2021.

Qatar Steel's new Sustainability Road Map 2022 - 2026 builds on the previous roadmap and draws a deeper picture of the strategic objectives that will give QS a competitive edge over its regional and international peers. The previous six objectives were expanded into ten with a detailed action in place to enable QS to capture improvement opportunities and performance gaps within the short and medium-term. The new ten objectives build on the six of the previous Road Map, adjusting and adding some completely new targets: Pursuing Innovation in Green Steel Making, Nurturing Human Capital, Empowering Local Communities, and Championing Sustainability Stewardship.

Qatar Steel's current Sustainability Road Map outlines the performance targets achieved under the following six thematic objectives as shown in the following diagram:



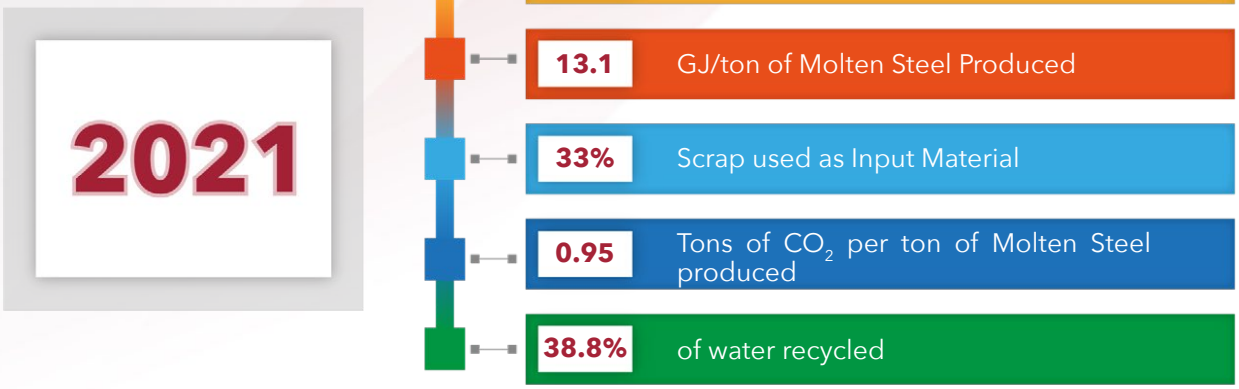
The objective of the roadmap is to define a clear path to improve the whole sustainability management plan in Qatar Steel and its plant.

Sustainability Road Map 2016 - 2021

In the following table the quantitative performances relating to the 2016 – 2021 roadmap are provided:

S.No	Objective	Baseline/Target	UOM	2016	2017	2018	2019	2020	2021	Notes
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	
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*	0.95*	In 2020 a new methodology for GHG emission calculation was introduced, which is consistent with Qatar Energy's requirements
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	13.1	
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	2,363	
		% of Scrap used as Input Material (10.9 %)	%	14.93	15.09	16.20	17.13	33.30	33.0	
		QS-By-Products Recycled/Sold for further processing (48 %)	%	-	83	59	69	62	44	The number decreases because in 2020 the quantities of oxide fines, DR Slurry, & DR fines recycled was higher than the generated quantity, including volumes from previous years. Furthermore, in 2021 there was no recycling of EAF dust by the neighbouring cement plant. However, this has reinitiated in 2022.
5	Zero Harm Culture and Performance	Zero LTIFR (QS Employees)	No	0.51	1.07	0.53	1.06	0	0.44	Qatar Steel experienced two LTI's during 2021, which resulted in the upward trend.
		Zero LTIFR (Contract Employees)	No	1.96	1.14	0.48	0.18	0	0.36	Qatar Steel experienced a few minor injuries during 2021, which resulted in the upward trend.
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	157,703	
		88% recycling rate of processed water.	%	16.50	31.69	35.90	21.00	28.17	38.82	
		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	0.61	

Highlights



Qualitative Performance 2016 – 2021

Sustainability Roadmap Objective	Progress in 2021
Sustainable Steel Supplier of Choice in the Region	• 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 has received the Quality Mark license issued by the Saudi Standards, Metrology and Quality Organization (SASO) in accordance with the standard SASO ASTM A615:2018 Grade 60. The certificate certifies that it has granted Qatar Steel the right to use SASO quality mark on the products following the fulfillment of requirements according to the related normative. This will enable Qatar Steel to export rebar to Saudi Arabia. • Qatar Steel received the Quality mark license as per KWS GSO ISO 6935-2:2012 Grade B500B-R Standard issued by the Public Authority for Industry in Kuwait. This certificate ensures that QS rebar is meeting the specified standard requirements and enables Qatar Steel to export rebar to Kuwait market
Breakthrough Low Carbon Footprint Steel Industry	• As part of a new project initiated in January 2020, Qatar Steel has started a different system based on QatarEnergy's 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 completed the initial verification process by SGS, UK of its GHG reporting and in June 2021 received the Scope 1 and Scope 2 verification certification. • The average GHG emission from Scope1 and Scope 2 has been found to be around 0.95 CO_2/ MT steel production for 2021, which is below the world average of 1.89 (according to World Steel Association standards - https://worldsteel.org/media-centre/press-releases/2021/sustainability-indicators-2021-and-our-sustainability-journey/.
World-class Energy Consumption Rates for the Steel Industry	• 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	• 376,654 MT of recycled material was used as input material. Average % of scrap recycled as feed mix in EAF was maintained at 33%, compared to the average 16% of the 2016-2019 period. • 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 1,073 metric tons of plastic and paper waste has been collected by recyclers.
Zero-Harm Culture and Performance	• Successfully re-certified according to the ISO 45001:2018 standard. • Awarded by World Steel Association (worldsteel) for "Safety Culture and Leadership". • Projects initiated for the digitization of safety-related documents (e.g., e-PTW, e-MOC, e-Investigation system, Bowtie software, etc.), which will assist operational staff. • Identified Process Safety Critical Equipment (SCE) and prepared SCE register for different operational plants. • Initiated a Process Hazard Analysis review by a 3rd party for selected plants within PSM covered process. • Implemented a new framework for rewards and spot recognition of remarkable safe behaviours from employees and contractor associates. • Continued the regular engagement with all employees in terms of training even during COVID-19 pandemic, an HSE eLearning Platform was developed
Leading Water Management Practices for Qatar and the Steel Industry Internationally	• 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. During year 2021 the installation of equipment took place.

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 & Healthy Work Environment					✓		SDG 3, 8
Creating a Balanced Ecosystem	✓	✓	✓	✓		✓	SDG 6, 7, 13
Practice Good Governance	Overall Framwork						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 dedicateded 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 2021, Qatar Steel had an annual production of 1.002 MMT (million metric tonnes) of semi-finished product (billets), 0.770 MMT of direct reduced iron (DRI), and 1.105 MMT of finished product (rebar):

Production	2019	2020	2021
Qatar Steel (in metric tons, MT)			
Direct Reduced Iron (DRI)	2,393,466	752,569	770,444
Molten Steel	2,580,956	1,228,505	1,009,621
Steel Billets	2,557,813	1,218,073	1,001,801
Rebar	1,861,587	969,171	855,284
Qatar Steel FZE (in metric tons, MT)			
Rebar	308,705	273,211	249,679
Wire Rod and Rebar in Coils	139,451	144,089	147,349

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 9001:2015, ISO 14001:2015, ISO 45001:2018, BRE BES 6001 from 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 CARES and CS2:2012 Grade 500B conforming to Hong Kong Standard Certification from 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,
- is approved by the Quality Mark license issued by the Saudi Standards, Metrology and Quality Organization (SASO) in accordance with the standard SASO ASTM A615:2018 Grade 60,
- 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. Furthermore, it helps us build and maintain trust amongst auditors and regulatory departments, locally as well internationally. Laboratory accreditation also indicates the status of being certified as a competent laboratory, thus providing a ready 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.

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

Qatar Steel has also 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.

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

3.2 Product Traceability

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

With effect from 11th of April 2021 Qatar Steel rebars are supplied with new product tag comprising Static and Dynamic 'QR Codes' and 'Qatar Quality Mark' as required by CARES and Qatar General Organization for Standardization (QATAR STANDARDS) respectively. This new initiative will further improve the reputation of Qatar Steel's rebar in terms of quality compliance, product traceability and confidence of our customers in local and international market. In 2020, CARES introduced QR codes to improve the security of the certificates of approval and the traceability of product in the supply chain. As a responsible rebar producer, Qatar Steel immediately

impressed upon studying the feasibility of adopting it using internal resources and successfully rolled out it in April 2021. Similarly, "Qatar Quality Mark" license obtained from Qatar General Organization for Standardization, Quality & Conformity Department enhances the brand image of Qatar Steel rebar compared to other competitors in terms of quality and product conformity with the approved national standards.

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 2021, Qatar Steel added two more products:

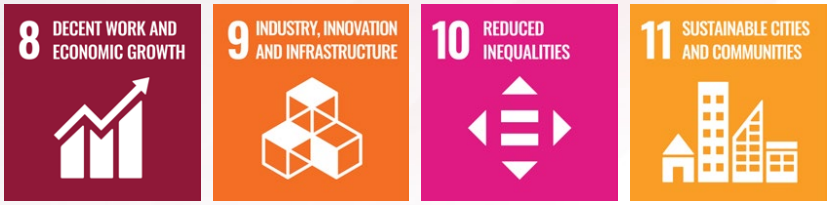
- Produced rebar complying to the standard KWS GSO ISO 6935- 2:2012 B500B-R, as released by the Public Authority for Industry, Kuwait,
- Produced rebar complying to the standard SASO ASTM A615:2018 Grade 60, as One approved by the Quality Mark license issued by the Saudi Standards, Metrology and Quality Organization (SASO).

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 was Mothballed in March 2020 but it was decided to restart the plant to increase production of DRI & HBI. Recommissioning activities started at the end of the year 2021 and Plant start up is scheduled in the first half of 2022.
2. 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. During 2021 equipment installation was carried out.

4. Achieving profitable growth



4.1 Growth Strategy

Qatar Steel has adopted a three-time horizon approach to is growth strategy hinged on the need to marry profitability with sustainability and the drive of the Qatar National Vision 2030. The company recognizes the need for Carbon Neutrality and has redrafted its Vision and Mission statement to recognize the ever-increasing responsibility business has towards achieving globally set standards, in this vain Qatar Steel became a signatory to the World Steel Associations Sustainability Charter in 2022.

Given the market situation described in Paragraph 2.6, Qatar Steel has also recognized the need for greater agility in its operations, whereby the ability to idle and restart capacity in order to meet market short term demands is paramount. Qatar Steel demonstrated this in 2022 by restarting its larger DRI facility and idling the smaller unit, thus giving a cost of production benefit and freeing additional DRI production for sale.

The company also has recognized the global trend towards Net Zero steel emissions and given that the DRI/EAF route generally has lower GHG emissions than that of the traditional BF/BOF route plants it is positioning itself to be a supplier of Carbon Neutral steel and metallics to the regional and global markets. The trend towards decarbonization will also hasten the companies drive towards diversification in saleable product range, and inroads into new markets were established in the 2021/22 period.

4.2 Operational overview

Qatar Steel undertook some strategic restructuring initiatives in 2020 to face the market situation that followed the breakout of the pandemic, yet still registered a loss. The company 2021 performance improved significantly compared to 2020 performance, mainly due to:

- Selling prices improvement: selling prices improved by 31% compared to last year, due to increase in demand linked to a rebound in construction activity. Iron ore prices on the other hand remained volatile with a significant price hike noted during the early parts of the year, followed by recent lower trajectories.

- Focused marketing: while mothballing, the Group now focus on selling in more profitable domestic market on its restricted production capacity. Nevertheless, the Group also made few international sales on opportunistic grounds, due to better international prices

- Cost optimization: continue focus on its operational efficiencies, commercial excellence, and cost reduction and optimization plans across its business.

As previously described, 2021 has been characterized by great uncertainty and therefore by the need of great flexibility. Overall, Qatar Steel rebar sales in the domestic market dropped significantly in 2021 compared to 2020 because of the near completion of major infrastructure projects associated with the FIFA world cup, although a hangover on these projects, specifically in the residential and tourism sectors, has spurred a burst in activity in H1 2022, which is though expected to wind down in Q3 2022 and cease by October so as to limit impact on the logistics related to the preparation for FIFA world cup.

