



Sustainability Report 2025

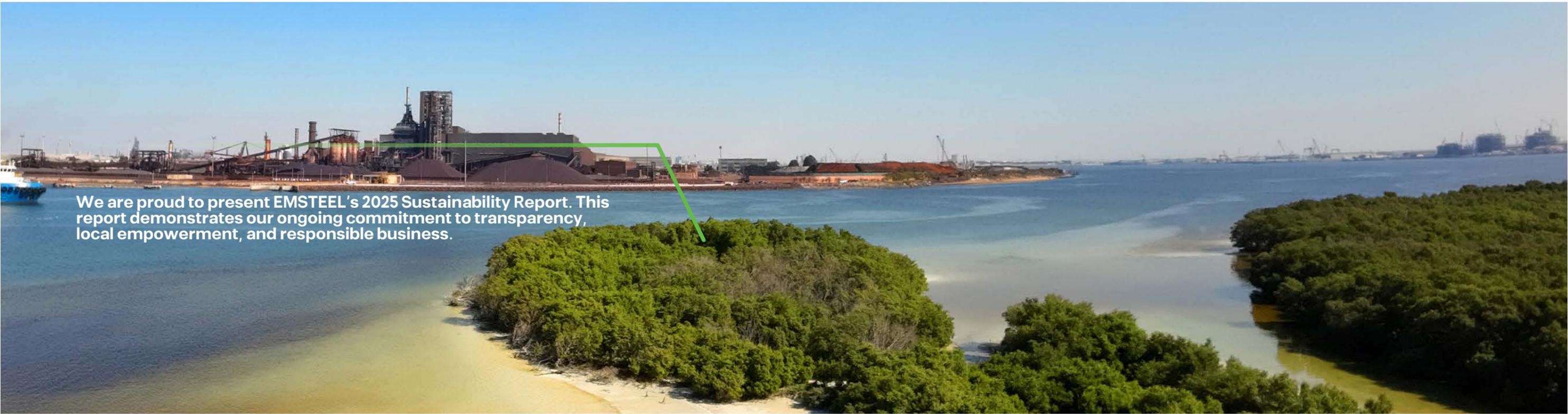
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ABOUT THIS REPORT





We are proud to present EMSTEEL's 2025 Sustainability Report. This report demonstrates our ongoing commitment to transparency, local empowerment, and responsible business.

Our goal remains clear: strive to achieve net zero greenhouse gas emissions by 2050 and drive the United Arab Emirates' (UAE) global sustainability ambitions forward.

Our strategy is built on strong partnerships, accelerating decarbonisation where possible, and setting the standard for environmental stewardship. We put people and communities at the centre of our work, aiming to be the trusted partner of choice.

PURPOSE

We publish this report every year to keep our stakeholders informed and engaged. Transparency is at the heart of our approach, and we prioritise sharing our progress, challenges, and ambitions openly. EMSTEEL is committed to continuous improvement and leadership in sustainability reporting, aligning our disclosures with global frameworks, best practices, and the UAE's sustainability ambitions. This report is a platform for dialogue, accountability, and driving positive change across our business and the wider industry.

Here, we detail how we embed sustainability into daily operations and highlight our progress

in moving the UAE industrial sector forward - boosting the local economy and driving global visibility for our country. You'll find a clear account of our economic and environmental, social, and governance (ESG) performance on the issues that matter most to EMSTEEL and the communities we serve.

SCOPE AND BOUNDARY

This report covers EMSTEEL's 2025 sustainability performance across all operations under our direct control in the UAE. It reflects our ongoing journey of innovation and operational evolution, driven by a shared vision for growth and impact.

- **Boundary:** EMSTEEL
- **Frequency:** Annual
- **Reporting Period:** 1 January 2025 – 31 December 2025

GRI 2-1, 2-2, 2-5

REPORTING ALIGNMENT

We continue to strengthen our reporting by aligning with leading global frameworks. This report follows the Global Reporting Initiative (GRI) Standards and Certification Authority for Reinforcing Steels (CARES) and highlights our contributions to the United Nations Sustainable Development Goals (UNSDGs). We also align

with Sustainalytics, MSCI, S&P, TCFD, and IFRS standards, and comply with national guidelines, including those issued by the Abu Dhabi Securities Exchange (ADX).

THIRD-PARTY ASSURANCE

GRI 2-5

DNV, an independent verifier, has verified EMSTEEL's 2025 Sustainability Report KPIs, ensuring accuracy and completeness in line with GRI, ADX, and CARES standards. The process included interviews, documentation reviews, and a full carbon footprint verification with reasonable assurance was provided for the steel business covering Scope 1, Scope 2, and Scope 3 emissions, in line with the GHG Protocol. For the cement business, reasonable assurance was provided for Scope 1 and Scope 2 emissions only. As Scope 3 emissions are subject to evolving data quality, EMSTEEL will expand third-party reasonable assurance coverage over coming cycles. Carbon capture processes were checked against ISO 14064-2, and carbon intensity calculations were reviewed for compliance with the Carbon Border Adjustment Mechanism (CBAM) methodology.

ACCOUNTABILITY AND TRANSPARENCY

Strong governance and open disclosure are central to how we operate. We engage with stakeholders throughout our reporting process,

actively seeking their feedback and integrating it into our strategy and disclosures. EMSTEEL's commitment to accountability ensures that our sustainability journey is transparent, credible, and responsive to changing stakeholder needs.

Let Us Hear from You

We believe that sustainability is an ongoing journey. We welcome your feedback and questions regarding the content of this report and our efforts in sustainability.

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EXECUTIVE STATEMENT

GROUP CEO MESSAGE 10



GROUP CEO MESSAGE



“In our first full year as EMSTEEL Group, ambition translated into action. We strengthened performance, scaled breakthrough technologies, and advanced sustainable steel and building materials production in support of the UAE’s industrial future.”



Engineer Saeed Ghumran Al Remeithi
Group Chief Executive Officer, EMSTEEL



2025 was a defining year in EMSTEEL’s sustainability transformation.

It was our first full year of operation under our new identity. A year where our long-term strategy translated into tangible results, major industrial milestones, and real progress in our journey to become one of the world’s most sustainable and competitive steel and building materials groups.

Through disciplined execution, we progressed from pilot initiatives to practical implementation of hydrogen-based steel solutions within the value chain and enhanced the quality of our reporting through Board-approved improvements.

Across our operations, we sharpened our focus, strengthened our performance, and accelerated investments in the technologies that will shape the industry’s future. We did this while delivering reliably for our customers, supporting national supply chains, and building the capabilities of our people; these are the foundations of everything we do.

This year’s achievements reflect focused delivery. We expanded renewable energy integration across our assets and advanced our clean energy shift through a new captive solar partnership assessing rooftop solar potential across our steel facilities. This was complemented by increased use of energy attribute certificates across our steel and cement operations. We also progressed one of the region’s most promising circular-economy pilots, converting desalination brine into blue

energy and valuable magnesium carbonate. Additionally, we accelerated circular-economy synergies between our steel and cement divisions through our partnership with Finnish innovator Magsort, enabling industrial-scale testing of low-carbon cement by converting steel slag into a high-value clinker input. Finally, we advanced our decarbonisation roadmap by launching the world’s first Electric Process Gas Heater (ePGH) pilot partnership with Danieli, a transformative electrification initiative that will replace conventional gas-fired systems with clean electric alternatives at our DRI facilities. Together, these innovations position EMSTEEL at the forefront of industrial decarbonisation and resource efficiency across the UAE region and globally.

Our pioneering work in hydrogen-based steelmaking continued to gain international attention. Following the prior year’s launch of the region’s first green hydrogen steel project, 2025 saw us deepen partnerships, scale technical capability, and demonstrate how low-carbon steel production can be achieved at the industrial level. These efforts supported global recognition; EMSTEEL was proud to be recognised with the excellence in low-carbon steel production award under the 16th Steelie Awards of World Steel Association, and to earn Gold for Best Net Zero Initiative, Sustainability Team of the Year, and Visionary Leader of the Year at the Gulf Sustainability Awards.

Operationally, we enhanced the resilience and efficiency of our steel and cement divisions. We

strengthened energy performance, advanced digitalisation, improved plant reliability, and embedded rigorous governance across our integrated management systems. In September, we launched the **TrueGreen™ framework** to advance low-carbon steel production, featuring verified Environmental Product Declarations (EPDs) for all steel products by third-party.

Additionally, we have enhanced our regulatory and compliance readiness through registration on the EU CBAM Registry, supporting our European customers’ import obligations.

Our energy leadership was recognised through winning first place in the Energy Management System of Excellence from the Ministry of Energy and Infrastructure. In parallel, we have also achieved ISO 46001 Water Efficiency Management System certification, reinforcing our integrated approach to energy and water stewardship.

These efforts underpin our AA provisional ESG rating from MSCI, the improvement of our Sustainability and CDP scores, and our being the first in the Middle East and North Africa region to receive ResponsibleSteel core site certification, all clear signals of our commitment to continuous improvement.

Above all, I am most proud of our people. In 2025, we expanded our leadership and technical development programmes, launched the Culture Ambassadors initiative, and created new pathways for Emirati talent to thrive. Their ambition,

discipline, and innovative spirit enable us to deliver at pace and with purpose. As we scale, we are determined to create an environment where every employee is empowered to contribute their best.

Looking ahead, our priorities are clear. We will continue advancing the UAE’s capability for sustainable steel and building materials production, strengthening local supply chains, and investing in the technologies that drive long-term competitiveness. We will remain a trusted partner to our customers and stakeholders, delivering high-quality products with lower carbon intensity. And we will continue to contribute to the UAE’s industrial strategy, supporting national economic diversification, energy transition, and innovation agendas.

EMSTEEL is entering its next chapter: one defined by stronger performance, deeper impact, and a bold vision for the future of sustainable industry. I would like to thank our employees, partners, customers, and stakeholders for their trust and collaboration throughout this transformative year.

Together, we are building an industrial legacy for the UAE while shaping a more sustainable future for our region and our sector.

EMSTEEL AT A GLANCE

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OUR ESG STRATEGY FRAMEWORK

GRI: 2-6

BOARD COMMITMENT AND STRATEGIC DIRECTION

In 2025, EMSTEEL's ESG Strategy continued to drive progress across our business. Following its formal approval by the Board of Directors in 2024, the strategy is now firmly embedded in our operations and is delivering results using the key enablers that we identified, and which are captured below. We remain fully aligned with the highest standards of environmental stewardship, social responsibility, and robust governance. Our approach continues to be shaped by global sustainability trends, stakeholder expectations, and national priorities including the UAE Green Agenda 2030, UAE Net Zero 2050, UAE National Hydrogen Strategy 2050, UAE Energy Strategy 2050, UAE Circular Economy Policy 2031, and 'We the UAE 2031' vision. This ongoing commitment ensures we stay at the forefront of sustainable growth and responsible business.

EMSTEEL's Corporate Vision



ESG Strategy Vision

To become a leading global provider of sustainable steel and building materials, fostering green economies and maximising value from recycled materials to innovative structures.



ESG Strategy Mission

Champion environmental stewardship in line with the UAE Net Zero 2050 goals, and advance the UAE's global strategic agenda through transparency, local empowerment, and sustainable practices.



Environmental

Accelerating Decarbonisation via Strategic Partnerships and Environmental Stewardship

- GHG Emissions
- Energy Management
- Circular Economy/Waste
- Water Management



Social

Committing to our People and Communities

- Health and Safety
- Human Capital Development
- Emiratisation



Governance

Being a Trusted and Responsible Partner of Choice

- Business Integrity and Ethics
- Corporate Governance
- Responsible Supply Chain
- Customer Engagement

Our ESG strategy is informed and made possible by the following Key Enablers:

Our Key Enablers

Leadership Commitment



Strategic Partnerships



Technological Innovations



ESG Digitilisation



Sustainability Culture



Robust Governance



ESG Risk Management



Resource Availability and Expertise



Incentivisation of ESG Performance



Disclosure Transparency & Communication



OUR ESG STRATEGY APPROACH

Our approach started with a baseline review of ESG performance against widely adopted frameworks and standards. We gathered insights from both internal and external stakeholders, identified key focus areas through a double materiality assessment, and benchmarked our ESG maturity against peers and best practice. This process informs targeted ESG initiatives to close gaps and drive continuous improvement. In 2025, we reviewed over 10 ESG frameworks, benchmarked against 10+ peer companies, and engaged more than 40 stakeholders to ensure our reporting remains comprehensive, robust, and relevant.