In 2021, export sales in the GCC Countries were almost constant, while they increased in other markets. In particular, Qatar Steel sold its billet and rebar to SEA, Asia, and Far East markets. For figures, please refer to the following tables:

Qatar Steel FZE- Sales Data (KMT)

Sales	2019	2020	2021
Rebar	308	276	239
Rebar in Coil	4	9	19
Wire Rod	137	137	118
Total	**449**	**423**	**376**

Qatar Steel Mesaieed- Sales Data (KMT)

Products	2019	2020	2021
DRI/HBI	-	-	97
Billets (Excluding Sales to QS FZE)	691	233	257
Rebar	1,823	982	880
Total	**2,514**	**1,216**	**1234**

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

Country	2019	2020	2021
Qatar	2,372	1,164	717
GCC (excluding Qatar)	590	467	455
Others	1	7	438
Total	**2,963**	**1,638**	**1,610**
Sales Volume - %	**2019**	**2020**	**2021**
Qatar	80	71	45
GCC (Excluding Qatar)	20	29	28
Others	0	0	27

4.3 Financial Highlights (Consolidated)

Financial Performance	Unit	2019	2020	2021
Revenue	QR Million	5,096	2,995	3,886
Net Profit	QR Million	26	-1,319	711
Net Profit % of Revenue	%	1	-44	18
Total Capital employed	QR Million	7,390	5,999	6,559
Return on Capital employed	%	1	-22	11
Shareholder's Funds	QR Million	7,022	5,700	6,263
Return on Shareholder's Funds - %	%	0	-23	11
Retained Earnings	QR Million	6,484	5,165	5,726
Earnings per share	QR	1	-44	23.71
Debt to Equity Ratio	%	-	-	-
Dividend paid % of net profit	%	-	-11	84

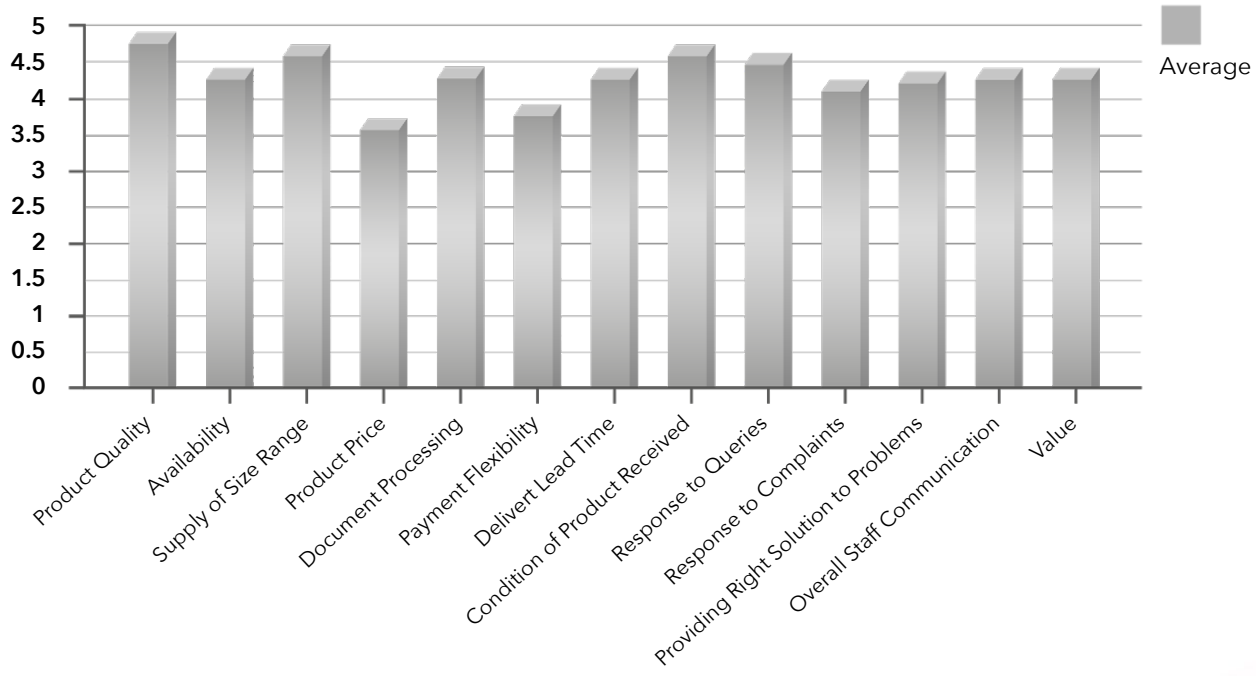
4.4 Customer Satisfaction

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 2021, 6 customer complaints were received and resolved successfully, down from 18 in 2020. 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 2021 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 14001:2015 and ISO 45001:2018 (PDCA-Plan, Do, Check and Act). 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 2021 remains on completing the system updates as well capacitating the HSE department to own and sustain the achievements of the Safety Transformation Program. Focus areas will include but are not limited to:

- Visibility of HSE coordinators in the plant
- Reduce QS employees risk tolerance levels
- Improve employees' perception of risk and ability to identify hazards
- Facilitate impactful safety interactions at the frontline using BBS approaches: In-house BBS Training commenced, and 12 sessions were conducted during 2021
- Enhance and maintain employee engagement in HSE.

    1. Safety Surveys: Implementation of recommendations from most recent Employee safety survey is underway.
    2. HSE Reward program: To promote positive reinforcement of safe behaviours on frontline, a revamped HSE Award system is being implemented by the Rewards and Recognition Committee.

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.

PSM Competency

In order to establish a process finalized at spreading safety-related knowledge and expertise, several trainings on PSM elements were conducted. The details are as follows:

- In-House sessions:

    1. Process Safety Management Awareness: Total 118 Qatar Steel Employees received full day PSM awareness session.
    2. Process Hazard Analysis Review: Total 64 Qatar Steel Employees received full day PHA review session.

- Externally provided sessions: A program defined "Process Safety Competency Program" has been rolled out, and a total of 19 Qatar Steel Employees who are members of PSM Functional Committee have successfully completed the Developing Level of Introduction to Process Safety Management (48 PDH) jointly conducted by Mary Kay O'Connor Process Safety Center and Texas A&M University in Qatar.

PSM KPI

Develop appropriate metrics for each selected PSM element. QS identified the Number of process safety events as the main PSM KPI. In year 2021 Zero Tier 1 and Tier 2 process safety events were recorded, achieving therefore the target set at 0 Tier 1 and Tier 2 process safety events.

Monitoring

Maintain standards of performance with respect to timely reporting of performance statistics: Tier 1, Tier 2 and Tier 3 Process Safety Events are monitored.

Review

Ensure Consistent Implementation of PSM Program via Internal and External Audits and Maintain a Dependable Practice

Process Safety Roadmap

Qatar Steel completed the initial stage of implementing Process Safety Management System 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.

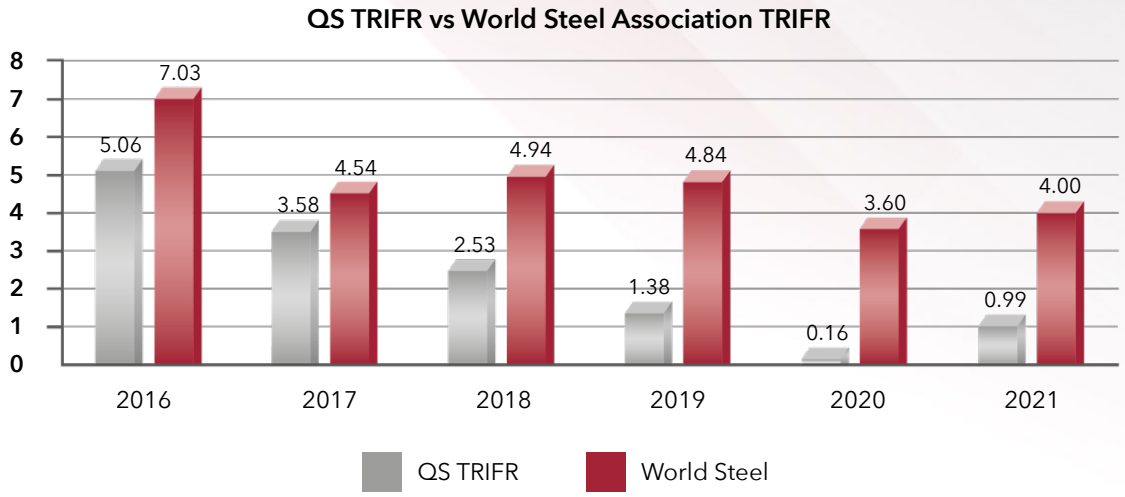
The major achievements for the PSM program in 2021 are as follows:

- An external assessment by the subject matter experts from QE MIC was conducted for the DR-1 Plant. The assessment has suggested some improvement opportunities along with identification of strengths,
- A total of ten (10) Process Safety Management (PSM) awareness sessions have already been completed according to the training plan,
- New training on Process Hazard Analysis (PHA) was launched. Four (4) PHA review training sessions have already been completed to prepare PSM committee members as competent PHA review participants,
- Process Safety Critical Equipment (SCE) register for different operational plants has been developed.
- Training on key risks have been conducted, and in particular, in 2021, Qatar Steel's safety department began the provision of comprehensive Working at Heights program in a newly developed training platform.
- After having organized an external PSM assessment by Qatar Gas Subject Matter Expert in Q4 of 2020, a second external PSM assessment was conducted by QE-MIC PSM working group in January 2021. These 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 assessments. Actions have been identified based on the nature, efforts required and priority to ensure effective implementation. The PSM elements which were prioritized are: PHA Review, Training, and Asset Integrity Management.

5.2 Qatar Steel HSE KPIs

In terms of safety performance for the year, Qatar Steel has experienced a slight increase in the number of total recordable injuries for company and contractor employees. All accidents were investigated, and the root causes identified. Recommended actions were implemented to prevent re-occurrence of the incidents.

Overall though the trend is still downward and the focus on preventing these types of injuries has been given the utmost attention. We are maintaining our focus on our zero-harm goal.



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	3.6
2021	5	0.99	4.0

5.3 Employer and Contractor Safety

Understanding the principles of behavioural safety and implementing well-planned interventions is an excellent way to continually improving work-place safety performance. The Behavioural 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	**2019**	**2020**	**2021**
Lost Time Injury Frequency Rate (LTIR)	1.06	0	0.44
Reportable Injuries	10	1	1
Reportable Cases (TRC)*	4	0.37	1.32
Man-hour Worked	3,769,208	2,732,833	2,269,703
Lost Time Injuries	4	0	1
Minor Injuries Reported	4	1	2
Near Missed Reported*	81	22	17
First Aid Cases, Employees	4	1	2
Occupational Illnesses	0	0	0

Occupational Health and Safety			
Contractors	**2019**	**2020**	**2021**
Lost Time Injury Frequency Rate (LTIR)	0.18	0	0.36
Reportable Injuries	3	0	0
Reportable Cases (TRC)	1	0	2
Man-hour Worked	5,657,090	3,515,167	2,757,025
Lost Time Injuries	1	0	1
MTC/RWC (Medical Treatment Case/Restricted Work Case)	12	0	2
Near Missed Reported*	81	0	0
First Aid Cases, Contractors*	12	10	4

In order to enhance the quality of behaviour observations and to maintain the engagement of workforce, a variety of measures were undertaken throughout 2021. 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 is 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.

Contractor Safety Management Audits

Internal audits were conducted in May 2021 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 of our long-term contract partners working at Qatar Steel. Audit recommendations include CSM Compliances, HIRA & MOS, Training & Competency, Emergency preparedness, and so on. All of the Audit findings were closed on time.

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 behaviours 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 & Anually
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

Safety and Health Recognition Award of 2021

As part of its commitment to the highest safety and health standards, the World Steel Association (worldsteel) recognises excellence in six of its member companies for delivering demonstrable improvements in safety and health for everyone that works in the steel industry, and one of these is Qatar Steel. In particular, Qatar Steel was awarded in 2021 for "Safety Culture and Leadership": The safety observation and feedback programme "SEE it, OWN it and SHARE it" was initiated in 2018 to transform Qatar Steel Company's workplace safety culture from a reactive, compliance-based culture to an interdependent culture in which people look out for each other's safety and wellbeing. With the concept of 'Care for People' at its core, this programme integrates principles of behavioural safety interactions and visible felt leadership by line management to achieve a step change in safety culture and performance. The introduction of the Behaviour-Based Safety Interactions and Visible Felt Leadership programme provided real impetus to the organisation's cultural transformational efforts by positively influencing employee behaviours and attitudes.

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 the goal of "Achieving Zero Harm", 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 behavioural 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

In alignment with the International Labour Organisation's (ILO) World Day for Safety and Health at Work and World Steel Association's Steel Safety Day, Qatar Steel organized an annual HSE Day event on 28 April 2021. In view of the COVID 19 pandemic related restrictions, instead of physical gathering, a virtual event was conducted unlike previous years. During this event, chaired by the respected MD & CEO, Qatar Steel celebrated its achievements, and focussed on creating HSE awareness on two selected Safety themes of the year namely, Process Safety Management and Moving Machinery. A number of QS staff and contractor associates were also felicitated in recognition of their contributions towards our goal of Zero Harm. Key results of annual safety audit carried out on the five most common causes of serious safety incidents were also shared with the participants during the event.

HSE Awards and Recognition for Employees & Contractors - 2021




5.4 Safety Training

Safety training topics are wide and vary from technical competence training to awareness sessions. Technical courses enhance employee skills and deepen their knowledge of worksite hazards. Meanwhile, awareness sessions improve employee understanding of general safety protocols and procedures.

eLearning Safety Awareness

To continue regular engagement with all employees in terms of training, an HSE eLearning Platform was developed to provide awareness to employees on various subjects.

Every employee must be made aware of the worksite hazards. Not only the safety aspects: unsafe acts and unsafe conditions, but also on health and environmental hazards. For this purpose, awareness courses were designed, developed, and initiated on the new HSE eLearning Platform and they covered Occupational Health and Environment. The Occupational Health Awareness course addressed health hazards that can arise within plants and other premises, and what controls need to be implemented to correct the hazards.

Technical HSE Training

HSE Training on key risks are being conducted based on Qatar Steel HSE procedures. Certified training is provided by a number of third-party providers through Learning & Development Department. Certified 3rd party training focuses on First Aid Training, Permit to Work, Confined Space Entry, AGT, etc. Internal trainings are covered mainly by Qatar Steel HSE Trainers with the support from BBS Officer, Process Safety Engineer, and Fire fighters on particular key risk subjects. Internal training includes HSE induction for newly joined employees, yearly HSE Refresher training, Working at Heights, Accidents Investigation, Chemical Handling, Process Safety Management, Behavioural Based Safety and Radiation Safety Awareness, and so on.

Practical Demonstration Sessions

The HSE department established a new training facility for practical training demonstrations. In 2021, Qatar Steel's safety department began the provision of comprehensive Working at Heights program in a newly developed platform. The technical aspects of inspecting fall arrest equipment, fall distance calculation, and other fall protection systems used in Qatar Steel were examined and demonstrated.

5.5 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 2021 n.10 surprise mock drill conducted for different scenarios with the proper precaution of COVID-19 protocol.

In 2021, Fire water network extension project completed and the fire water network covered the area of Rolling Mill, SMS and Jetty area.

In order to strengthen the fire and emergency response capacity at Qatar Steel, a new firefighting project initiated for Hydraulic rooms, cable cellars/tunnels and Central warehouse rack protection.

A project for expansion of the firefighting system for a centralized firefighting and alarm system in the HSE office was 80% completed.

(Photos refer to the Fire Water extension project)

5.6 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 and was continued in 2021.

Qatar Steel maintains a strong security system based on sound measures, including regular patrols and a CCTV system which provides 24/7 site monitoring.

In order to strengthen the security, a new project initiated to implement a security access control system. The project will allow to monitor the access of contractors and visitors to the site through access control readers.

5.7 Occupational Health

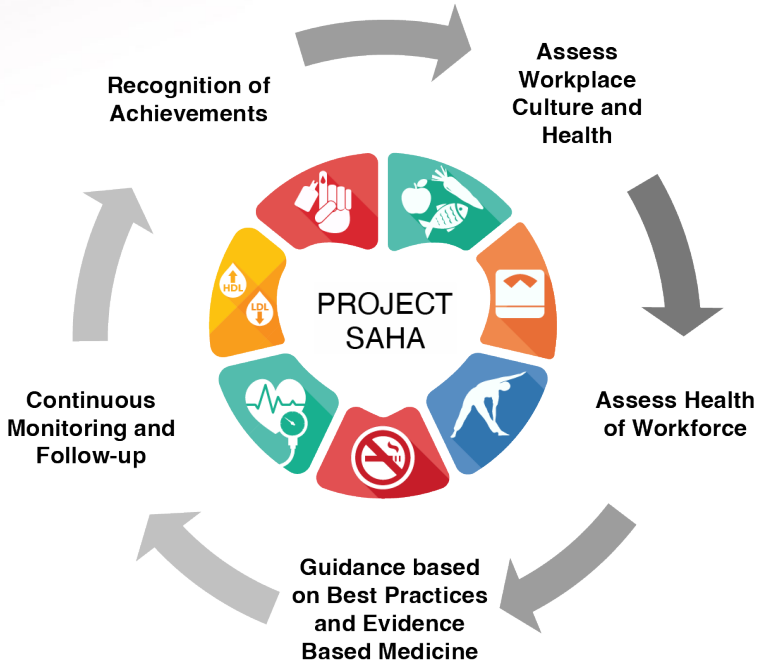
Qatar Steel's Occupational Health Centre (OHC) has three main domains: Primary Health Care, Occupational Health Services, and Emergency Medicine. The Centre aims to maintain and improve employees' health and well-being through pre-employment medical exams, periodic medical exams, and special exams for 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. For year 2021 the following figures can be highlighted for the QS Medical Service (QSMS) Department:

- a total of 4288 Qatar Steel Employees and 187 contractor employees were consulted in primary and urgent care facilities at Qatar Steel Medical Services,
- a total of 1054 (98.23 %) Qatar Steel and Q-Coat employees are now fully vaccinated and a total of 560 employees (~50.13%) have completed their 3rd dose till date,
- a total of 151 Employees were trained as Designated First Aiders with the internationally recognized certification of HABC
- QSMS received the License to operate a Pharmacy from MOPH linked with the existing Clinic in early 2021.

Additionally, in 2021 QSMS has successfully completed all three phases of Project SAHA: Objective of Project SAHA (HEALTH in Arabic) is to promote employees' health and wellness, targeting employees with chronic diseases and lifestyle risk factors.

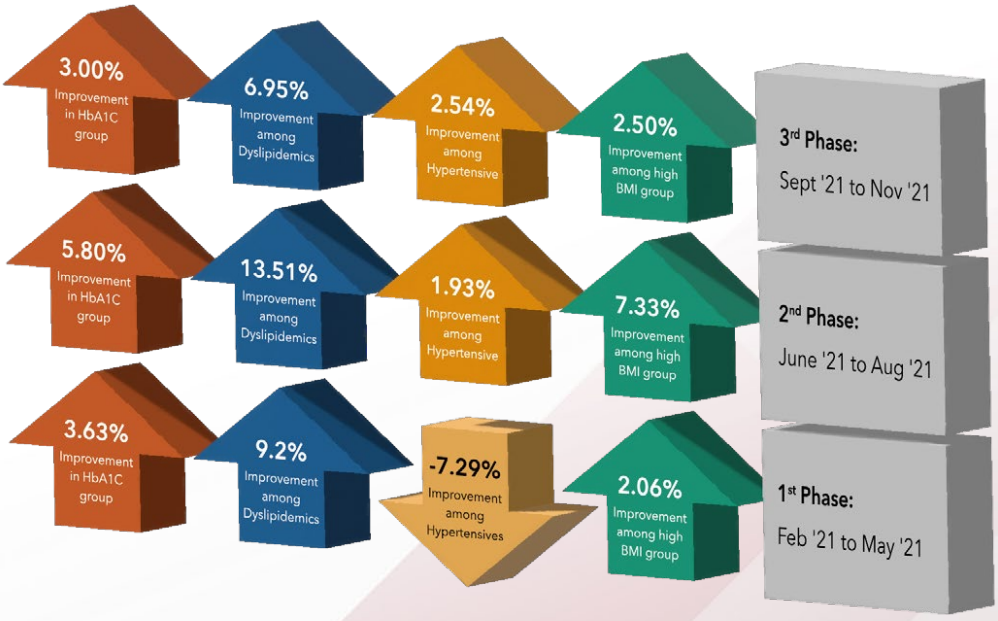
In particular, Project SAHA encourages a healthier lifestyle by implementing the "Simple 7" steps: Get Active, Eat Better, Lose Weight, Control Cholesterol, Manage Blood Pressure, Reduce Blood Sugar, and Stop Smoking.

The process is carried out as visually shown in the following figure:



The group of employees will be reassessed against their individual parameters and health education provided with a more focused approach. The three phases were rolled out as follows and the overall improvement of the parameters are shown in percentages in the figure below:

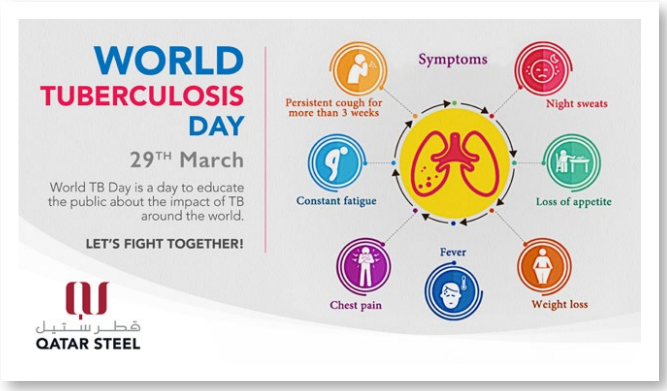
- First Phase: February'21 to May'21
- Second Phase: June'21 to August'21
- Third Phase: September'21 to November'21



5.8 Health Promotion

Various Health Promotional activities & health tips circulated during 2021, as listed below:

- COVID-19 Vaccination Hesitancy Flyer
- World Hand Hygiene Day 2021- "Save Lives: Clean Your Hand"
- Eid Holiday Precautionary Measures
- World Hypertension Day 2021 – "Measure your Blood Pressure, Control It, Live Longer"
- World Health Day 2021



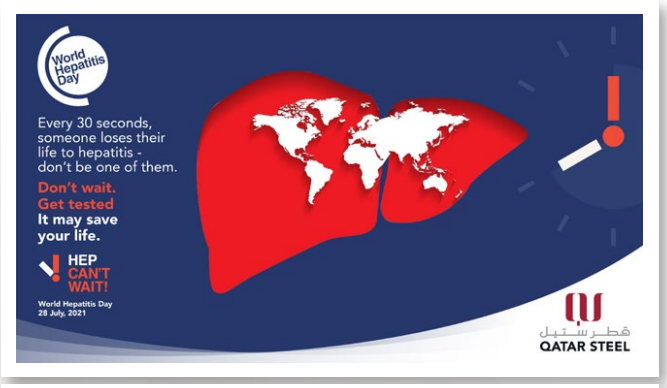
March 2021:
WORLD TUBERCULOSIS DAY

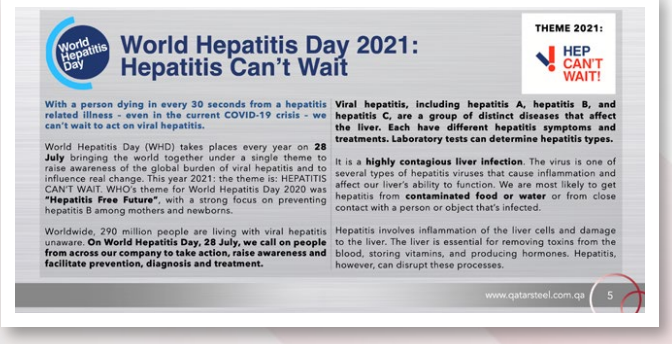
Qatar Steel recognize World TB Day on March 24. This annual event commemorates the date in 1882 when Dr. Robert Koch announced his discovery of Mycobacterium tuberculosis, the bacillus that causes tuberculosis (TB).

On this occasion Qatar Steel took the opportunity to educate the public about the impact of TB around the world through visual creations. Virtually we raised the awareness of the challenges that hinder our progress toward the elimination of this devastating disease.