2025 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

↓ Decreasing trend
↑ Increasing trend
→ Same as last year
● Steel
● Cement
○ Group

Decarbonisation & Environmental Stewardship

Emissions Performance

- **34%** ↓ absolute emissions reduction from 2019 (2025 GHG emissions intensity of 0.637 tCO₂ e/t - lowest since 2019)
- **9%** ↓ absolute emissions reduction from 2019 (2025 GHG emissions intensity of 0.638 tCO₂ e/t - lowest since 2019)

Energy & Resources

- **88.7%** / ● **28.6%** ↑ of electricity from clean sources (highest ever)
- **4.4%** ↓ energy intensity (Y.o.Y)
- **6%** ↓ water intensity (Y.o.Y)

Circular Economy

- **23.6%** ↓ total waste directed to landfill (Y.o.Y)
- **105%** ↑ by-product utilisation/recycling

Commitment to Our People & Communities

Health and Safety

- **ZERO** LTIs
- **20%** ↓ in TRIFR (Y.o.Y)
- **>30 million** LTI-free manhours achieved since September 2024

Capability Building

- **25%** ↑ employee and contractor HSE training compared to the training plan
- **3%** ↑ total HSE training hours (Y.o.Y)

Inclusion & National Development

- **14%** → women in management
- **48%** ↓ in-focus Emiratisation rate

A Trusted & Responsible Partner

Governance

- **ZERO** incidents of non-compliance with ethical, regulatory, or moral requirements
- **29%** → female representation on the Board of Directors

Local Value

- **46%** ↓ total procurement spent directed to local suppliers
- **47%** / ● **32%** ↑ new suppliers certified under the ICV programme

Digital Transformation

- **14+** AI-driven solutions successfully implemented
- **100%** new suppliers screened using ESG criteria

Advancing Global ESG Excellence

- ResponsibleSteel™ Core Site Certification - first company in MENA to get certified
- **MSCI ESG Rating provisional AA** - among highest in the global steel industry
- **Green Finance Framework** - Moody's Ratings SQS2 Sustainability Quality Score
- Advancing decarbonisation through strategic projects in clean electrification and circularity
- Energy **ISO 50001** and Water **ISO 46001** certification for Steel business
- Full **EPD portfolio** for Steel business (7 products)
- Co-chair of **Alliance for Industry Decarbonisation (AFID)**



COMPANY PROFILE

WHO WE ARE

GRI 2-2

EMSTEEL Building Materials PJSC (ADX: EMSTEEL) is the UAE's largest steel and building materials manufacturer. We are proud to deliver high-quality steel, cement, blocks, pipes, and dry mortar to major projects across the UAE and into global markets. Our products support the construction, engineering, and energy sectors, making EMSTEEL a fully integrated choice for the region's manufacturing and construction needs.

We are committed to innovation, efficiency, and sustainability, and to integrating the latest technologies to ensure safe, responsible, and future-ready operations. Our business is built on a foundation of strong governance, a culture of safety, and a drive to support the UAE's industrial growth.



Vision

We aspire to establish EMSTEEL as a global leader in sustainable steel and building materials production, enriching both our people and our planet.



Mission

Our mission is to contribute to UAE's economic growth as envisaged in the National Industrial Strategy while enhancing value for our shareholders by:

- Thriving to become the leading supplier of best quality steel and building materials as well as premier solution provider for construction and industrial sectors in UAE and in global markets.
- Championing safety, sustainability, and a net-zero future through green supply chain and by harnessing innovative technologies in our steel and building materials businesses.
- Cultivating human capital in our steel and building materials businesses, fostering a spirit of togetherness among our people and partners, while maintaining our position as a preferred employer for Emirati nationals and talented individuals.



Values



People



Innovation



Accountability

PARTNERSHIPS AND ADVOCACY

PARTNERSHIPS



Renewed Worldsteel Sustainability Charter



Renewed sponsorship for steelChallenge-20



Retained position as Co-Chair of the IRENA's Alliance for Industrial Decarbonisation.

ADVOCACY



Make It in The Emirates



Abu Dhabi Sustainability Week



New York Climate Week



Abu Dhabi Finance Week



ADIPEC



Forbes Sustainability Summit



UNIDO Global Industry Summit



World Hydrogen Summit & Exhibition



IRENA Innovation Week 2025

EMSTEEL Group Vice President of ESG and Sustainability was elected by members to serve on the ResponsibleSteel Board of Directors under the Business Category



"I am honored to have been elected to ResponsibleSteel Board by its members. This appointment reflects EMSTEEL's growing role in advancing responsible steelmaking and strengthening global ESG standards. I look forward to working with fellow Board members and management to accelerate progress on decarbonisation, transparency, and responsible growth across the steel value chain"

Dr Dimitrios Dimitriou
Vice President ESG and Sustainability
EMSTEEL Group

MEMBERSHIPS AND ASSOCIATIONS

(GRI 2-1, 2-2, 2-6)



World Steel Association



ResponsibleSteel



Global Cement and Concrete Association (GCCA)



Emirates Green Building Council



CSO Network



Arab Union of Cement and Building Materials



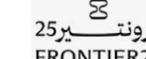
Arab Iron and Steel Union



Green Business Network



UAE Steel Producers Committee



Frontier25



Signatory of UAE Climate Pledge

AWARDS and RECOGNITIONS



Excellence in Low-Carbon Steel Production - World Steel Association 16th Steele Awards 2025



Safety Culture and Leadership Award 2025 (AMAN 2.0 - Achieving Safety Excellence) - World Steel Association



Sustainability Champion - World Steel Association



Winner of Sustainability Reporting of the Year - Environmental Finance Company Awards 2025



Hydrogen Project of the Year 2025 - Connecting Hydrogen MENA



1st Place, UAE Energy Management Award - Department of Energy



MLOps Innovation in Manufacturing Excellence Award - Dataiku Summit 2025



Climate Change Mitigation and Sustainability/CSR Team of the Year - 2 Gold Award - Global ESG Awards 2025



Best Scientific Research Award in Iron and Steel (2nd place) - Arab Iron & Steel Union 2025



Inspirational Leader of the Year - Make it in the Emirates 2025



Sustainability Leader - Forbes Middle East (Top Sustainability Leaders in Manufacturing & Industrials)



Among Top 30 Sustainability Leaders Transforming Energy and Environment - Economy Middle East



Forbes Middle East Top CEOs 2025 (5th consecutive appearance)



Featured among Khaleej Times "54 Greats" for the UAE's 54th National Day



Three Gold Awards; Visionary leader, Best Net-Zero Initiative and Sustainability team of the year, and 1 (Silver) for Best ESG (more than 25 years in business) - Gulf Sustainability Awards 2025



Named among the five global finalists at steelChallenge-19 World Championship 2025, and achieving 1st place in both the Industry and Student categories at steelChallenge 20-where both winners will proudly represent EMSTEEL at the World Championship Finals in 2026



NEW CERTIFICATIONS

<p>ResponsibleSteel™ Core Site Certification (first steel producer in the MENA region)</p>	<p>ISO 50001 Energy Management System Certification</p>	<p>ISO 46001 Water Management System Certification</p>
<p>First company to receive ECAS certifications for construction product quality from MoIAT, through UK CARES</p>	<p>Renewed our Nuclear Quality System Certification (QSC-677) by ASME</p>	<p>Green Industries Label Certificates – renewed for Steel operations and newly obtained for Cement operations</p>

More information on our certifications is available in our [Quality of Services and Products](#) section.



"EMSTEEL demonstrates exceptional leadership in meeting CARES Sustainable Constructional Steels (SCS) scheme and ResponsibleSteel's rigorous sustainability standards. We commend their proactive approach, commitment to continuous improvement and their role as a leader in responsible industry transformation."

Lee Brankley
Chief Executive Officer
CARES Certification

OUR JOURNEY: EMSTEEL TIMELINE

		1976	Emirates Cement Factory established in Al Ain	
	Emirates Steel founded under SENAAT	1998		
	Major expansions and capacity increases	2006	Arkan Building Material Company founded Phase 1 Expansion Launched	
		2016	Carbon Capture commenced in Emirates Steel	
	Merger of Emirates Steel and Arkan Group; transfer of ownership to ADQ	2021		
		2022	Emirates Steel joins Worldsteel Sustainability Charter	
	Launch of MENA's first hydrogen-based steel pilot project; rebranding to EMSTEEL	2024		
		2025	Achieved ResponsibleSteel core site certification	

OUR OPERATIONS

EMSTEEL is the region's largest producer of heavy and jumbo sections, and the sole producer of hot-rolled sheet piles in the UAE. We are among the world's leaders in steel innovation, holding the American Society of Mechanical Engineers (ASME) accreditation for nuclear grade rebar and delivering tailored solutions to meet diverse customer needs on time, every time.

Our products support the construction of cleaner, safer, and more resilient buildings and infrastructure. EMSTEEL's steel production process achieved 0.64 tCO₂e per tonne of steel carbon intensity within the boundary of scopes 1 and 2, driven by ongoing decarbonisation initiatives such as energy efficiency, carbon capture, and increased use of clean and renewable electricity.

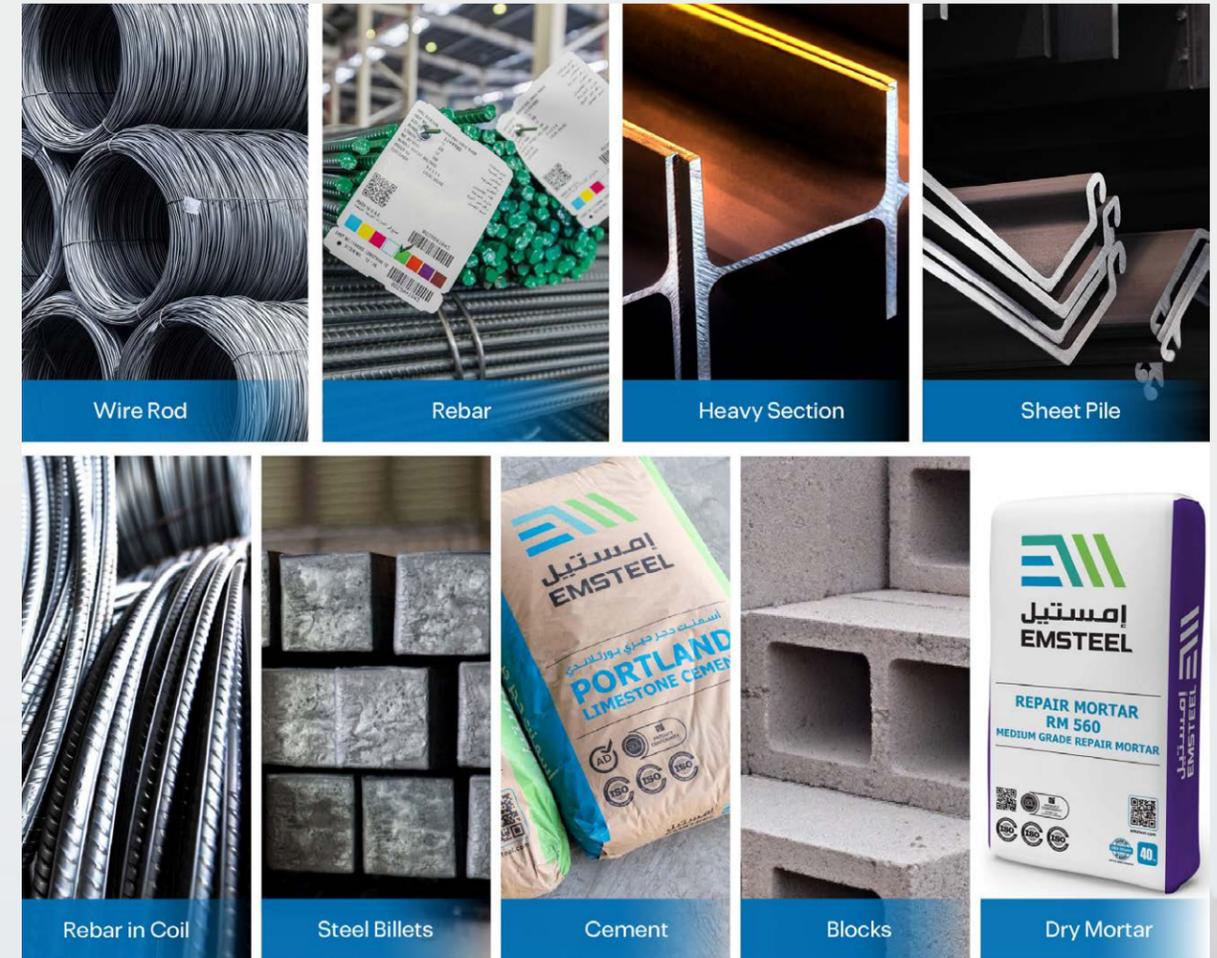
In parallel, our cement business plays a vital role in lowering embodied carbon across the construction value chain. Through innovations such as low-carbon cement produced using steel slag, developed in partnership with Magsort, we are reducing emissions, cutting limestone demand, and demonstrating the unique synergies between our Steel and Cement operations. Our cement products support the UAE's growing green building movement, and our leadership team continues to advance sector-wide decarbonisation,

sharing insights at major industry platforms such as INTERCEM Dubai and Cemtech MEA. These innovations strengthen EMSTEEL's position as a driver of low-carbon manufacturing and a key contributor to the UAE's Net Zero 2050 trajectory.

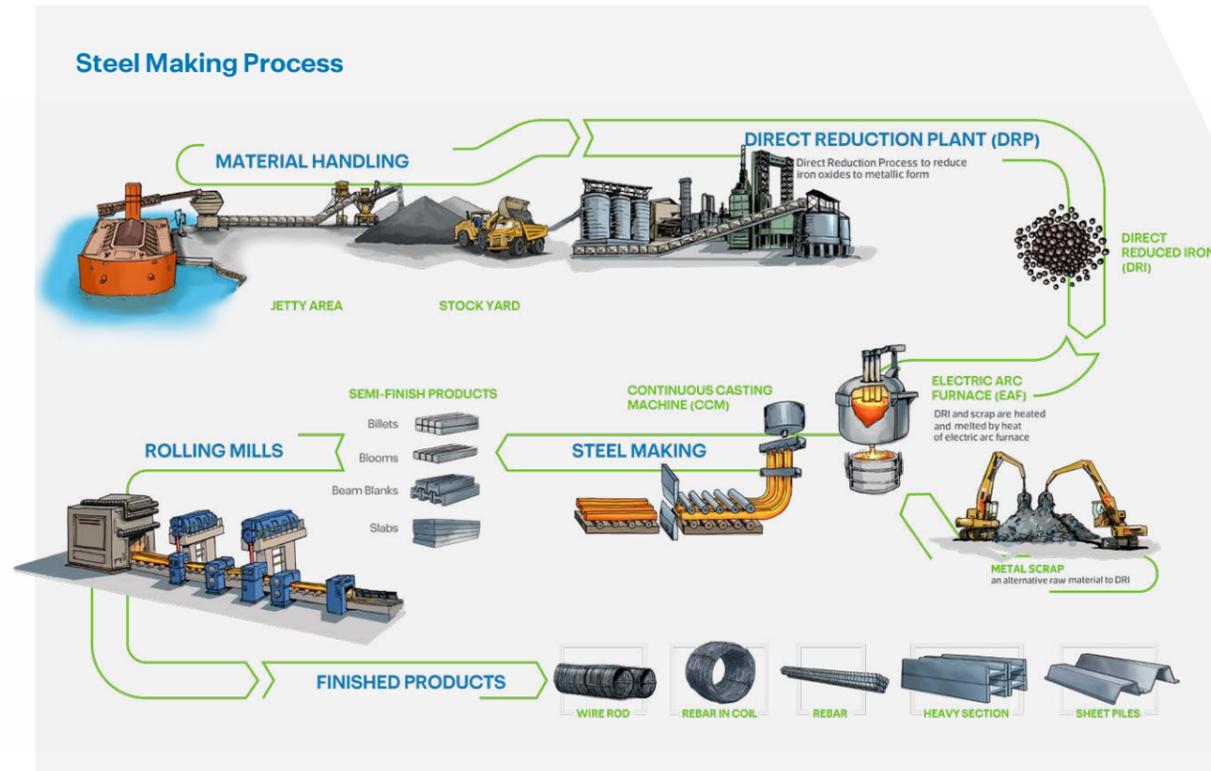
Production Capacity



Our Products

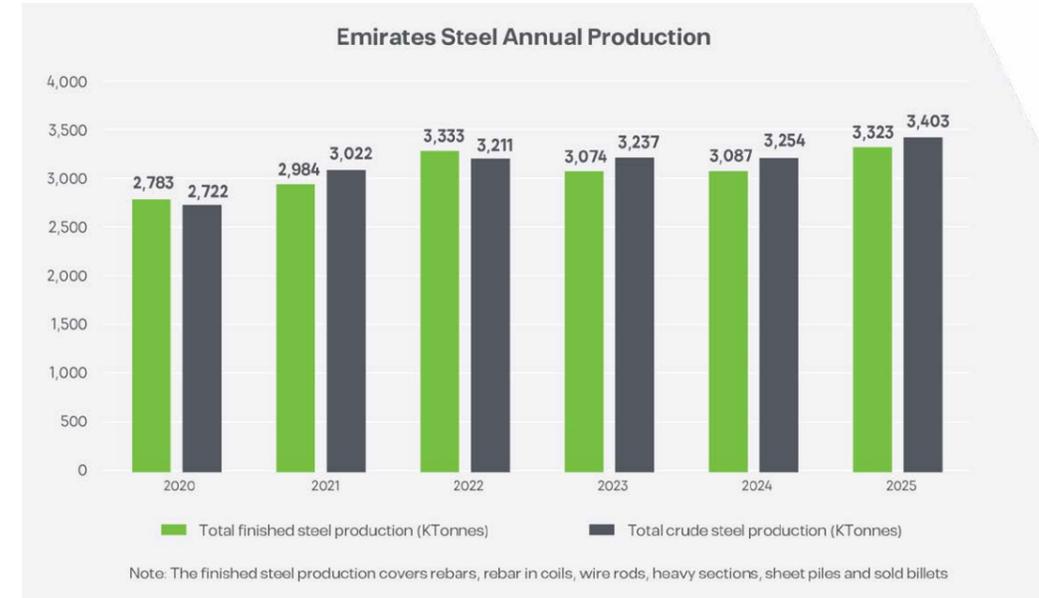


Our Production Process



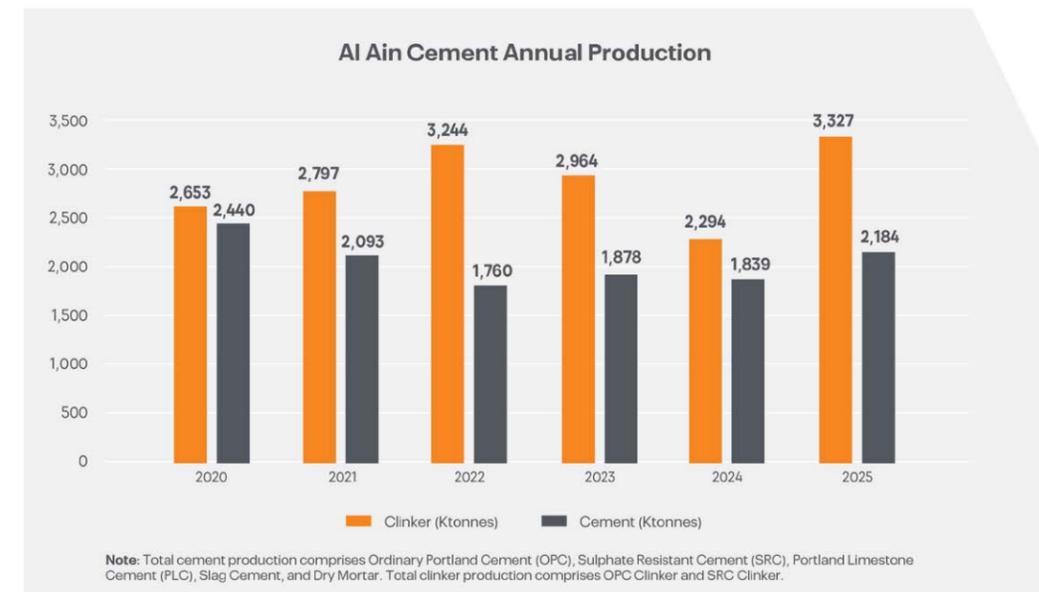
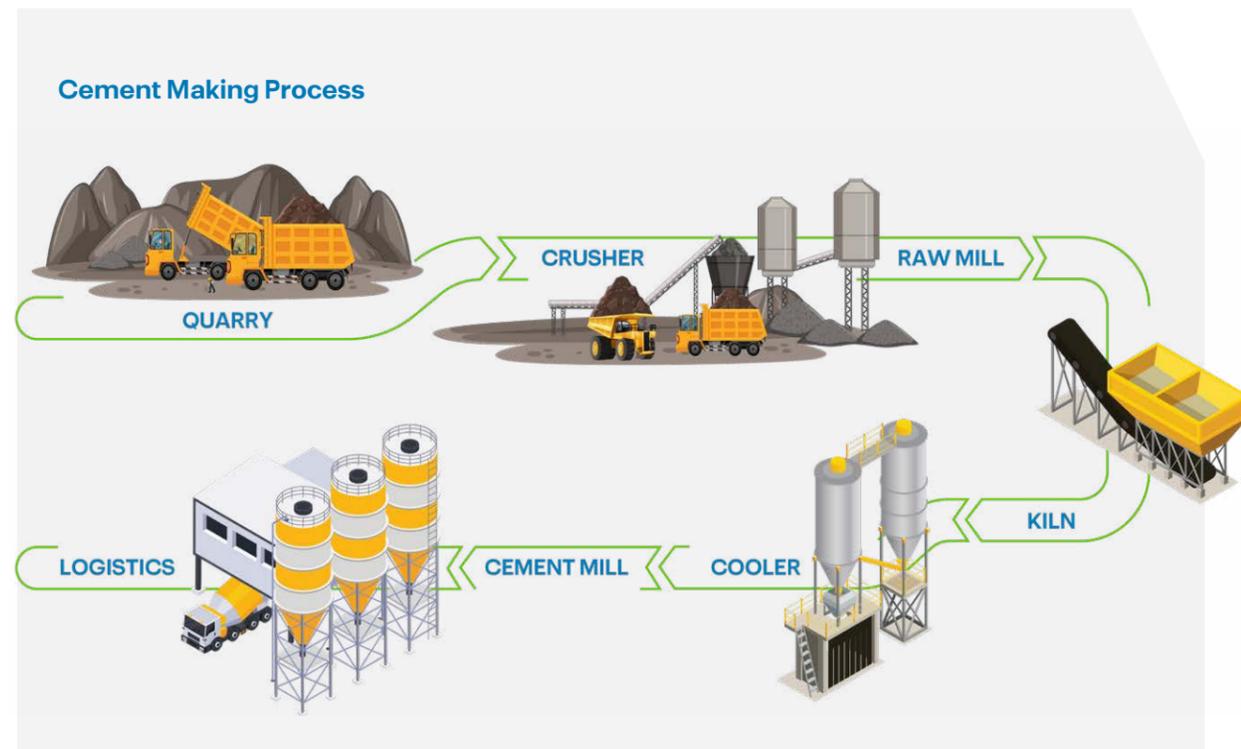
Our Production in 2025