May 2021:
WORLD NO TOBACCO DAY

On the occasion of No Tobacco Day, we at Qatar Steel took the opportunity to inform the community in general on the dangers of using tobacco, and what people around the world can do to claim their right to health and healthy living and to protect future generations

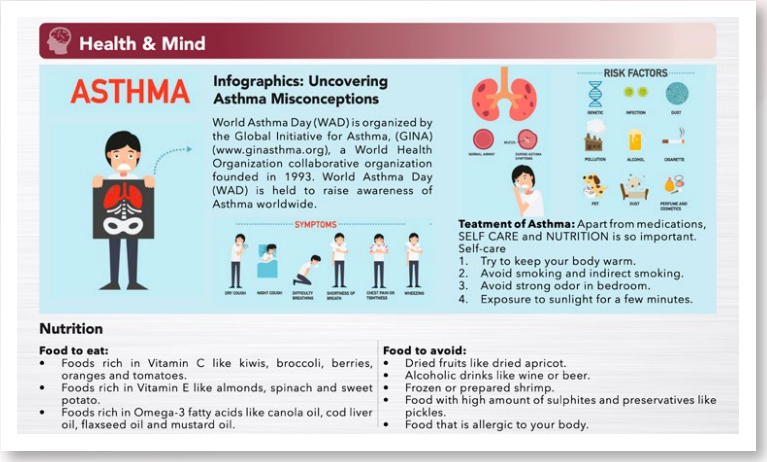




July 2021:
WORLD HEPATITIS DAY

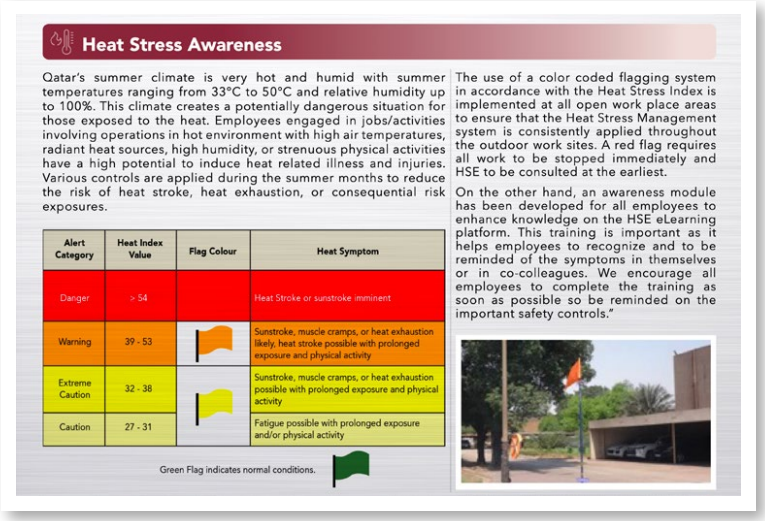
At Qatar Steel we used social media platform to raise the awareness. The visual impact of video attracted more public for engagement in social media.

We raised our voice through our Newsletter as well.



July 2021:
AWARENESS AGAINST ASTHMA

Through our Newsletter, we propagated awareness against asthma.



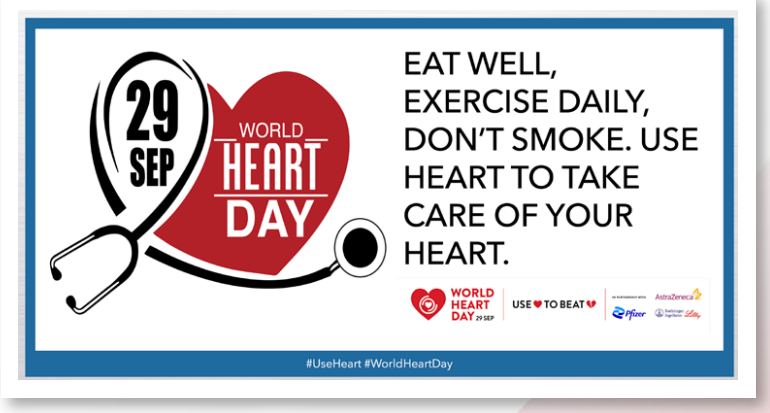
HEAT STRESS AWARENESS DURING SUMMER MONTHS

The issue was well raised through our newsletter and a detailed awareness campaign was made among employees to benefit them as well as to their families.

September 2021:
WORLD HEART DAY

At Qatar Steel we stimulated 'know your risk campaign' through posters and post in social media.

On the occasion of World Heart Day, it was also raised through our newsletter as well.



October 2021:
WORLD MENTAL HEALTH DAY

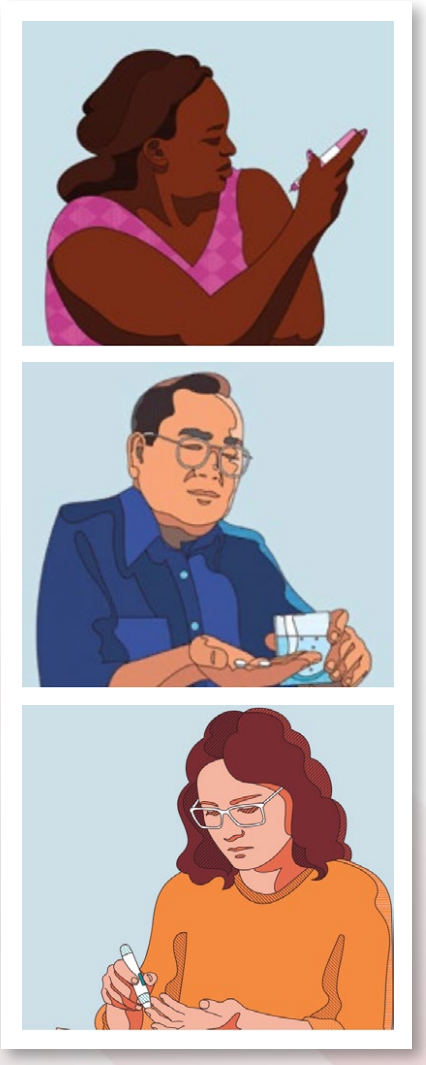
The objective of World Mental Health Day is to raise awareness of mental health issues around the world and to mobilize efforts in support of mental health.

The Day provides an opportunity for all stakeholders working on mental health issues to talk about their work, and what more needs to be done to make mental health care a reality for people worldwide.

During the period of COVID 19, it was direly felt and we are Qatar Steel tried to connect all our employees through emails and phone calls.

October 2021:
BREAST CANCER AWARENESS CAMPAIGN

The month of October is considered as Breast Cancer Awareness Month, an annual campaign to raise awareness about the impact of breast cancer. At Qatar Steel we joined to RISE together to help uplift women in need.



November 2021:
WORLD DIABETES DAY

World Diabetes Day is the primary global vawareness campaign of the diabetes and is held on November 14 of each year. Each year, World Diabetes Day is centered on a theme related to diabetes. The theme for World Diabetes Day 2021-23 is 'access to diabetes care'. 100 years after the discovery of insulin, millions of people with diabetes around the world cannot access the care they need. People with diabetes require ongoing care and support to manage their condition and avoid complications. We need to take on the challenge.

Fundamental components of diabetes care include: Access to insulin, Access to oral medicines, Access to self-monitoring, Access to education and psychological support, Access to healthy food and a safe place to exercise.

Qatar Steel Medical Services has successfully completed 3rd phase of 'Project SAHA". This initiative was exclusively focused on assessment of health risks like Diabetes. We are pleased to inform you that, our guidance based on evidence based medicine, continuous monitoring and follow-up, we has achieved 4% improvement in parameters of employees suffering from Diabetes. During this World Diabetes Day, we were delighted to reward all those employees, who have actively participated in this campaign and worked towards their health and our objective of 'Healthy Workforce'.

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 CARES), and which also meets the requirements of the Environment Protection Regulations laid down by the Ministry of Environment and Climate Change (MoECC - Qatar). As part of our effort towards constant improvement of systems and processes, internal audits were conducted by Qatar Steel internal auditors.

At Qatar Steel, we regularly track our compliance with regulatory requirements related to the environment through the establishment of procedures for the 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, Qatar Energy/MIC, and MoECC. For ensuring compliance with Consent To Operate (CTO) permits issued by the Ministry of Environment and Climate Change (MoECC - Qatar), Qatar Steel has developed a monitoring plan for point source air emission, noise level, ambient air quality, hazardous waste, groundwater 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 Environment and Climate Change (MoECC - Qatar) 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.

As previously stated, awareness courses were designed, developed, and initiated on the new HSE eLearning Platform and they covered Occupational Health and Environment. Environmental Management Awareness module covered aspects of Environmental protection, and measures to keep the environment safe.

To participate in the worldsteel CO_2 emissions data collection programme, Qatar Steel submits CO_2 emission monitoring data to Worldsteel annually. In year 2021, Qatar Steel Company (QPSC) received a recognition for its 10-year participation in the "Worldsteel Climate Action Data Collection Programme" as climate action data provider.

6.2 Responsible Sourcing and Material Consumption

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.

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 9001:2015 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 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 CARES Audit and valid until 20th October 2022.

Qatar Steel holds BRE BES 6001 Issue 3.1 responsible sourcing certification from 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" is continuously working to further enhance the rating.

Qatar Steel's materials management was used to prepare a case study entitled "How Qatar Steel promotes responsible materials management" and published in April 12, 2021 (Case study: How Qatar Steel promotes responsible materials management - SustainCase - Sustainability Magazine) on the Sustaincase website.

In 2021, the process of drafting the policy relating to responsible sourcing was started. The policy aims at defining how Qatar Steel will work with its suppliers and sets the minimum standards Suppliers have to satisfy in terms of compliance to Sustainable Development principles. The topics addressed in the policy relate to Fair Business Practices, Health and Safety, Environmental Protection, and Human Rights.

Furthermore, in 2021 mapping of all the Tier 1 suppliers was carried out, and the evaluation of their performances over selected kpis relating to Quality Management, Environmental Protection, Social behaviour, Economic contribution to society, Ethical Behaviour, and Sustainability Reporting.

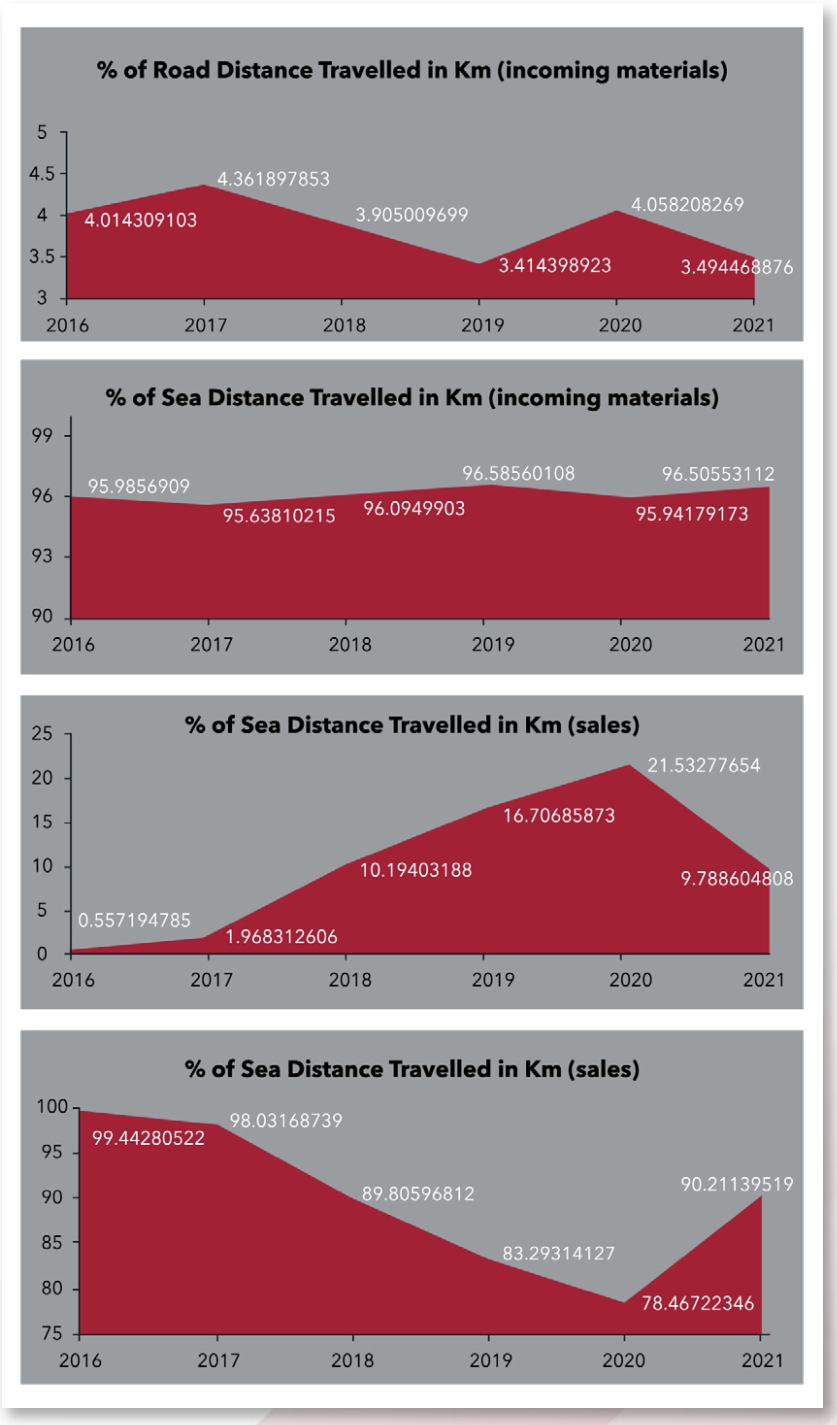
For more information please consult: https://www.qatarsteel.com.qa/creating-a-balanced-ecosystem/responsible-sourcing-and-material-consumption/.