Emirates Steel: 3.3 million tonnes of finished steel products: rebar, rebar in coil, wire rod, heavy sections, sheet piles, and solid billets



Emirates Cement: 2.2 million tonnes of Ordinary Portland Cement (OPC), Sulphate Resistant Cement (SRC), Portland Limestone Cement, slag, and dry mortar

Other Products: 49.9 million equivalent of blocks, interlocks, and pavers, **35.8 kTonnes** of GRP pipes, GRP fittings, PVC pipes, LDPE, PPR, plastic bags, and paper sacks



OUR SUSTAINABILITY MANAGEMENT

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- ESG RATINGS 38



MATERIALITY ASSESSMENT

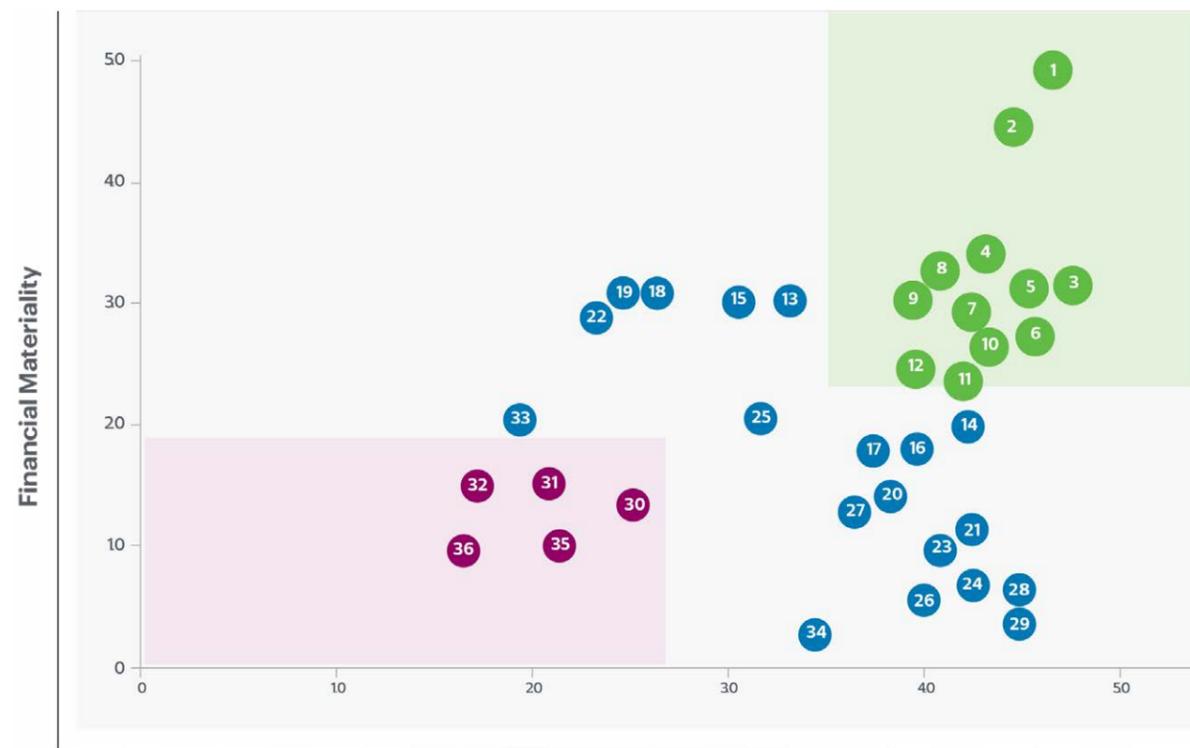
The comprehensive double materiality assessment we conducted in 2024 still underpins our ESG strategy. While no new formal materiality assessment was undertaken in 2025, we have continued to engage with stakeholders in order to ensure we reflect evolving financial materiality (outside-in) and impact materiality (inside-out) considerations; essentially, assessing how ESG issues affect our financial performance and how our operations impact the environment and society. We also appointed an independent consultant to undertake a gap analysis of our sustainability disclosures, helping us to understand how to further improve our reporting standards.

We have incorporated recommendations from the Corporate Sustainability Reporting Directive

(CSRD) and maintain alignment with GRI 3-1, 3-2, 3-3, and 201. Our annual review ensures our materiality focus remains relevant, responsive, and aligned with stakeholder expectations.

MATERIALITY MATRIX

The Double Materiality Assessment (DMA) applied for EMSTEEL's 2025 Sustainability Report was reviewed and approved by the Executive Committee. The approved materiality matrix, developed at the end of 2024, remains aligned with EMSTEEL's current strategy, risk priorities, and regulatory expectations – providing a robust and governance-endorsed basis for external sustainability reporting and assurance.



Impact Materiality

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> 1. GHG Emissions 2. Energy Management 3. Health and Safety 4. Circular Economy and Waste 5. Business Integrity and Ethics 6. Customer Engagement 7. Human Capital Development 8. Water Consumption 9. Water Contamination 10. Corporate Governance | <ul style="list-style-type: none"> 11. Responsible Supply Chain 12. Emiratisation 13. Economic Performance 14. Market Presence and Business Model Resilience 15. Resource Management 16. Diversity and Inclusion 17. Product Quality 18. Operational Efficiency 19. Emergency Preparedness | <ul style="list-style-type: none"> 20. Air Emissions 21. Competitive Behaviour 22. Stable Production 23. ESG Related Transparency and Disclosures 24. Labour Management 25. Climate Change Adaptation 26. Opportunities in Clean Tech 27. Local Community (Community Investment) | <ul style="list-style-type: none"> 28. Product Environment Impact 29. ESG Governance/Oversights 30. Human Rights 31. Socio-economic Compliance 32. Hazardous Substances 33. Biodiversity and Ecosystems 34. Working Conditions 35. Data Privacy (Cyber Security) 36. Gender Equality |
|---|---|--|---|
- Material Topic ● Non-material Topic

Recap of our 2024 DMA

Identification: 36 potential material topics identified. These have been aligned to the GRI topics.

Stakeholder Engagement: Over 500 stakeholders engaged through online surveys

Analysis & Validation: Both qualitative and quantitative methods used to analyse responses.

Results

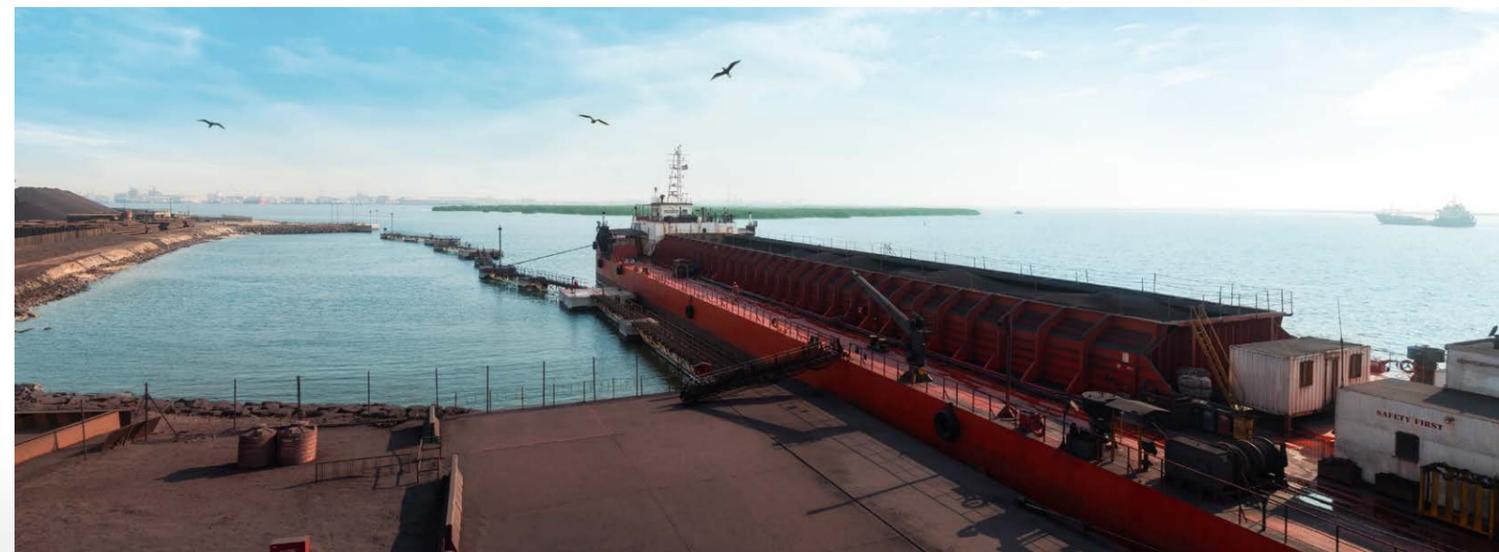
The assessment identified 12 material topics across three pillars: environmental, social, and governance. These include GHG emissions, energy management, circular economy and waste, water management, health and safety, human capital development, Emiratisation, business integrity and ethics, corporate governance, responsible supply chain, and customer engagement.

Stakeholder Engagement

We actively engage with employees, customers, regulators, community members, and shareholders to ensure their perspectives are reflected in our priorities. Details of our stakeholder engagement process and feedback integration are provided in Appendix D.

Refer to Appendix E for the full Double Materiality Assessment and matrix.

[1] DMA's evaluate sustainability topics from two angles: its impacts on people and the environment, and its potential financial effects on the company. Our last full DMA took place in 2024 and was again reviewed and approved by EMSTEEL's Executive Committee in 2025.



ESG COMMITMENTS AND TARGETS

Our ESG Strategy sets out clear commitments to environmental stewardship, social responsibility, and governance. These commitments guide our actions and provide a roadmap for achieving our sustainability goals. Our Group ESG Policy is regularly reviewed to ensure it remains relevant and effective. Oversight is provided by the ESG Board Committee, which manages the implementation of the ESG Policy and all related strategies.

Environmental Stewardship

Our overarching goal is to significantly reduce emissions intensity and transition to 100% clean and renewable energy by 2030.

Social Responsibility

Health and safety are critical, alongside human capital development, Emiratisation, and customer engagement. Prioritising health & safety, human capital development, and Emiratisation ensures a safe and skilled working environment where diversity is promoted, and our community feels invested in.

Governance

By prioritising ethics and transparency, alongside responsible supply chain management, we aim to build trust with stakeholders and ensure compliance with the highest regulatory standards.

Decarbonisation and Environmental Stewardship

We are committed to **net zero GHG emissions by 2050**, supported by energy efficient technologies, clean energy adoption, and strong environmental management. By 2030, we aim to reduce Scope 1 and 2 emissions by **40% in the Steel BU and 30% in the Cement BU**. We also enhance energy performance under **ISO50001**, strengthen water stewardship under **ISO46001**, and advance circular economy practices by reducing waste and maximising by product reuse and recycling across our operations.

Environmental Critical Material Topics

- GHG Emissions
- Energy Management
- Circular Economy and Waste
- Water and Effluents

Our People and Communities

We uphold **strong human and labour rights** across our value chain and maintain the highest safety standards through **ISO45001**, continually improving in line with UAE regulations. We advance equal opportunities, diversity, equity, and inclusion, empowering women and supporting Emiratisation by attracting and developing UAE Nationals.

We also invest in continuous learning, training, and career development, partnering with educational institutions to build national talent and future capabilities.

Social Critical Material Topics

- Health and Safety
- Human Capital Development
- Emiratisation

Trusted and Responsible Partner

We maintain a **zero tolerance approach to corruption, fraud, and bribery**, supported by strong ethics policies and transparent practices.

We ensure fair competition and comply with all relevant laws, backed by rigorous internal controls and audits across ESG, climate, energy, health, and safety performance. We commit to full tax compliance through transparent reporting and robust oversight, while strengthening customer engagement, expanding EPD backed green products, and integrating ESG into CRM processes.