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. For the purpose, 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	2019	2020	2021
Incoming Raw Material			
Distance travelled by sea in km/ton	0.095	0.277	0.147
Distance travelled by road in km/ton	0.004	0.012	0.005
Total Distance travelled by both land and sea in km/ton	**0.098**	**0.289**	**0.152**
Sale Product			
Distance travelled by sea in km/ton	0.15	0.41	0.12
Distance travelled by road in km/ton	0.77	1.18	1.06
Total Distance travelled by both land and sea in km/ton	**0.925**	**1.597**	**1.180**



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 2021, 376,654 metric tonnes of recycled material including steel scrap, MgO-C bricks etc. 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)	2019	2020	2021	Notes
RBQ (Reduced Briquettes)	86,507	22,244	-	In 2021 the plant was mothballed
Scrap (Purchased locally and Internally Generated)	499,795	464,887	370,990	
Lump Coke (from neighboring Aluminum Company)	4,648	3,501	2,279	
Cryolite (from neighboring Aluminum Company)	641	159	84.35	
MgO-C bricks	-	-	3,300	The initiative was successfully started in 2021
Total Recycled Input Material	**591,591**	**490,791**	**376,654**	

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.

	2019	2020	2021
Diesel Consumption - Fleet (GJ)	93,639	43,407	32,672
Gasoline Consumption - Fleet (GJ)	4,964	2,962	2,796
Natural Gas (GJ)	30,229,449	10,628,470	10,429,123
Total Direct Energy Consumption (GJ)	30,328,052	10,674,839	10,464,591
Total Indirect Energy -Electricity Consumption (GJ)	7,568,203	3,447,963	2,770,400
Total Energy consumption (GJ)	37,896,255	14,122,802	13,234,991
Energy intensity (GJ/Tonnes of molten Steel Produced)	14.68	11.50	13.11

In 2021 there has been a reduction in energy consumption compared to 2020 across all categories. This is in part due to reduced production compared to the previous year, as well as the sustainability measures and strategy implemented at Qatar Steel, for example through the implementation of the project for electric power factor improvement: 6 units of capacitor banks for electrical power factor correction were installed at DR1, DR2, RM1, RM2, main substation and EAF5. This project improved the electrical power factor from 0.85 to 0.99.

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).

Opportunities for renewable energy projects such as installing a solar power plant are under collaborative feasibility study. This collaboration would support the reduction of natural gas and electrical power consumption, and GHG emission.

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 (CO_2), 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 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 favour 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 Qatar Energy. Qatar Energy has appointed SGS, UK as the third-party verifier for the GHG report verification and Qatar Steel has successfully received the verification certificates from SGS, UK in 2021.

With the new calculation system. the average GHG emission from Scope 1 and Scope 2 has been found to be around 0.95 MT CO_2/MT steel production which is quite below the world average of 1.85 (according to World Steel Association standards).

Please see Scope 1 and Scope 2 GHG Report in https://www.qatarsteel.com.qa/certifications/

Data	2019	2020	2021
Scope 1 - Direct GHG emissions (tonnes of CO_2eq)	1,540,456	683,740	591,301
Scope 2 - Indirect GHG emissions (tonnes of CO_2eq)	1,813,498	456,759	367,102
Total GHG emissions (tonnes of CO_2eq)	3,353,955	1,140,499	958,403
Total GHG emissions intensity (tonnes of CO_2eq/ tonnes of molten steel produced)	1.30	0.93*	0.95*
*Started Following QatarEnergy method for calculating GHG			

Mothballing of DR2, EF3 and EF4 and RM2, caused a reduction in Natural Gas and Electricity consumptions, which in turn resulted in a reduction of direct and indirect GHG emission. Furthermore, the increase in consumption of recycled scrap (>33 %) in EAF, allows a reduction of GHG emissions compared to previous years.

A trial for recycling MgO-C bricks was conducted successfully at EAF and around 3000 Tons has been consumed successfully. MgO- C bricks are used as a partial replacement of dololime in EAF as flux. Dololime is produced in Lime Calcination Plant generating CO_2 (Direct Emission) due to combustion of Natural Gas and process emission due to conversion of dolostone to dololime. These contribution to CO_2 emission is reduced by utilizing recycled MgO-C bricks.

Several initiatives to further reduce the total GHG Emission such as Carbon Capturing and Utilization, MIDREX H2 process etc. are under early stage of discussion and require detailed feasibility study and necessary approvals.

Flare Reduction

Data	2019	2020	2021
Gas Flared (MMSCF)	0.8181	0.7685	0.5109
Total Natural Gas Consumption (MMSCF)	28,236	9,928	9,741
Total Natural Gas Consumption in Nm^3	756,492,715	265,977,723	260,989,069
Flare Intensity (Gas Flared in MMSCF/Total Natural Gas Consumption in MMSCF)	0	0	0

The lower number of plants in operation and the overall reduction in consumption of Natural Gas allow to achieve a reduction in flaring.

Methane Emissions Reduction

Methane emissions through combustion of natural gas and flaring is taken into account in the calculation of the Scope 1 emissions of the plant. Another source of GHG emissions is through methane fugitive emissions and losses.

In order to manage and reduce these, Qatar Steel has implemented a program to monitor and control losses of natural gas in two steps.

As from year 2019, a Survey of Natural Gas Pipelines called LDAR (Leak Detection & Repair) by third-party was initiated to monitor the gas leakages within Qatar Steel plant. The monitoring is extended to any potentially leaking equipment, such as valves, pumps, Flanges and connectors The final maintenance survey report (Methane emissions & LDAR) supports in assessing the reduction in emissions due to repairs of the faulty equipment. Thanks to this program, in 2021 11.398 tons of CH4 emissions were avoided. In the following table it is possible to see how the fugitive emissions of methane have decreased thanks to the implementation of this program:

Data	2019	2020	2021
Methane emitted (Tons) - Fugitives	16.132	11.398	8.177

The second program implemented is the "Integrity Testing of Pipeline & Vessels Integrity Program", started in 2020 and still ongoing. The objective of this program is to support maintenance of methane pipelines in order to early detect any deterioration that could lead to methane losses. In this program API Inspector/Engineer shall map out the condition of Natural Gas pipeline & pressure vessels and accordingly develop the inspection & testing plan in order to carry out NDT of pipelines & vessels. After carrying out NDT, the FFS (Fitness for Services) & RLS (Remaining Life Services) assessments will be carried out.

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 Energy. 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, and manual stacks monitoring where CEMS is not installed.

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 Qatar Energy - MIC and MoECC - Qatar (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	2019	2020	2021
SOx emitted (tonnes)	1,196	211	96.5
NOX emitted (tonnes)	1,032	538	460
Particulate Matter (PM) (tonnes)	978	326	205.5

The reduction in these emissions is due to mothballing of several plants, leaving fewer actually in operation.

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 wastewater.

Water Management	2019	2020	2021
Freshwater Used (purchased, m^3)	1,554,644	673, 570	437,609
Processed Wastewater Discharged (to sea, m^3)	617,794	222, 795	157,703
Water Recycled or Reused (m^3)	289,130	64,639	95,991
Water Recycled (%)	21.00%	28.17%	38.82%
Water Intensity (Freshwater Used / Metric Tonne of Molten Steel)	0.60	0.59	0.61

The reduction of freshwater consumption is due to the lower production rate of the plants. 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 water is recovered, and contaminants are reduced to solid waste. Qatar Steel is in the process of construction of a NZLD plant, with the equipment installation in progress as from 2nd quarter 2021.

6.8 Waste management and 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 and MoECC - Qatar 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.

Detailed by-product Management Performance for year 2021				
By-product	**Generation (Total) in metric tonnes**	**Recycled/ Sold (Total) in metric tonnes**	**% Recycled/ Sold***	**Method of Disposal**
Oxide Fines	29,894.23	17,820.00	60	Sold to External Customers
Mill Scale	10,249.82	8,084.88	79	Sold to External Customers
DR Slurry + Classifier dust	7,296.53	9,500.08	130	Sold to External Customers
DR Fines / HBI Fines	10,164.96	3,744.65	37	Sold to External Customers and recycled internally
DR dust	7,485.69	0.00	0	Stored in yard.
EAF Dust	21,299.84	0.00	0	Stored in yard.
Alloy dust	497.33	0.00	0	Stored in yard.
EF Slag	99,713.56	71.35	0	Stored in yard.
LF Slag and collected dust	20,840.31	0.00	0	Stored in yard.
Undersize Limestone (PM-LSF)	3,303.00	1,643.00	50	344 Tons recycled internally for landfilling. 1299 Tons recyled for pulverizing to use it in DR plant
Undersize dolostone (PM-DSF)	2,464.69	13,727.09	557	11676 Tons sold to external customers 2051 Tons recycled internally for land filling/ yard.
Lime fines - pulverized lime	1,175.00	3,232.00	275	Sold to External Customer
Dololime fines (BP-DLF)	526.00	1,398.00	266	Sold to External Customer
Return Scrap + SSPM	36,738.51	46,378.71	126	Recycled at EAF's
Bricks / Refractories / Roof/ Tundish	47.47	3,302.99	6,958	MgO Bricks were recycled at EAF as a partial replacement of dololime.
Grand Total	**251,696.94**	**180,902.74**	**43**	
* A percentage higher than 100> indicates that the material recycled was generated in years previous to 2021				

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 resulting negative environmental impact, we started segregating waste from the source point of generation and diverted the recyclable waste to recyclers.

Colour 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 labelled, are placed in different parts of plant and office areas to collect wastes in a segregated manner.

In 2021, 1,073 metric tons of non-hazardous waste was collected and disposed as detailed in the following table:

Detailed waste Management Performance for year 2021				
Non-Hazardous Waste	**Generation (Total) in metric tonnes**	**Recycled in metric tonnes**	**% Recycled/ Sold**	**Method of Disposal**
Wood	548.42	0	0	Landfilling
Domestic Waste	264.42	264.42	100	Recycle
General Waste	187.60	0	0	Landfilling
Plastic	67.78	67.78	100	Recycle
Paper	5	5	100	Recycle
Grand Total	**1,073**	**319.2**	**29.7**	

The management of the hazardous waste is carried out as detailed in the table below:

Hazardous Waste Generation and Disposal Method					
Type of Waste	**Nature of Waste**	**Yearly Generated Quantity (Unit: Tonnes)**	**Recycled in metric tonnes**	**% Recycled**	**Point of generation and Waste Handling/Management**
Disposed Oily Sludge & Grease	Semi-Solid	65.60	65.60	100	Maintenance Areas -Disposed to local company Al Haya and QLP. Both do recycle of used oil.
Medical Waste	Solid	0.14	0	0	Clinic - Disposed to local company Boom, method of handling: incineration without energy recovery
Silica gel	Solid	2.00	0	0	Expired Vulcanizing Material - Disposal through Contractor / Contract is given to Al Haya company – pre-treated and then incineration without energy recovery
Electronic Waste including ink cartridge	Solid	5.87	5.87	100	Repaired and maintenance - Disposal through Contractor / Contract is given to Al Haya company, sold outside Qatar for recycling
Grand Total	**-**	**73.61**	**71.47**	**97.46**	

6.9 Biodiversity and 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 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 MoECC - Qatar and local authority at Qatar Energy-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 MoECC for analysis of gases, particulate matters, blown down water (processed water) discharge analysis, noises, and other environmental factors.