Governance Critical Material Topics

- Business Integrity and Ethics
- Corporate Governance
- Responsible Supply Chain
- Customer Engagement

Progress towards Our ESG Targets

Material Topic	ESG Strategy KPI's	Baseline	2025	Progress in 2025 towards 2030 targets
GHG emissions	Absolute Emissions - Steel Business (million tCO ₂ e)	3.2	2.1	85%
	Absolute Emissions - Cement Business (million tCO ₂ e) ¹	2.5	2.3	29%
Energy Management	Clean energy - Steel Business (%)	0%	89%	89%
	Renewable Energy - Steel Business (%)	0%	30%	60%
	Clean energy - Cement Business (%)	0%	29%	29%
	Renewable Energy - Cement Business (%)	0%	21%	42%
Circular Economy and Waste Management	Energy intensity - Steel Business (GJ/tcs) ²	17.85	17.22	50%
	By-products recycled - Steel Business (%)	90%	105%	100%
	Waste sent to recycling - Steel Business (kg waste recycled / tonnes production)	60.38	64.88	100%
Water and Effluents Management	Waste sent to landfill - Steel Business (kg waste to landfill/ tonnes production)	7.8	6.8	100%
	Water intensity - Steel Business (m ³ /tcs) ³	2.6	2.51	69%
Health and Safety	TRIFR - Group	0.18	0	100%
	LTIFR - Group	0.58	0.29	89%
Human Capital Development	Training - Group (hours) ⁴	N/A	38.5	96%
	Female in Overall workforce - Group (%)	4.5%	4.5%	0%
	In-focus Emiratisation rate - Group (%)	54%	48%	0%
Responsible Supplychain	Suppliers screened for ESG criteria compliance - Steel Business (%)	85	100%	100%
	Local procurement spent - Steel Business (%) ⁵	44%	43%	0%
	Local procurement spent - Cement Business (%)	81%	78%	100%
Corporate Governance	Targeting annual ESG training to the Board (no)	0	1	100%
Business Integrity and Ethics	Maintain full assessment of corruption risks - Group (%)	100%	100%	100%
	Employees trained on fraud awareness - Group (%)	8%	77%	84%
Customer Engagement	Customer Satisfaction rate - Steel Business (%) ⁶	75%	86%	100%
	Customer Satisfaction rate - Cement Business (%)	50%	90%	100%

■ Group's ESG Strategy KPI's
 ■ Steel Business's ESG Strategy KPI's
 ■ Cement Business's ESG Strategy KPI's

* The share of local procurement decreased from 45% to 43%, but the actual spend increased. This was due to higher spending on critical imported raw material, which increased overall spend and affected percentage.
 ** Customer satisfaction belong to year 2024, as the 2025 satisfaction survey will be conducted in Q1 2026.

Notes

1. Al Ain Cement's absolute emissions increased in 2025 compared to previous years due to higher production volumes, which exceeded the levels anticipated in the decarbonisation roadmap. This rise was driven by strong UAE market demand in 2025 and the high operational reliability and efficiency of the cement plant. It is important to note that 2024 is not a representative year for emissions comparison, as the plant experienced multiple unplanned shutdowns caused by extreme weather conditions, which reduced production output and resulted in unusually low emission levels. Despite the increase in absolute emissions in 2025, emissions intensity improved, reaching its lowest level recorded since 2019.
2. In line with ISO 50001 requirements, the energy intensity baseline was recalculated using regression-based normalisation, covering natural gas, electricity, and company-owned transport fuels. To reflect normal operating conditions, the figure was normalised from 16.5 to 17.22 GJ/tcs, accounting for the impact of an unplanned shutdown during the reporting period.
3. Normalised baseline as per ISO 46001.
4. Target revised in 2025 from 90 to 40 hours per employee by 2030, as the Career Aspiration Programme (CAP) was reduced from 3 years to 1 year.
5. Share of local procurement for the steel business decreased from 45% to 43%, but the actual spent increased. This was due to the higher production and consequently higher spending on critical imported raw materials, which increased overall spent. At group level the total procurement spent directed to local suppliers was 46%.
6. Customer satisfaction is for year 2024, as the 2025 satisfaction survey will be conducted in Q1 2026.

Sustainable Development Goals

EMSTEEL fully supports the United Nations Sustainable Development Goals (UNSDGs) and aligns its initiatives with the goals most relevant to our heavy industrial sector.



DECARBONISATION STRATEGY

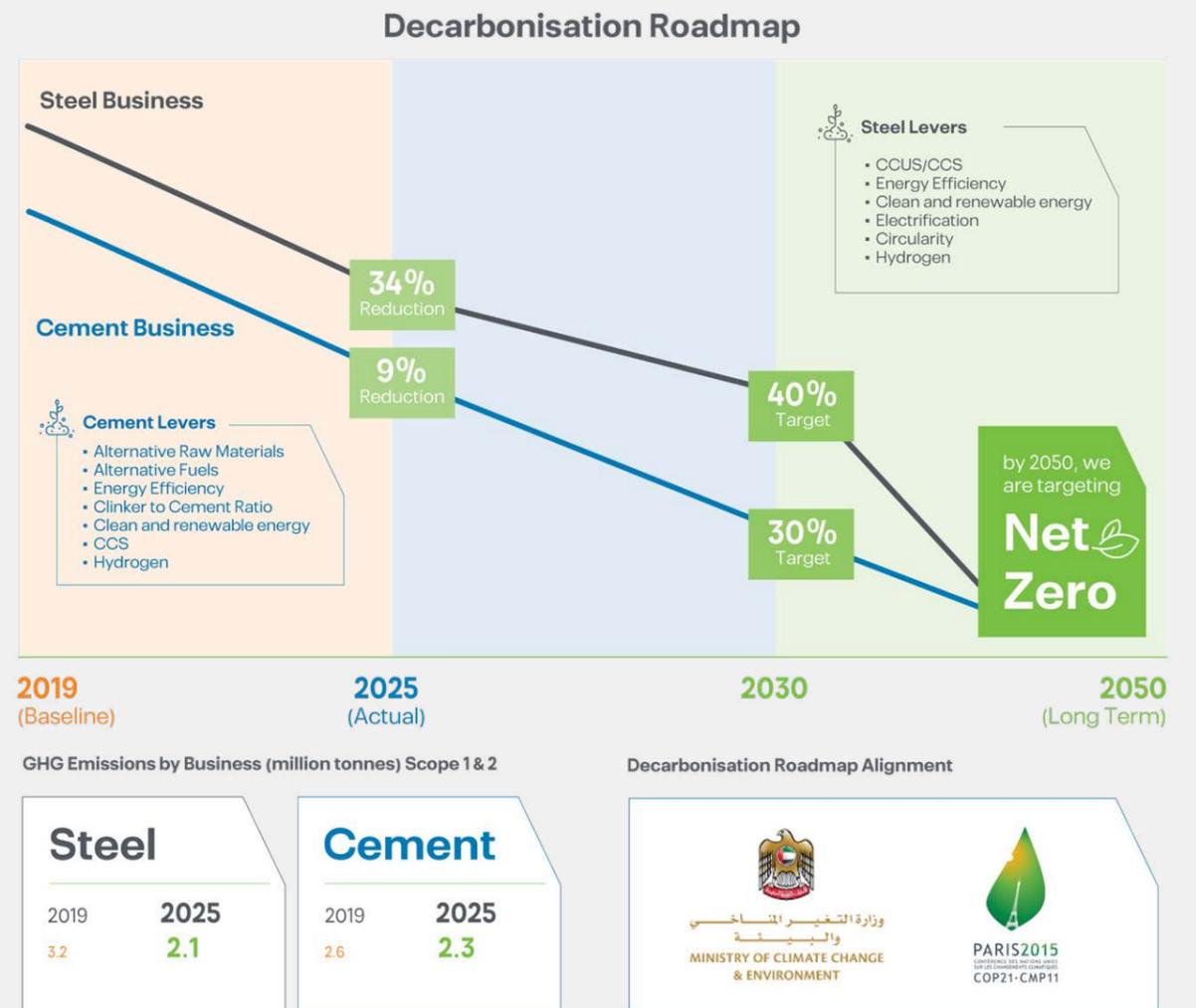
Our Path to Net Zero by 2050

Under EMSTEEL’s business-as-usual scenario, our decarbonisation strategy targets a 40% reduction in GHG emissions in the Steel Business and a 30% reduction in the Cement Business by 2030, using 2019 as the baseline. Our 2030 reduction plan is underpinned by quantified contributions from clean electricity, efficiency, CCUS, circularity, and electrification pilots and others to ensure achieving the reduction targets set. We are also committed to achieving net-zero emissions by 2050. This strategy reflects EMSTEEL’s leadership in sustainable manufacturing and demonstrates clear alignment with the UAE’s Net Zero by 2050 Strategic Initiative and the objectives of the Paris Agreement.

We are improving energy efficiency, scaling carbon capture, advancing electrification, transitioning to alternative fuels and raw materials, accelerating the shift to clean electricity, and continuing to prepare for future hydrogen integration. These actions help us maintain alignment with the UAE’s Nationally Determined Contributions (NDCs) 3.0 and the Paris Agreement, while positioning EMSTEEL as a regional leader in industrial decarbonisation. Our long-term ambition is to achieve Net Zero by 2050, with 2030 marking a critical milestone. By 2030, we aim to meet our absolute emissions-reduction targets and further reduce emissions intensity across our steel and cement operations, establishing a strong foundation for our 2050 goal.

The strategy focuses on the programmes, actions, and initiatives that can deliver the greatest impact.

In 2025, EMSTEEL commenced Measurement Verification and Reporting (MRV) in line with Environment Agency – Abu Dhabi requirements,



strengthening emissions data governance and transparency. This provides a strong foundation for compliance with the Federal Decree Law No. 11 of 2025 on climate change mitigation and the National Register of Carbon Credits established under Cabinet Resolution No. 67 of 2025, both effective in 2025.

GHG EMISSIONS: SCOPE 1, 2, AND 3

Reducing Scope 1 and 2 emissions, even as production levels fluctuate, remains a core priority. While total Scope 1 and 2 absolute emissions increased in 2025 due to higher production volumes, this increase was volume-driven rather than structural. EMSTEEL continues to decouple emissions from production through sustained efficiency improvements. This rise was more pronounced in the cement business, where production exceeded the levels planned due to a healthy market demand and strong operational reliability of the Al Ain Cement plant.

EMSTEEL Group's total Scope 1 and 2 emissions (market-based) reached 4.48 million tCO₂e. Despite this, the underlying efficiency of our processes has continued to improve, contributing to a sustained reduction in emissions intensity. Emirates Steel reduced its emissions intensity for the sixth consecutive year, reaching 0.637 tCO₂e per tonne of steel in 2025, and Al Ain Cement maintained strong performance, marginally reducing its emission intensity to 0.638 tCO₂e per tonne of cementitious material in 2025, again the lowest recorded intensity since 2019. Acknowledging the complex balance of growth and decarbonisation pathways, these improvements reflect meaningful progress: producing more, with fewer emissions per tonne, demonstrating the effectiveness of our energy efficiency initiatives and growing use of clean electricity.

In the regulated local utilities market, energy attribute certificate market-based mechanisms currently remain one of our most effective decarbonisation levers. Emirates Steel now

complements the majority of its electricity with solar and nuclear certificates (I-RECs), while Al Ain Cement is also significantly increasing its use of renewable and clean power. These shifts are materially lowering Scope 2 emissions and positioning the Group for continued reductions, as we further progress on-site solar to reduce reliance on certificates over time.

Scope 3 emissions decreased to 2.3 million tonnes CO₂e in 2025, driven by improved supplier data, stronger engagement, and increased use of alternative raw materials. Our Responsible Supply Chain Transformation Programme continues to embed global ESG and responsible sourcing standards across our Scope 3 procurement categories. In 2025, we trained 487 suppliers across CBAM readiness, carbon footprinting, ESG risk mapping, and emissions transparency, strengthening capability across the value chain.

KEY ABATEMENT LEVERS

Steel

Our steel decarbonisation actions focus on electrification, clean energy integration, process innovation, and material circularity. We are exploring electric furnace pathways with Danieli, expanding carbon capture, and advancing our

Decarbonisation Levers

CCUS/CCS*	Electrification
Energy Efficiency	Circularity
Clean and renewable energy	Hydrogen*

*Medium/Long-term



"Danieli is proud to partner with EMSTEEL on the electrification of process gas in ironmaking. This project reflects EMSTEEL's determination to act as a frontrunner in sustainability and industrial innovation on the path towards Net-Zero emissions."

"By pioneering the direct use of renewable electrical power in direct reduction, this initiative paves the way to future developments focused on higher efficiency and enhanced environmental performance."

Giacomo Mareschi Danieli
CEO
Danieli Group

hydrogen pilot with Masdar to enable future large-scale fuel switching. Through our partnership with Medisun, we will implement an innovative technology that will convert industrial brine into high-value products and blue energy, thereby reducing our carbon footprint and advancing our circular economy objectives.

Clean electricity and carbon capture continue to be our most impactful levers, supported by further efficiency improvements across rolling, melting, and auxiliary systems.

Cement

Our cement decarbonisation priorities centre on reducing clinker intensity, transitioning to lower carbon inputs (both raw materials and fuels), and accelerating clean energy use. Testing of Magsort technology was successfully completed in 2025, enabling readiness for scale-up of steel slag sourced from our steel business as a raw material substitute to limestone. We are evaluating alternative fuel options and assessing the viability of a dedicated solar project to complement our clean electricity procurement.

Decarbonisation Levers

Alternative Raw Materials	Clean and renewable energy
Alternative Fuels	CCS*
Energy Efficiency	Hydrogen*
Clinker to Cement Ratio	

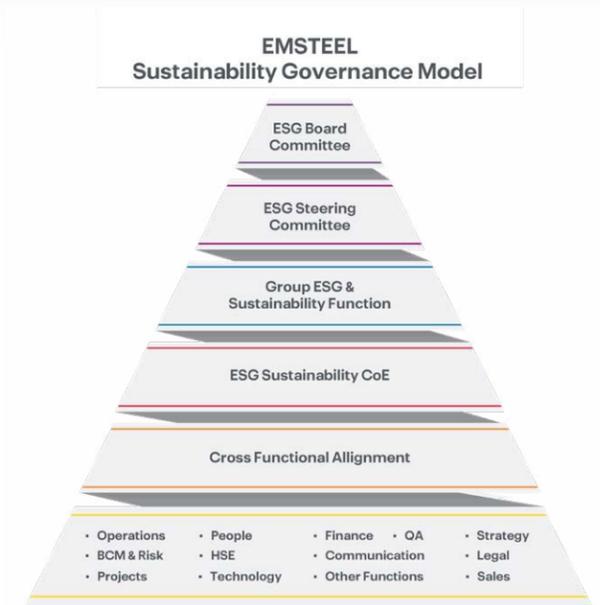
*Long-term

Our Forward Path

EMSTEEL's decarbonisation pathway is focused, practical, and aligned with our long-term ambition to achieve Net Zero by 2050. By prioritising the levers that deliver the greatest reductions today—clean electricity, efficiency gains, CCUS, hydrogen readiness, alternative fuels and materials, and sustainable product innovations, we are strengthening our resilience and accelerating progress toward a low-carbon future.

SUSTAINABILITY GOVERNANCE

Strong governance is the foundation of EMSTEEL's sustainability journey. Our governance framework ensures accountability, transparency, and alignment with our long-term ESG targets.



In 2024, we launched a four-tier sustainability governance model, which remains in place today. An ESG Board Committee provides oversight and strategic direction; the ESG Steering Committee, chaired by the Group CEO, continues to guide group management on all ESG and sustainability matters; and day-to-day execution is led by the Group ESG and Sustainability function. This is headed by the Group Vice President of ESG and Sustainability, chairing and working closely with a cross-functional ESG and Sustainability Centre of Excellence.

EMSTEEL's Board of Directors, our highest governance body, has ultimate accountability for ESG outcomes, and is informed on the management of sustainability impacts on a quarterly basis, retaining ultimate responsibility for reviewing the results of actions taken on ESG and sustainability matters.

It is supported by the ESG Board Committee, which makes decisions on policies, procedures, and strategic direction for EMSTEEL and its subsidiaries. ESG performance, material environmental and social risks, climate-related matters, and progress against approved ESG, decarbonisation, and responsible sourcing strategies are formally reviewed through the ESG Committee, which reports its outcomes and recommendations to the full Board. Matters that are emerging for Climate and Sustainability related risks and opportunities are reviewed quarterly through coordination with the Audit & Risk Committee and with escalation to the Board as required. Material or emerging risks and opportunities are reported on an ad-hoc basis to support timely decision-making.



Sustainability-related risks and opportunities are also integrated into EMSTEEL’s strategy, CAPEX planning, and major transaction oversight through structured governance processes. The ESG Committee ensures that sustainability and decarbonisation considerations are embedded into strategic priorities, while the Strategic Investment Committee evaluates CAPEX and investment proposals, including Value initiatives for alignment with strategy, risk appetite, returns, and long-term resilience, before Board approval. Sustainability and climate-related impacts are assessed alongside financial and risk considerations, enabling informed trade-offs between cost, emissions reduction, regulatory compliance, and value creation.

Our ESG Risk Framework, supported by defined controls and procedures, is used to identify, assess, manage, and monitor sustainability-related and climate-related risks and opportunities. These controls are integrated into EMSTEEL’s enterprise risk management, overseen by the Audit and Risk Committee,

Additionally, the board reviews and approves results annually. The Board ESG Committee (ESGC) reviews and endorses the sustainability report on an annual basis. Following ESGC endorsement, the Board of Directors formally

reviews and approves the results of sustainability reporting annually, prior to publication.

Our multi-tier governance structure ensures that priorities are aligned across the organisation, with regular monitoring and performance reporting on all ESG initiatives and metrics.

ESG RATINGS

At EMSTEEL, ESG ratings play a vital role in shaping our sustainability strategy, strengthening our market position, and driving transparency. The steady progress we made during 2025 is clearly reflected in the ratings table below – with highlights including another year-on-year improvement from Sustainalytics, an inaugural S&P Global ESG Score of 52, and our first provisional ESG rating of AA from MSCI. The latter reflects stronger risk controls across our operations, clearer climate and governance disclosures, and measurable improvements in areas such as carbon intensity, water efficiency, and supply chain oversight - placing EMSTEEL among the sector’s top performers for managing material ESG risks with discipline.



“Across hard-to-abate industrial sectors such as steel and cement, strong ESG governance and transparent, data-driven sustainability practices are critical to accelerating decarbonisation and strengthening long-term competitiveness. Through our collaboration, we supported EMSTEEL in achieving a provisional MSCI ESG Rating of ‘AA’, positioning the company among the top 21% of steel industry performers globally and reinforcing its leadership within the regional materials sector. This rating reflects a comprehensive assessment of EMSTEEL’s environmental management practices, including carbon emissions, toxic emissions and waste, water stress, labour management, and corporate governance, all aligned with MSCI’s steel sector methodology.

Working alongside EMSTEEL, we conducted a detailed management indicator analysis to identify peer best practices and develop a clear roadmap for continuous improvement across key ESG themes. This engagement has laid the foundation for a long-term sustainability partnership. The AA rating not only provides EMSTEEL a robust, third-party validation of its ESG performance but also serves as a catalyst for future sustainable financing initiatives under its new Green Finance Framework. The collaborative approach demonstrates EMSTEEL’s commitment to embedding ESG considerations at the core of its business and driving meaningful impact across the value chain.”



DECARBONISATION AND ENVIRONMENTAL STEWARDSHIP

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Material topics:

- Energy Management
- GHG Emissions
- Circular Economy & Waste
- Water Management



SUMMARY

In 2025, EMSTEEL continued to progress towards its net-zero ambition, focusing on structural decarbonisation levers across operations and the value chain. Clean electricity sourcing via market-based tools significantly expanded with 88.7% of total electricity consumption in the steel business and 28.6% in the cement business covered by clean energy certificates, substantially reducing Scope 2 emissions on a market-based basis. In parallel, we have been progressing on-site renewable initiatives to reduce reliance on certificates over time.

Carbon capture represented approximately 18% of total Scope 1 emissions in steel in 2025. Capture volumes were lower year-on-year due to scheduled shutdowns at both EMSTEEL and Al Reyadah facilities. At the same time, absolute emissions increased in line with higher production levels, while emissions intensity continued to improve, reflecting ongoing efficiency gains.

Beyond operations, EMSTEEL further strengthened its responsible sourcing programme, embedding ESG and carbon criteria across all supplier tiers and continuing supplier training on emissions management and decarbonisation readiness.

We started on our journey towards eliminating single-use plastics, increasing recycling, and pioneering low-carbon cement using by-product slag sourced from our steel business. Water stewardship advanced with ISO 46001 certification and water efficiency management system, ensuring efficient use in a water-stressed region.

Biodiversity received renewed focus through a comprehensive assessment aligned with the International Biodiversity Assessment Tool (IBAT) and relevant global frameworks, complemented by our plantation initiative, restoring habitats, and supporting local ecosystems. We are proud to have maintained a spotless compliance record, with zero non-conformities in environmental audits.

Innovation drives our progress. From electric process gas heaters to solar rooftop initiatives and hydrogen-based rebar, we set new benchmarks for sustainable manufacturing. Our achievements earned industry recognition and reinforced our leadership in decarbonisation.

We remain committed to our 2030 and 2050 targets. Every step is guided by our values: people, accountability, and innovation. Decarbonisation and environmental stewardship are how we do business as we work towards building a better future for the UAE and beyond.

Case Study

Setting a new benchmark for responsible steelmaking

In 2025, EMSTEEL became the first steel producer in the Middle East and North Africa to achieve ResponsibleSteel™ Core Site Certification, marking a major milestone in the Group's sustainability journey and reinforcing its position as a regional leader in responsible industrial production.

ResponsibleSteel™ is the steel sector's leading global standard, setting rigorous requirements across environmental stewardship, labour and human rights, occupational health and safety, governance, and stakeholder engagement. Achieving certification required EMSTEEL's steel operations to undergo a comprehensive, independent ESG audit, confirming alignment with internationally recognised best practice. This certification is not symbolic. It validates the strength, maturity, and credibility of EMSTEEL's sustainability framework at an operational level.

ENVIRONMENTAL CONTROLS & MANAGEMENT SYSTEMS

In 2025, we continued to strengthen our environmental controls and management systems, ensuring that our growth delivers lasting value for our business, our stakeholders, and the communities we serve.

ADVANCING OUR MANAGEMENT SYSTEMS: ISO 14001, ISO 46001, AND ISO 50001

In 2025, EMSTEEL continued to strengthen its management systems, maintaining ISO 14001 (Environmental Management) certification across all businesses. ISO 50001 (Energy Management) certification, achieved by the cement and blocks businesses in 2024, was extended to the steel business in 2025, while the steel business also attained ISO 46001 (Water Efficiency Management) certification for the first time, reinforcing EMSTEEL's structured approach to environmental, energy, and water stewardship.



Implemented the **ISO 50001 Energy Management System** and **ISO 46001 Water Efficiency Management System** across the Steel Business



In 2025, EMSTEEL Group has been awarded **1st Place** at the **UAE Energy Management Award**, a national recognition presented by UAE Ministry of Energy and Infrastructure.

- **ISO 14001:** Our triennial recertification audit in 2025 confirmed the maturity of our environmental risk management and the seamless integration of sustainability objectives into our business strategy. The audit team highlighted our proactive approach to identifying and mitigating environmental risks, as well as our transparent reporting culture.
- **ISO 46001:** EMSTEEL's first ISO 46001 certification was supported by the deployment of advanced water recycling technologies and a comprehensive water risk assessment. Together, these initiatives have reduced water intensity by 3.5% from the baseline and strengthened our ability to detect and respond quickly to potential leaks, reinforcing our commitment to responsible resource stewardship in a water-stressed region.

- **ISO 50001:** Our energy management system was further enhanced with the rollout of real-time energy monitoring and analytics. The external audit praised our robust energy performance indicators and the high level of staff engagement in energy-saving initiatives.