A Biodiversity Impact assessment was carried out in 2021, which concluded that as Qatar Steel's operations are not conducted in areas of high biodiversity value and do not have a harmful impact on the biodiversity of the region, no further action or study is required. Nevertheless, to improve biodiversity in the company's premises, QPSC planted around 139 different varieties of trees in year 2021. The planted trees species are Ziziphus spina-christi, Acacia Tortilis and Mesquites, which are all native to Qatar and are able to sustain in the local climate and allows to enhance biodiversity within the plant area. The Tree plantation initiative will be continued in 2022.

A study regarding the ecotoxicity of the substances utilized in Qatar Steel's plants has been commissioned and carried out in 2021. This shows that the only substances of concern used in the plants are Sodium Tetraborate and Titanium Oxide quantities max equal to 0.02%). Qatar Steel conducts periodical analysis to search such compounds in seawater and groundwater, and these are always below the detection limits of the methods and periodic inspection and audits to cover for correct disposal of empty chemical containers are carried out.

7. Contributing to National Growth and 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:

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. In particular, one tool used by the organization is the "Organizational Cultural Survey" which aims at assessing the working climate and gain insights for improvements. Please see Chapter 8 for further details.

3. Focusing on education: We provide educational opportunities through scholarship and sponsorship programs, as well as alternative work arrangements for newly hired Qatari trainees.

Qatar Steel's target is to reach 20% Qatarization in the next five years. At date, these are the performances achieved:

Qatarization	2019	2020	2021
Qatari employees	157	158	152
Qatarization rate (%)	8.56	14.74	14.31
Qatari new hires	3	11	1
Qatari Senior Management (New Hire)	0	1	1

For its achievements in the past, Qatar Steel received several Qatarization Awards:

- **2014:** Supporting Qatarization
- **2016:** Support for Learning and Development
- **2017:** Support and Liaison with the Education Sector
- **2020:** Supporting Qatarization

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 2021, 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.

January 2021:
WORLD BRAILE DAY

World Braille Day is celebrated on the 4th of January as it marks the birthday of Louis Braille. Louis was born in France in 1809, and he was blinded in a childhood accident. However, he was determined to overcome this setback, and, inspired by Charles Barbier's night reading system, he invented what we now know as braille.

On the occasion of World Braille Day, Qatar Steel took the chance to raise awareness of the issues impacting those who are visually impaired. The invention of braille has transformed the lives of those with visual impairments, and it promotes equal opportunities. We hope that, by highlighting the methods, the world will make greater attempts to promote inclusion.

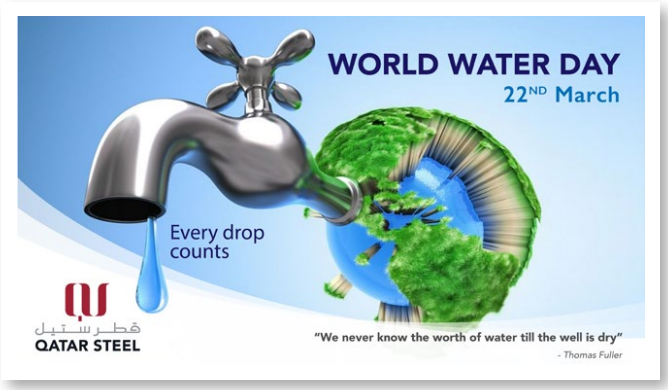
February 2021:
QATAR SPORT DAY

Within the limitation of COVID protocol and in an effort to prevent any employee and their families from spreading and infection of the disease, Qatar Steel celebrated the event virtually. This event is scheduled every year on the second Tuesday of second month of the year.

Consistent with our efforts to promote the benefits of an active healthy lifestyle and fitting society, Qatar Steel participated in the celebration of National Sports Day reflecting the vision of country's wise leadership for building fit individuals and strong society. The message was loud and clear that sports should be a part of the culture and life of individuals and society and is an important aspect of our nation's investment in human development.

March 2021:
INTERNATIONAL WOMENS DAY

International Women's Day (March 8) is a global day celebrating the social, economic cultural and political achievements of women. The day also marks a call to action for accelerating women's equality. On the occasion of IWD, Qatar Steel paid respect to al women's working in Qatar Steel and in the region visually and to their families.



March 2021:
WORLD WATER DAY

On the occasion of World Water Day, held on 22 March every year since 1993, Qatar Steel raised the importance of freshwater and its conservation. World Water Day celebrates water and raises awareness of the 2.2 billion people living without access to safe water. It is about taking action to tackle the global water crisis.

A core focus of World Water Day is to support the achievement of Sustainable Development Goal 6: water and sanitation for all by 2030.

March 2021:
BLOOD DONATION DRIVE: Give blood and keep the world beating"

The blood donation campaign, organized by Qatar Steel in coordination with Hamad Medical Corporation (HMC), QS Clinic and QS HSE Department, was aimed to encourage members and colleagues of Qatar Steel to contribute and commit to blood donation act to maintain adequate blood supply at the blood banks and achieve self-sufficiency in safe blood and blood products in Qatar. The humanitarian drive was intended as part of enhancing our commitment towards the community.

The initiative drawn huge number of employees who responded remarkably to the campaign. The campaign was successful to raise awareness all around and fulfilled our commitment to the community and in line with the QS Corporate Social Responsibility.

APRIL 2021:
INTERNATIONAL DAY OF SPORT FOR DEVELOPMENT AND PEACE

This day marked the value of sport in our life and highlight the importance of ensuring that we are all protected from COVID-19 and we can return to moments like this in the future. We at Qatar Steel wished a healthy life ahead and raised the issue virtually.

May 2021:
WORLD INFORMATION SOCIETY DAY

Accelerating Digital Transformation in challenging times: The COVID-19 crisis has not only highlighted the critical role of information and communication technologies (ICTs) for continued functioning of societies, but, has also brought us to the fore the startling digital inequalities between and within countries. At Qatar Steel we realized the issue very closely and marked the day with fond remembrance.

June 2021:
WORLD ENVIRONMENT DAY

World Environment Day takes place every year on 5 June. It is the United Nations' flagship day for promoting worldwide awareness and action for the environment. Over the years, Qatar Steel has actively participated in the awareness campaign in promoting progress on the environmental dimensions and to achieve sustainable recovery from COVID-19. The day was celebrated by employees across the company.

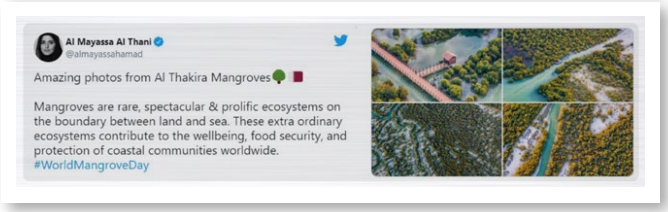
June 2021:
WORLD DAY TO COMBAT DESERTIFICATION & DROUGHT

Restoration. Land. Recovery.
The 2021 Desertification and Drought Day to be held on 17th June was focused on turning degraded land into healthy land. Restoring degraded land brings economic resilience, creates jobs, raises incomes and increases food security. It helps biodiversity to recover. It locks away the atmospheric carbon warming the Earth, thereby slowing climate change. It can also lessen the impacts of climate change and underpin a green recovery from the COVID-19 pandemic. At Qatar Steel we aimed to raise the awareness virtually.

WORLD POPULATION DAY 2021

It took hundreds of thousands of years for the world population to grow to 1 billion – then in just another 200 years or so, it grew sevenfold. In 2011, the global population reached the 7 billion mark, and today, it stands at about 7.9 billion in June 2021, and it's expected to grow to around 8.5 billion in 2030, 9.7 billion in 2050, and 10.9 billion in 2100.

This dramatic growth has been driven largely by increasing numbers of people surviving to reproductive age, and has been accompanied by major changes in fertility rates, increasing urbanization and accelerating migration. These trends will have far-reaching implications for generations to come. We, at Qatar Steel, tried to raise the issue and generate little awareness on this issue.

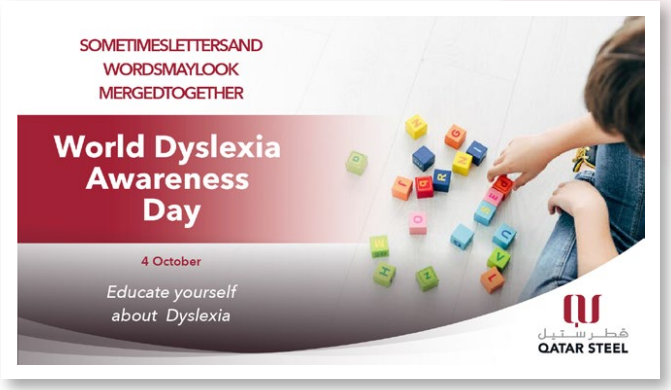


July 2021:
CONSERVATION TO MANGROVE ECOSYSTEM

The International Day for the Conservation of the Mangrove Ecosystem, adopted by the General Conference of UNESCO in 2015 and celebrated each year on 26 July, aims to raise awareness of the importance of mangrove ecosystems as "a unique, special and vulnerable ecosystem" and to promote solutions for their sustainable management, conservation and uses. A Qatar Steel we were truly encouraged by Shekha Al Mayassa Al Thani's statement and we motivated to include in our newsletter.

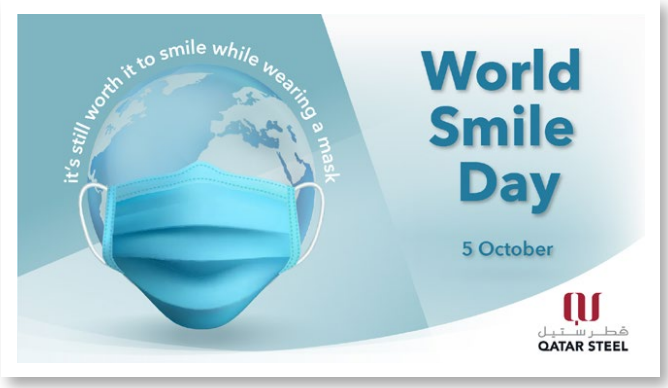
CONGRATULATIONS

Qatar Steel bid congratulation message in all social media platform on winning Gold medal in Tokyo Olympic 2021



October 2021:
WORLD DYSLEXIA AWARENESS DAY

Dyslexia Awareness Week held on October 7-12th 2021. It's an annual event which is aimed at building an understanding of what dyslexia is, what it means and how we can support those with dyslexia



October 2021:
WORLD SMILE DAY

Smile costs nothing but creates everything. The first Friday of October every year is celebrated around the globe as World Smile Day. The day encourages people to do acts of kindness to spread good will and cheer.

December 2021:
QATAR NATIONAL DAY

As part of our social responsibility, we thanked the able leadership of Qatar and marked the day with our post in social media.

We also created the same effect with one way vision sticker posted in Qatar Steel Doha office.

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 QatarEnergy 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.

Our local acquisition accounted for 35% of the overall procurement costs throughout 2021, as shown in the following table:

	2019	2020	2021
Local Procurement %	30	62	35

In 2021 due to an increase in market demand, Qatar Steel revised its production plan, and accordingly, key raw materials were imported, hence local acquisition accounted for 35% of the overall procurement costs. In 2020 the procurement of imported raw material was according to reduced market demand which resulted in an exceptional increase in local procurement spending to 62 %. However, Qatar Steel continues to prioritize its local procurement commitment to support the growth and diversification of Qatar's economy.

8. Developing a High Performing and Motivated Team

In line 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 following table provides insights to evaluate the Gender Pay equality in Qatar Steel:

	2020	2021
Average (median) income of men (QAR)	10,960	11,800
Average (median) income of women (QAR)	13,690	12,900
Gender Pay Gap (%)	**-25**	**-9**
Ratio of average salary of women to men	**1.25**	**1.09**

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	**2019**	**2020**	**2021**
Full time Employees	1,834	1,072	1,062
Full time Contractors*	1,719	1,179	950
Total staff	**3,553**	**2,251**	**2,012**

*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			
	2019	**2020**	**2021**
Female	9	10	8
Male	1,825	1,062	1,054

Total # of workforce by age group			
	2019	**2020**	**2021**
18-30	139	83	57
31-40	751	456	436
41-50	689	416	426
51-60	253	116	142
60+	2	1	1

Employment by level (Number of Individuals)			
	2019	**2020**	**2021**
Senior Management	20	23	27
Middle Management	211	174	169
Staff	1,603	875	866
Total	**1,834**	**1,072**	**1,062**

New hires and attrition			
	2019	2020	2021
Total Number of new employee hires	72	22	37
Total attrition*	**61**	**785**	**47**

Qatar Steel proceeds in the process of building a high performing, expert staff, dedicated to organizational excellence, as to deliver on our business strategy. At Qatar Steel, we have In-House, Overseas, Local Training programs, E-learning, English courses, and Development packages to ensure skill-building of our employees. The Learning and Development Department always improves its educational infrastructure, methodologies, and content material to make sure that our training programs are always up to date. In particular, our in-house learning facilities are set to guide non-stop education and talent development of our personnel, mainly of our youthful workforce, and in the post-Covid era, we have boosted our e-learning programs.