ASSURANCE THROUGH AUDITS

Robust assurance is central to sustainable value creation. In 2025, EMSTEEL underwent four external OEMP (Operational Environmental Management Plan) audits. For the second consecutive year, auditors found zero non-conformities; a result that speaks volumes for our culture of compliance, operational discipline, and continuous improvement.



Zero non-conformities across 4 OEMP audits

Recorded **zero environmental or non-compliance** issues

Our internal audit and inspection programme was also strengthened, with 3 internal audits and 46 targeted inspections conducted across all our business units. These activities focused on high-risk areas such as hazardous materials storage, waste management, and emissions controls, ensuring that our standards are upheld at every level.

POLICY IN ACTION

The environmental commitments embedded within EMSTEEL's Company Policy were refreshed in 2025 and rolled out through leadership briefings and operational workshops to support effective implementation across the Group, strengthening clarity of environmental roles and responsibilities at both management and operational levels.

The policy's focus on pollution prevention, resource efficiency, and compliance has translated into tangible operational improvements. We have seen a reduction in incident rates for spills and leaks, improved segregation and recycling of waste streams, and a more responsive approach to environmental near-misses and suggestions from frontline teams.

BUILDING CAPABILITY THROUGH TRAINING AND AWARENESS

We recognise that sustainable value is created by an informed and empowered workforce. In 2025, EMSTEEL delivered 36,635 hours of environmental, health and safety, and technical training, including induction, refresher, and specialised modules. Environmental capacity-building included 18 structured training sessions attended by 1,438 employees, which was 173% above our target, as well as 18 environmental awareness campaigns across the Group. All new employees completed mandatory inductions, with additional refresher and specialised workshops on ISO systems, spill response, and energy and water management.

The launch of our Environmental Awareness Booklet and a series of toolbox talks further strengthened our culture of environmental responsibility, encouraging dialogue and best-practice sharing. Employee feedback, supported by LMS analytics and Kirkpatrick-based assessments, showed strong engagement and positive learning outcomes across environmental, health and safety topics.

New Environmental Awareness Booklet Released



EMSTEEL launched an **Environmental Awareness Booklet** offering practical guidance on policies, daily impact reduction actions, and compliance, supported by internal communications and awareness sessions.

New Environmental Engagement Survey



In November 2025, EMSTEEL launched an Environmental Engagement Survey with strong participation and an **87% satisfaction rate**, reflecting high employee confidence in its environmental strategy and management system. The insights gathered are driving targeted improvements in communication, mitigation practices, and recycling, reinforcing EMSTEEL's commitment to a safe, responsible, and sustainable workplace.

TRANSPARENT PERFORMANCE: INSPECTIONS AND CONTINUOUS IMPROVEMENT

Transparency and accountability are at the heart of our management systems. In 2025, EMSTEEL conducted 46 environmental inspections, an increase from 45 in 2024, across all operational sites and high-risk activities. These inspections focused on waste and hazardous materials management, emissions controls, water use and discharge compliance, and emergency preparedness.

COMMITMENT TO ENVIRONMENTAL COMPLIANCE

SETTING THE BENCHMARK FOR OPERATIONAL EXCELLENCE

EMSTEEL maintained its zero non-compliance record again this year. This is an ongoing reflection of our disciplined operational culture and uncompromising approach to environmental performance. In a sector defined by complex regulatory requirements, maintaining a spotless compliance record is not just an achievement - it is evidence of strong governance, rigorous internal controls, and a workforce that understands its role in protecting the environments in which we operate, every day.

Compliance is not treated as a checklist activity. It is embedded into our IMS and reinforced across all our operations through regular monitoring, internal verification, and proactive engagement with regulators. This systematic approach helps us identify emerging risks early, act before issues escalate, and stay ahead of evolving requirements.

ROBUST INTERNAL MONITORING AND PROACTIVE RISK MANAGEMENT

Our internal environmental monitoring systems operate continuously across all high-impact areas. Automated tracking tools, CEMS real-time emissions and effluent monitoring, and scheduled inspections ensure that every operational parameter remains well within permitted thresholds. These systems allow teams to detect anomalies instantly and take early corrective action, which is a primary factor in our consistent zero-non-compliance performance.

We also maintain comprehensive risk registers covering environmental, climate, energy, and

water-related risks, which guide our operational decisions and ensure accountability. This structured oversight strengthens our regulatory readiness and enhances transparency.

BUILDING COMPLIANCE CAPABILITY THROUGH TRAINING

Our commitment to compliance extends to our people. In 2025, we delivered targeted training programmes across EMSTEEL's divisions, ensuring that employees understand regulatory requirements, inspection protocols, and their own roles in maintaining best-practice environmental performance. These sessions strengthen awareness, enhance reporting accuracy, and cultivate a compliance-first mindset across the organisation.

We also integrate compliance topics into our wider sustainability training by building on workshops like Climate Fresk, which empower employees to think more broadly about environmental responsibility and operational discipline.

Case Study EMSTEEL Empowers Sustainability Champions Through Climate Fresk Workshop

In 2025, we conducted the Climate Fresk Workshop, an interactive programme designed to strengthen climate change awareness and empower employees as sustainability champions. The workshop engaged 127 participants from across the organisation in collaborative sessions exploring climate science, global impacts, and practical solutions aligned with EMSTEEL's ESG and decarbonisation strategy.

Through structured activities and discussions, employees identified actionable measures to reduce emissions and embed sustainability into daily operations. The programme reinforced EMSTEEL's commitment to cultivating a culture of environmental responsibility and equipping its workforce with the knowledge and tools to drive meaningful change.



ENERGY AND RENEWABLE SOURCES

GRI Standards: 3-3 (2021), 302 (2016)
 CARES SCS: 3.3, 3.5, 3.6 & 3.7



THE IMPORTANCE OF STRONG ENERGY PERFORMANCE

Strong energy performance underpins our resilience, competitiveness, and climate responsibility. We continuously reduce energy intensity, decarbonise operations, and expand renewable energy use to create long-term value. Annual energy audits cover 100% of energy-intensive processes to ensure ongoing optimisation and improvement.

YEAR-ON-YEAR PROGRESS AND PERFORMANCE

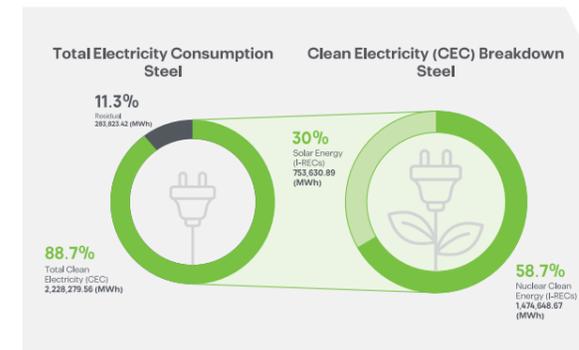
Our progress in 2025 is the result of disciplined management, targeted investment, and a culture that empowers every employee to contribute to our energy goals. Energy efficiency improved sharply in 2025, with energy consumption per tonne reduced by 4.4%, equivalent to a 0.76 GJ/tonne reduction compared to 2024. This reflects more efficient processes, equipment optimisation, and stronger operational discipline across the year. A breakdown of clean electricity used for both steel and cement are detailed below.

Share of clean electricity in the overall mix at steel business increased from 86% in 2024 to ~89% in 2025, driven mainly by an increase in solar energy, which increased from 26% to 30%, while nuclear-based clean energy remained broadly stable.

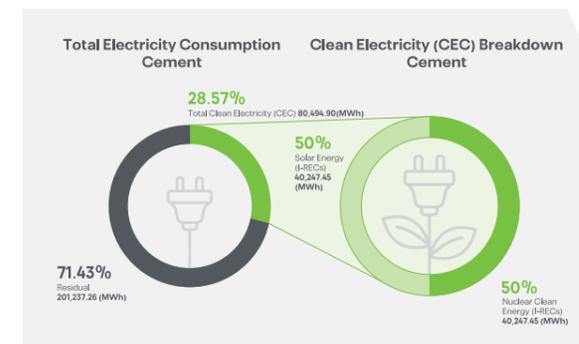
focus on practical, high-impact actions such as process and set-point optimisation, equipment and heat-use improvements, automation upgrades, and targeted maintenance to prevent energy losses.

In 2025, energy initiatives concentrated on primary production and rolling mills. Key measures included reducing natural gas consumption through preheating optimisation, increasing hot DRI charging temperatures to improve furnace efficiency, enhancing Electric Arc Furnace (EAF) and Ladle Refining Furnace (LRF) performance through advanced regulation and off-gas optimisation systems, and increasing scrap utilisation to improve material efficiency. Additional actions included participation in a demand response program during peak electricity demand periods.

Overall, the programme delivered savings of 7.53 million Nm³ of natural gas and 53.3 GWh of electricity, avoiding an estimated 27 Ktonnes CO₂e and generating net financial savings of AED 67 million. Moving forward, Value+ will scale proven solutions, strengthen verification, and share best practices to keep energy efficiency central to our decarbonisation roadmap and long-term competitiveness.



Clean electricity use through I-RECs increased from 86% in 2024 to 88.7% in 2025 across the Steel Business



Clean electricity use through I-RECs increased from 14% in 2024 to 28.6% in 2025 across the Cement Business

Energy-efficiency measures generated **AED 67 million in cost savings** and **27 Ktonnes CO₂e** in emissions savings, directly supporting **EMSTEEL's decarbonisation strategy** by reducing energy consumption and lowering emissions intensity

2025 PROJECT HIGHLIGHTS AND NEW INITIATIVES

Our commitment to sustainable value is evident in the projects we deliver and the innovations we pursue. In 2025, EMSTEEL implemented a series of energy efficiency and renewable energy projects that have already begun to yield measurable results.

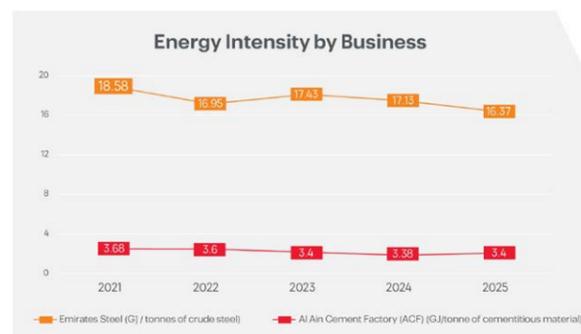
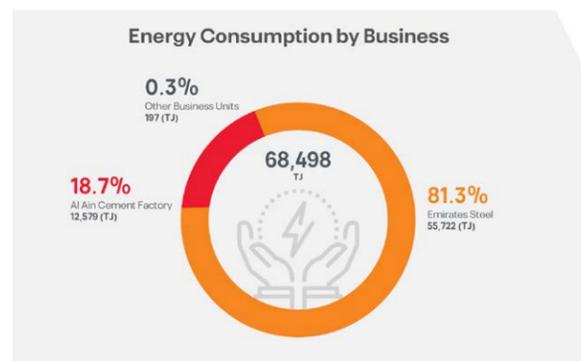
ENERGY EFFICIENCY AND VALUE+

Energy efficiency is one of our core decarbonisation levers, and through our Value+ Programme we embed it into operational excellence by converting innovative ideas into structured, cross-functional initiatives. These

Case Study

Landmark 20-year Natural Gas Agreement with ADNOC Gas

EMSTEEL has entered into a 20-year strategic natural gas supply agreement with ADNOC Gas, valued at USD \$3.5-4.2 billion and effective from 2027. While EMSTEEL's long-term decarbonisation strategy focuses on transitioning towards hydrogen, electrification, and other low-carbon technologies, this agreement supports a phased and orderly transition. It ensures operational reliability and energy security while enabling continued investment in hydrogen-ready DRI operations, renewable power integration, and carbon abatement solutions. The partnership aligns with the UAE's Net Zero 2050 ambitions by reducing emissions intensity in the near term while preparing for deeper structural decarbonisation.



Case study
EAF Efficiency Improvements

This year, EMSTEEL implemented advanced optimisation and digitalisation initiatives across its Electric Arc Furnace operations, enhancing energy efficiency and reducing emissions intensity.