Training Company-Wide			
	2019	2020	2021
Average hours of training per year for employee	24	16.8	29.4
Total cost of training (QAR)	**1,487,041**	**429,592**	**619,392**

E-learning program

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 at beginning of 2020 and is still active. This E-learning became a game changer for the Learning and Development (L&D) function in its ability to continue training during the pandemic, as all in-person classroom trainings were halted to avoid any contamination risks.

During 2021, E-learning was a steady presence in our training function due to various reasons such as enhancing of our training methodology, diversifying of our training delivery and the pandemic constraint for social distancing. In the e-learning, we have two distinct segments that covers different training topics.

1. The first segment is provided by a third party that covers programs such as Business Strategy and Operations, Networking, Internetworking, Security and DATABASE Systems, Finance, Human Resources and Administration, Management and Leadership and Professional Effectiveness.

E-learning report 2021 – Third party			
Category	No. Of Employees	Modules Completed	Training hours
Management	18	131	60
Senior	39	402	189
Intermediate	22	156	80
Grand total	**79**	**689**	**329**

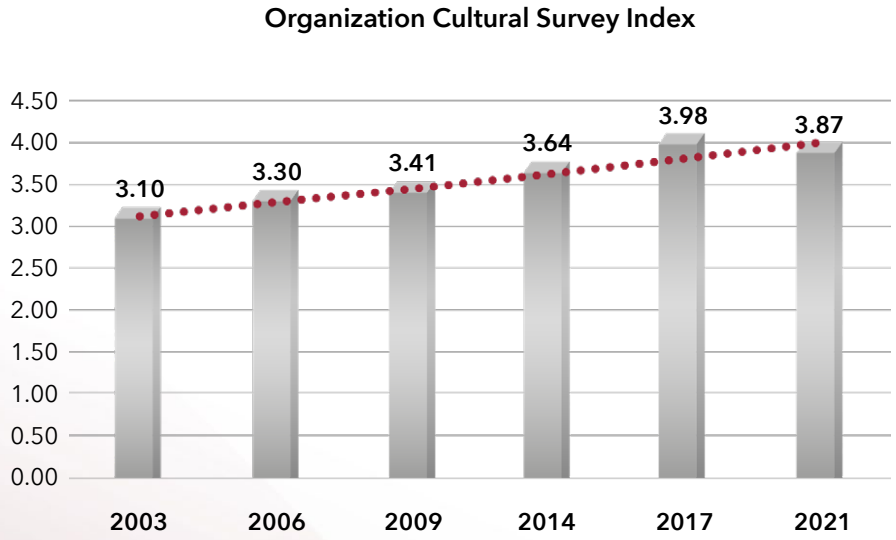
2. The second module cover mainly HSE topics like Heat Stress Awareness, Environmental Management Awareness and Occupational Health Awareness. It is exclusively designed internally by our HSE team:

E-learning report 2021 - HSE			
Category	**Qatari**	**Expats**	**Total Attended**
Heat Stress Awareness	128	873	1,001
Environmental Management Awareness	88	789	877
Occupational Health Awareness	69	650	719
HSE Refresher	42	483	525
Total	**327**	**2,795**	**3,122**

Organization Cultural Survey

With an objective to improve the Organization by reinforcing values and boost employee morale to maintain a positive work environment, Qatar Steel has successfully conducted an Organizational Cultural Survey in Q4 2021. The Survey was accessible to all employees online. The inspiration behind was to sense the "employees feel" on certain prime organizational drives covering through twelve wide-ranging categories including HSE, Benefits & Rewards, Job Satisfaction, Work atmosphere, Work life balance, and service quality and standards of Information Technology, Learning & Development, Facility Services etc.

The Survey occurred while Qatar Steel was riding the waves of one of the toughest business challenges it has ever faced since its establishment following the outbreak of Covid-19. Nevertheless, the overall satisfaction index stands at 3.87 out of a scale of 5 which is quite impressive as it is only slightly below the 3.98 reached in the previous survey (2017) and also shows a constantly growing trend since the survey was first rolled out:



The Qatar Steel Management was pleased to take note of the overwhelming enthusiasm demonstrated by employees of all levels and ranks across the organization by their active participation in the survey and shown high regards to their valuable inputs, independent opinions and suggestions for improvement.

The assembled data has been analysed in-depth by a taskforce applying SWOT tactics in order to identify gaps and formulate an all-embracing action plan. Improvement areas have been earmarked and prioritized to improve the quality of services and take the employee satisfaction level to its zenith.

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 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. For more details regarding the composition of the Board of Directors please refer to the following link: https://www.qatarsteel.com.qa/chairmans-message/board-of-directors/.

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.

The highest governing bodies are the Board of Directors and the Board Audit Committee, formed of Board members.

The members of the Board of Directors are appointed by Industries Qatar, being a sole shareholder as per its applicable policies and procedures.

9.2 Accountability & Ethics

Accountability and ethics are embedded into Qatar Steel at all levels, from senior management to intermediate staff. The integrated 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.

The Board of Directors has approved Policy for Code of Ethics and Business Conduct and two members are appointed as Ethics Committee members to oversee conflicts of interest. Annually a declaration is signed, which covers all aspects of personal and business transactions and eventual conflicts of interest that are found.

9.3 Internal Audits

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 processes,
2. The effectiveness of the company's internal controls systems,
3. The internal audit processes.

9.4 Risk Management

Qatar Steel's Integrated Enterprise Risk Management framework plays a key role in value creation through supporting the achievement of the company's objectives at strategic, tactical and operational levels. The key enabler is the priority and support risk management is given at all key levels of governance across Qatar Steel namely, The Board, The Board Audit Committee, The Qatar Steel Risk Management Committee, and at the company's functional levels. Qatar Steel employs a risk-based decision making culture, through integration of risk assessments with all key decisions that mitigate business and strategic risks. During 2021 Qatar Steel implemented the Fraud Risk Management Policy to further strengthen fraud risk governance across the company.

The Enterprise Risk Management Framework is managed through the Qatar Steel Risk Management Policy, Qatar Steel Fraud Risk Management Policy, and the Qatar Steel Business Continuity Management Policy. Oversight of these policies has been delegated by the Board of Directors to the Board Audit Committee to ensure mitigation or management of risks that are above the Qatar Steel Board Approved Risk Appetite and tolerance levels. Qatar Steel's risk methodology is based on the COSO Framework, and ISO31000:2009. The objective of sound risk management is among others its ability to support continuous improvement, a key value driver of a business and the maintenance and sustainability of the business in the short to long-term.

On-going scanning of the company's operating environment in both the domestic and international markets, has enabled Qatar Steel to continue its operations from both a business continuity and profitability perspective. Risks and Opportunities are constantly identified and assessed for further action. Qatar Steel has continued to demonstrate operational resilience throughout the second COVID-19 wave that affected Qatar during FY2021. Despite the second COVID-19 wave, Qatar Steel was able to continue operating aided by the company's business continuity plans and crisis management process.

Risk Reporting Process:

Qatar Steel Board	The Qatar Steel Board is responsible for the oversight of Risk Management.
Qatar Steel Board Audit Committee	The Qatar Steel Audit Committee provides assurance to the board regarding Qatar Steel's organizational risk profile, significant risk exposures and the tracking and progress of the respective mitigation plans.
Qatar Steel Risk Management Committee	The QS RMS consists of top leadership and ensures the effectiveness of the QS ERM framework.
Qatar Steel Operations	Operational management are responsible for implementing the QS ERM framework, managing and escalating risk with high residual ratings that are above the board approved risk appetite.

Appendices

Appendix A: Reporting scope and Boundary (GRI 102-46)

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 CARES Sustainable Constructional Steel Scheme Principles.

Principles and Practices		Maturity Level	Programs and Plans
Inclusivity	Stakeholder engagement and issue identification	Full engagement	1. Engaged with MoECC to ensure compliance with all applicable external regulations & requirements for CTO. 2. Continual engagement of employees through satisfaction surveys and code of ethics that helps the management in identifying their main concerns. 3. Annual stakeholder mapping for identifying channels of engagement, main concerns, and response to them. 4. Development of Stakeholder Advisory Group comprising representatives from key stakeholders to act as an advisory the body is in process and developed internal governance structures for effective engagement. 5. Qatar Steel actively gather feedback on its sustainability reporting and its performance through a form available on the website from all stakeholders. 6. Certified for ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, CARES Sustainability and Responsible Sourcing (BES 6001), ISO 17025, and Product certification.
	Key drivers	Adequately engaged	1. Engaged with MoECC to ensure all targets agreed in the CTO are managed and reported correctly. 2. Certified for its Sustainability Excellence by Gulf Organization for Research and Development (GORD). 3. Environmental Monitoring Program are in place to ensure compliance with all applicable regulations. 4. Qatar Steel has integrated Sustainability in its corporate strategy and has implemented a sustainability roadmap that identifies opportunities/risks associated, which is quarterly reviewed in Balanced Score Card meeting. 5. An integrated Enterprise Risk Management (ERM) framework is in place to manage business risks. 6. To further enhance business resiliency, Qatar Steel established a comprehensive Business Continuity Management System (BCMS) in 2017. 7. Sustainable development is part of risk management through the Enterprise Risk Management System (ERM). 8. Qatar Steel also a member of World Steel Association Sustainability Charter. 9. Sustainability KPIs are reported to QatarEnergy, IQ, World Steel Association, and CARES.

Integrity	Leadership	Full engagement	1. Commitment from QS MD & CEO for leading the regional market sector on sustainability issues. 2. The sustainability Policy is reviewed on yearly basis and published in QS website. 3. Adhered to CARES Quality and Operations Assessment Schedule, ISO 9001:2015, Quality Management System, and CARES Product Certification since 2006. 4. Sustainability objectives developed through the Management Systems (QMS, EMS, ISO) are in place. Additionally, there is a well-developed sustainability framework and commitments. 5. Maintains certificates for Sustainability and Responsible sourcing (BES 6001) certified by CARES. 6. Qatar Steel is a member of the World Steel Association's (worldsteel) revised and expanded Sustainability Charter.
	Managing risk	Adequately engaged	1. Adopted Environmental Management System complying to ISO 14001 and Occupational Health and Safety Management System according to ISO 45001. 2. Adopted a comprehensive and integrated Enterprise Risk Management (ERM) framework for mitigating the various risks to which the businesses are exposed in the course of their operations and strategic actions.
	Code of Ethics and Business Conduct	Full Engagement	Qatar Steel Code of Ethics and Business conduct with a message from the Chairman of the Board and MD & CEO reaffirms its commitment to the highest ethical and legal principles of accountability, excellence, fairness, honesty, and respect.
Stewardship	Sustainable development culture	Full engagement	1. The culture of sustainable development is fully integrated at all levels. Sustainability objectives are well integrated into all departmental levels, and its performance is being monitored through the Balanced scorecard system. 2. A sustainability focal point in each department and links departmental sustainability objectives with the organizational sustainability roadmap. 3. Qatar Steel allocates a dedicated budget for community investment. 4. Qatar Steel has CARES Sustainable Constructional Steel Certification with a Rosette 1 rating. 5. Currently Qatar Steel is working with the Qatar Green Building Council (member of Qatar Foundation) for Qatar Sustainability Label certification.

	Building capacity	Adequately engaged	1. A training plan including theoretical and practical training regarding quality, environment, H&S and Sustainability is in place. 2. The performance Appraisal System is in place. 3. Sustainability Portal is created in an intranet where Sustainability related knowledge sheets are shared.
	Supply chain	Adequately engaged	1. Suppliers are selected based on technical compliance, cost, delivery time, environmental, safety, and human rights performance criteria. 2. Key raw material suppliers are evaluated for the sustainability aspects. 3. Sustainability Impact Assessment is also carried out. 4. Qatar Steel has CARES – BES 6001 Responsible Sourcing certification with a "Very Good" rating. 5. 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.
Transparency	Identify, Review and Monitor KPIs	Full engagement	1. Sustainability Road Map is reviewed quarterly during the Balanced Score Card meeting. 2. The management Review meeting is undertaken annually, and objectives/ targets are set to reflect continual improvement as a part of Sustainability Management.
	Building confidence	Full engagement	1. Qatar Steel has been issuing Sustainability Reports from 2011 to 2020, providing a transparent channel of its sustainability performance to its stakeholders. 2. In 2021, Qatar Steel published its first Integrated Report. 3. Qatar Steel also published its commitment to Sustainability principles by becoming a member of the World Steel Association's Sustainability Charter.

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.

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	12, 13, 16-18, 26-28
	102-3 Location of headquarters	12
	102-4 Location of operations	12, 13
	102-5 Ownership and legal form	12, 13
	102-6 Markets served	16, 29, 30
	102-7 Scale of the organization	30, 60
	102-8 Information on employees and other workers	59-62
	102-9 Supply chain	16, 44, 45, 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
	Strategy	
	102-14 Statement from senior decision-maker	6
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behavior	15, 18-19, 63-64, 66-68
	102-17 Mechanisms for advice and concerns about ethics	63-64
	Governance	
	102-18 Governance structure	8, 9, 13, 63
	Stakeholder engagement	
	102-40 List of stakeholder groups	21
	102-41 Collective bargaining agreements	"Trade Unions are prohibited in Qatar"
	102-42 Identifying and selecting stakeholders	21
	102-43 Approach to stakeholder engagement	21, 22
	102-44 Key topics and concerns raised	20-24
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	Annual 2021 report, financial statements include the activities of Qatar Steel. No other entity is included.

	102-46 Defining report content and topic Boundaries	22, 23, 65
	102-47 List of material topics	22, 23
	102-48 Restatements of information	No restatements
	102-49 Changes in reporting	No significant changes
	102-50 Reporting period	January 1, 2021 - December, 31, 2021
	102-51 Date of most recent report	2021
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	5
	102-54 Claims of reporting in accordance with the GRI Standards	5
	102-55 GRI content index	69
	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	26-30
	103-2 The management approach and its components	26-30
	103-3 Evaluation of the management approach	26-30
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	30
Market Presence		
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
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	53
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21, 59
	103-2 The management approach and its components	59
	103-3 Evaluation of the management approach	59
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	59
300 series (Environmental topics)		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26, 46, 49, 50
	103-2 The management approach and its components	23-25, 26, 46, 49, 50
	103-3 Evaluation of the management approach	23-25, 26, 46, 49, 50
GRI 301: Materials 2016	301-1 Materials used by weight or volume	46, 49, 50
	301-2 Recycled input materials used	46, 49, 50
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46, 47
	103-2 The management approach and its components	23-25, 46, 47
	103-3 Evaluation of the management approach	23-25, 46, 47

GRI 302: Energy 2016	302-1 Energy consumption within the organization	46, 47
	302-2 Energy consumption outside of the organization	46, 47
	302-3 Energy intensity	46, 47
	302-4 Reduction of energy consumption	46, 47
	302-5 Reductions in energy requirements of products and services	46, 47
Water and effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	49
	103-2 The management approach and its components	23-25, 49
	103-3 Evaluation of the management approach	23-25, 49
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	49
	303-2 Management of water discharge-related impacts	49
	303-3 Water withdrawal	49
	303-4 Water discharge	49
	303-5 Water consumption	24, 49
Biodiversity		
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, 52
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	51, 52
	304-2 Significant impacts of activities, products, and services on biodiversity	51, 52
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47-49
	103-2 The management approach and its components	23-25, 47-49
	103-3 Evaluation of the management approach	23-25, 47-49
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	47-48
	305-2 Energy indirect (Scope 2) GHG emissions	47-48
	305-4 GHG emissions intensity	47-48
	305-5 Reduction of GHG emissions	47-48
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	48-49
Effluents and waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	49-51
	103-2 The management approach and its components	49-51
	103-3 Evaluation of the management approach	49-51
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	49-51
	306-2 Management of significant waste-related impacts	49-51
	306-3 Waste generated	50-51
	306-4 Waste diverted from disposal	50-51
	306-5 Waste directed to disposal	50-51
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43
	103-2 The management approach and its components	43
	103-3 Evaluation of the management approach	43

GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	43
400 series (Social topics)		
Employments		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59-62
	103-2 The management approach and its components	59-62
	103-3 Evaluation of the management approach	59-62
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	31, 32
	103-2 The management approach and its components	23-25, 32, 33
	103-3 Evaluation of the management approach	23-25, 33-35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	31-33
	403-2 Hazard identification, risk assessment, and incident investigation	34-35
	403-3 Occupational health services	38-42
	403-4 Worker participation, consultation, and communication on occupational health and safety	35-42
	403-5 Worker training on occupational health and safety	37-38
	403-6 Promotion of worker health	35-42
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35-42
	403-8 Workers covered by an occupational health and safety management system	35-42
	403-9 Work-related injuries	34, 35
	403-10 Work-related ill health	34, 35
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	61
	103-2 The management approach and its components	61-62
	103-3 Evaluation of the management approach	61-62
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	61
	404-2 Programs for upgrading employee skills and transition assistance programs	61-62
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59, 60
	103-2 The management approach and its components	59, 60
	103-3 Evaluation of the management approach	59, 60
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	59
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53, 54, 59
	103-2 The management approach and its components	53, 54, 59
	103-3 Evaluation of the management approach	53, 59
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	53, 59

Appendix D: Sustainability Performance Data

KPI	UOM	2019	2020	2021
Company Performance				
Molten steel production	MT	2,580,956	1,228,505	1,009,621
Total Sales Volume	KMT	2,963	1,638	1,610
Health & Safety				
Employee Lost Time Injury Frequency Rate (LTIFR)	Nos.	1.15	0	0.44
Employee Reportable Injuries	Nos.	10	1	1
Contractor Lost Time Injury Frequency Rate (LTIFR)	Nos.	0.18	0	0.18
Contractor Reportable Injuries	Nos.	3	0	0
Environmental Performance				
Total Recycled Input Material	MT	591,591	490,791	373,354
Total Energy consumption	GJ	37,896,255	14,122,802	13,234,991
Energy intensity	GJ/MT of molten steel	14.68	11.5	13.11
Total GHG emissions	tonnes of CO_2eq	3,353,955	1,140,499	958,403
GHG emissions intensity	tonnes of CO_2eq/ tonnes of molten steel produced	1.3	0.93*	0.95*
SOx	Tonnes	1,196	211	96.5
NOx	Tonnes	1,032	538	460
Particulate Matter	Tonnes	978	326	205.5
Water Recycled or Reused	m^3	190,613	64,639	95,991
Water Recycled	%	21	28.17	38.82
Water intensity	Freshwater Used/MT of Molten Steel	0.6	0.59	0.61
Total Waste Recycled + Sold	MT	595,013	230,195	109,971
Percentage of Operational waste Recycled/sold to third parties as byproduct for recycling	%	69	62	44
Community				
Qatarization	#	157	158	152
Local procurement spending (%)	%	30	62	35
People				
Full time employees	Nos.	1,834	1,072	1,062
Contractors	Nos.	1,719	1,179	950
Employees by gender	(F/M)	9/1,825	10/1,062	8/1,054
New employee hires	Nos.	72	22	37
Attrition	Nos.	61	785	47
Average training per year for employee	hours	24	16.8	29.4
Total cost of training	QAR	1,487,041	429,592	619,392

Appendix E: Acronyms

Acronym	Description
AAQMS	Ambient Air Quality Monitoring Systems
AGT	Authorized Gas Tester
AISU	Arab Iron and Steel Union
API	American Petroleum Institute
ASTM	American Society for Testing and Materials
BBS	Behaviour Based Safety
BCMS	Business Continuity Management System
BF	Blast Furnace
BOF	Basic Oxygen Furnace
BRE	Building Research Establishment
BS	British Standard
CARES	Certification Authority for Reinforcing Steel
CC	Continuous Caster
CCTV	Closed-circuit television
CDRI	Cold Direct Reduced Iron
CEDD	Civil Engineering and Development Department
CEMS	Continuous Emission Monitoring System
CEO	Chief Executive Officer
CO_2	Carbon Dioxide
CO_2eq	Carbon Dioxide Equivalent
COSO	Committee of Sponsoring Organizations
COVID-19	Coronavirus disease 2019
CRM	Customer Relations Management
CSM	Contractor Safety Management
CSR	Corporate Social Responsibility
CTO	Consent To Operate
DCL	Dubai Central Laboratory
DG	Regulations and Enforcement Directorate
DR	Direct Reduction
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EBT	Eccentric Bottom Tapping
EMS	Environmental Management System
EPD	Environmental Product Declaration
ERP	Enterprise Resource Planning
ERM	Enterprise Risk Management
ESG	Environmental Social and Governance
FBE	Fusion Bonded Epoxy
Foulath	Gulf United Holding Company
FIFA	International Federation of Association Football
FZE	Free Zone Establishment

GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHG	Green House Gasses
GIIC	Bahrain, Gulf Industrial Investment Co.
GJ	Giga Joule
GORD	Gulf Organization for Research and Development
GPCA	Gulf Petrochemicals and Chemicals Association
GRI	Global Reporting Initiative
HBI	Hot Briquetted Iron
HIRA	Hazard Identification & Risk Assessment
HMI	Human Machine Interface
HSE	Health, Safety, and Environment
ICV	In-Country Value
IEA	International Energy Agency
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization
IOGP	International Oil and Gas Producers Association
IPIECA	International Petroleum Industry Environmental Conservation Association
IQ	Industries Qatar
IR	Integrated Reporting
ISO	International Organization for Standardization
IT	Information Technology
IUCN	International Union for Conservation of Nature
JIS	Japanese Industrial Standards
JSA	Job Safety Analysis
kg	Kilogram
KILN	Calcined Limestone
KMT	Kilo Metric Tonnes
KPI	Key Performance Indicator
KUCAS	Kuwait Conformity Assurance Scheme
kWh	Kilowatt-hour
l	Litres
LCA	Life Cycle Assessment
LDAR	Leak Detection & Repair
LF	Ladle Furnaces
LOTO	Lock-Out and Tag-Out
LTIFR	Lost Time Injury Frequency Rate
m^3	Cubic Metres
MD	Managing Director
MENA	Middle East and North Africa
mg/Nm^3	Milligram per normal cubic metre
MIC	Mesaieed Industrial City

MMI	Man-Machine Interface
MMT /MT	Million Metric Tonnes / Metric Tonnes
MoECC	Ministry of the Environment and Climate Change
MOPH	Ministry of Public Health
MTC	Medical Treatment Case
NOx	Nitrogen Oxides
NZLD	Near Zero Liquid Discharge
OECD	Organization for Economic Co-operation and Development
OHC	Occupational Health Centre
PHA	Process Hazard Analysis
PM	Particulate Matter
PMS	Process Safety Management
OHSAS	Occupational Health and Safety Assessment Series
QC Circle	Qatar Steel's Quality Control Circle
Q-Coat	Qatar Metals Coating Company
QC Circle	Qatar Steel's Quality Control Circle
QE	Qatar Energy
QIMC	Qatar Industrial Manufacturing Company
QNV 2030	Qatar National Vision 2030
QPSC	Qatar Steel Company
QR or QAR	Qatari Rial
QR Code	Quick Response Code
QS	Qatar Steel
QSMS	Qatar Steel Medical Service
RBQ	Reduced Briquettes
Rebar	Reinforcing steel bar or Reinforcing steel
RM	Rolling Mill
RWC	Restricted Work Case
SASO	Saudi Standards, Metrology and Quality Organization
SCE	Safety Critical Equipment
SCS	Sustainable Constructional Steel
SDGs	United Nations Sustainable Development Goals
SEA	Southeast Asia
SIRIM	Standards and Industrial Research Institute of Malaysia
SMEs	Small and Medium Enterprises
SOx	Sulfur Oxides
SS	Singapore Standards
SWOT	Strength, Weakness, Opportunity and Threat
TRC	Total Recordable Cases
TURKAK	Turkish Accreditation Institution,Turkey
UAE	United Arab Emirates
USCO	United Stainless-Steel Company
WFE	Waste Free Environment Program
WSA	World Steel Association

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