Key measures included installing advanced monitoring systems to optimise furnace performance, upgrading main fan motors with Variable Speed Drives (VSDs) to reduce electricity consumption, improving the efficiency of steel melting and refining operations, and implementing the Smart Energy Insight digital platform to enhance real-time energy management and performance tracking.

Collectively, in 2025 these initiatives delivered approximately, 134k GJ of annual Energy savings and 9000 tCO₂e in avoided emissions.

These improvements strengthen operational efficiency, reduce Scope 1 and Scope 2 emissions, and accelerate progress toward EMSTEEL's 2030 decarbonisation targets and Net Zero 2050 ambition.

Case study
EMSTEEL Supports Abu Dhabi's Energy Transition Through Demand Response Programme

In early 2025, EMSTEEL contributed significantly to Abu Dhabi's first Demand Response Pilot Project, led by the Department of Energy to optimise energy use and support Net Zero goals. By adjusting operations to reduce peak demand by 106 MW, EMSTEEL avoided 1,600 tons of CO₂ emissions and achieved an 80% reliability rate, demonstrating consistent delivery of required load reductions. This collaboration showcased the value of industrial demand response for energy efficiency and emissions reduction.

Building on the success of Phase 1 in 2024, Phase 2 was launched at Abu Dhabi Sustainability Week 2025 with expanded participation and new optimisation methods. EMSTEEL's leadership reinforced its position as a sustainability and energy-management leader, setting a regional benchmark for responsible industrial operations.

Reduced peak demand by **106 MW** in Abu Dhabi's first Demand Response pilot avoiding an estimated **1,600 tonnes of CO₂**



"EMSTEEL's pioneering sustainability efforts, especially through the Brine Resource Recovery Project's transformation of desalination brine into renewable blue energy and low-carbon magnesium carbonate, are reshaping industrial responsibility. We at Medisun Energy are honoured by ADQ and EMSTEEL's trust, enabling us to apply our innovative brine-to-resource technology in Abu Dhabi. This collaboration opens transformative growth for EMSTEEL, the UAE, and global markets, and marks a new chapter for sustainable steelmaking and responsible water-use practices worldwide."

Kim Sun,
Chief Executive Officer
Medisun Energy

Case study
Launch of World First Electric Process Gas Heater Pilot

In September 2025, EMSTEEL announced the launch of the world's first pilot of Electric Process Gas Heaters (ePGH) for steelmaking, developed in partnership with Danieli. This breakthrough technology eliminates over 2,200 tons of CO₂ annually, marking a major step in decarbonising steel operations. The pilot will replace gas-fired heating in the Direct Reduction Plant with a 1.3 MW electrified unit, delivering estimated natural-gas savings of about 1.136 million Nm³ annually. The ePGH pilot demonstrates EMSTEEL's commitment to innovation and sustainability, integrating electric heating into core manufacturing processes to reduce reliance on fossil fuels.

Case study
Launch of UAE's Largest Industrial Solar Rooftop Project

EMSTEEL has established a strategic partnership with Yellow Door Energy to pursue on-site solar photovoltaic opportunities across its steel operations in Abu Dhabi, supporting its long-term decarbonisation and energy transition objectives.

Subject to permits and approvals, rooftop and carport-based installations are being considered to integrate on-site renewable electricity, enhance energy resilience, and complement existing electricity sourcing.

The use of on-site solar power has the potential to deliver meaningful Scope 2 emissions reductions, with expected savings of around 16,000 tonnes of CO₂ per year. By integrating on-site renewable electricity, EMSTEEL is reinforcing its leadership in sustainable manufacturing and contributing to the UAE's Net Zero by 2050 vision.

"This partnership marks an important step in implementing our decarbonisation strategy," said Group CEO Eng. Saeed Ghumran Saeed Al Remeithi. "By integrating on-site solar power, we are reinforcing our leadership in sustainable manufacturing, contributing to the UAE's Net Zero by 2050 vision, and setting new benchmarks for renewable energy adoption in the steel industry".

Case study
Pioneering Blue Energy and Circular Economy Solutions in the UAE

EMSTEEL, in partnership with Medisun Energy, has launched the UAE's first pilot project to valorise desalination reverse-osmosis (RO) reject brine, advancing industrial sustainability and circular-economy innovation. Based at EMSTEEL's facilities, the pilot processes around 10,000 m² of RO reject brine annually (~30 m³/day), converting a traditionally wasted stream into valuable outputs.

Using a chemical mineralisation process, the system recovers magnesium from the brine to produce up to 130 tonnes of magnesium carbonate (MgCO₃) each year, permanently mineralising approximately 68 tCO₂e. The pilot also demonstrates salinity-gradient "blue energy" recovery, with the potential to generate up to ~16 MW of electricity annually.

By turning industrial waste into low-carbon materials and renewable energy, EMSTEEL and Medisun Energy are setting a new benchmark for decarbonisation, resource efficiency and circular growth, reinforcing the UAE's leadership in green manufacturing.

EMISSIONS

GRI 305: Emissions 2016



SCOPE 1, 2, AND 3

In 2025, EMSTEEL's Group Scope 1 and Scope 2 emissions totalled 4,489 Ktonnes CO₂e (market based), a reduction of approximately 23% compared to the 2019 baseline. However, emissions increased by around 17% relative to 2024, solely due to the higher production and utilisation rates across the Group, set against the unusually low utilisation and emissions recorded in our cement operations during 2024.

Despite this year-on-year increase, Scope 1 and 2 absolute emissions in 2025 remained materially below pre-decarbonisation baseline levels, reflecting the cumulative impact of EMSTEEL's long-term emissions reduction programme. Meanwhile, EMSTEEL's Group Scope 3 emissions decreased by approximately 9% compared to 2024, supported by enhanced supplier

engagement and greater use of alternative raw materials.

Performance in 2025 was underpinned by continued improvements in emissions intensity across both core businesses. Steel Scope 1 and Scope 2 emissions intensity declined to 0.637 tCO₂e per tonne of steel, a 31% improvement compared to 2019 and a further 4% improvement in 2024. Cement Scope 1 and Scope 2 emissions intensity also improved to 0.638 tCO₂e per tonne of cement, representing a 2% improvement compared to 2019 and continued efficiency gains relative to recent years.

These outcomes reflect tighter operational controls, higher penetration of clean electricity, process optimisation across DRI-EAF and cement

operations, deployment of carbon capture in steel, and clinker substitution and alternative fuels in cement. EMSTEEL's approach remains focused on prioritising the largest emissions sources, applying precise measurement, and scaling proven decarbonisation levers, with 2019 retained as the Group's baseline year.

EMSTEEL operates a carbon capture facility that is integrated with a carbon utilisation and storage system through its partnership with ADNOC. The facility has a designed capture capacity of up to 800 kt of CO₂ per year, supporting the reduction of Scope 1 emissions from steelmaking operations. Carbon capture remains a primary abatement lever in steel operations, accounting for 18% of Scope 1 emissions in 2025, compared to 22% in 2024. The lower contribution reflects transitional operational and market-related factors affecting CO₂ supply volumes rather than a reduction in capture capability. The CCUS infrastructure continued to operate reliably and remains a central component of EMSTEEL's long-term decarbonisation pathway. In parallel, we continue to explore other CCUS and CCS opportunities with

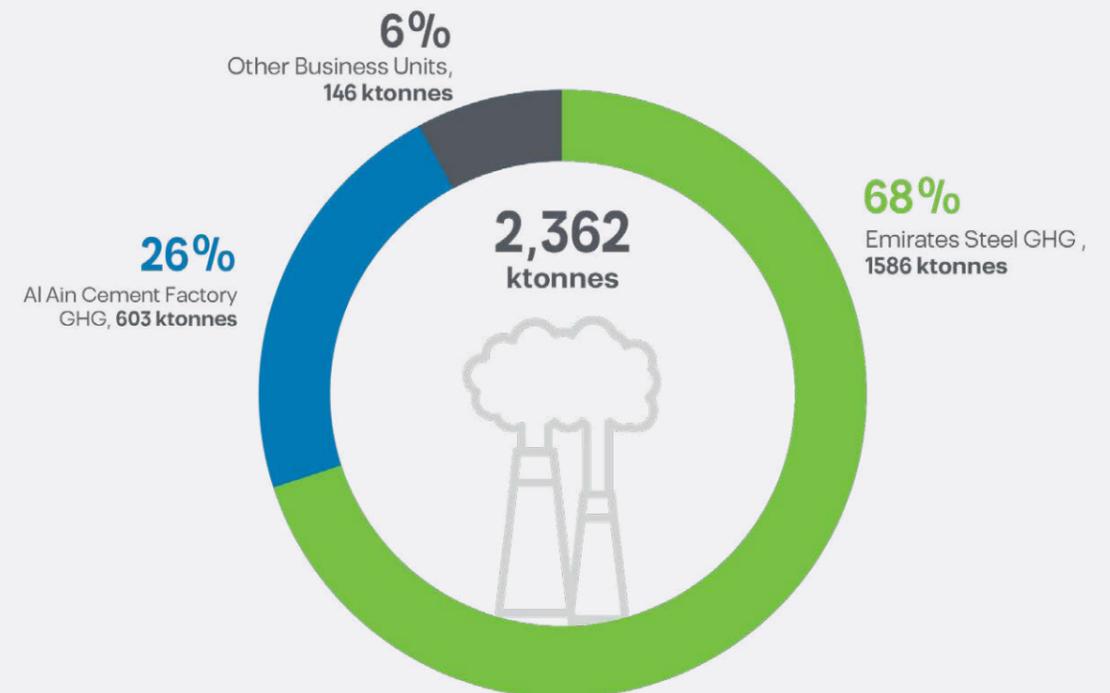
our strategic partners, in order to diversify our CO₂ utilisation and storage options.

Cement emissions performance in 2025 reflects a return to more representative operating conditions following a year of constrained utilisation. The increase in absolute Scope 1 and 2 emissions compared to 2024 was solely driven by higher production volumes (more than 10% of planned output), extended kiln operating hours, and increased use of electricity and fuels to meet market demand. As such, the year-on-year change is volume-led rather than indicative of a deterioration in environmental performance. Importantly, combined Scope 1 and Scope 2 emissions intensity continued to improve in 2025, demonstrating stronger energy and operational efficiency across cement operations. This improvement reflects enhanced process control, optimised kiln performance, improved fuel and electricity management, and efficiency gains across milling and auxiliary systems. Despite higher absolute energy use, emissions per tonne of product declined, indicating more efficient production.

Group Level Emissions & Intensity (Scope 1 & 2)



Total Indirect Scope 3 Emissions



Overall emissions performance was further supported by continued clinker optimisation initiatives, and operational discipline across core processes. While increased production activity also influenced selected Scope 3 categories through higher raw material procurement and outbound logistics, total emissions intensity across the value chain improved, reinforcing EMSTEEL's focus on efficiency-led decarbonisation rather than short-term volume fluctuations.

TRANSPORT IMPACT

Beginning in 2024 and continuing improved tracking across 2025, EMSTEEL strengthened our understanding of transport-related emissions across our value chain, recognising transport and logistics as a material lever within Scope 3. Total Scope 3 emissions for the Group reached 2.36 million tCO₂e, reflecting the combined impact of upstream and downstream activities, including the movement of raw materials, product distribution, and employee commuting. During the year, we

began enhancing our approach to capturing employee commuting journeys to improve the accuracy and completeness of our Scope 3 inventory.

Effectively managing transport emissions remains critical to achieving our Net Zero ambitions, given the scale of logistics and traffic management across our operations. Fuel consumption from owned and controlled transport assets is monitored monthly and reported within our Scope 1 disclosures, while Scope 3 transport impacts continue to be reviewed to identify mitigation opportunities. We will build on this foundation by refining data capture, improving efficiency across logistics networks and embedding targeted reduction measures as we work to deliver our products more sustainably.



Our emissions programme is industry-recognised, with EMSTEEL winning "Excellence in Low-Carbon Steel Production" at the 16th Steelie Awards, driven by clean power, efficiency improvements, carbon capture, and hydrogen pilot initiatives

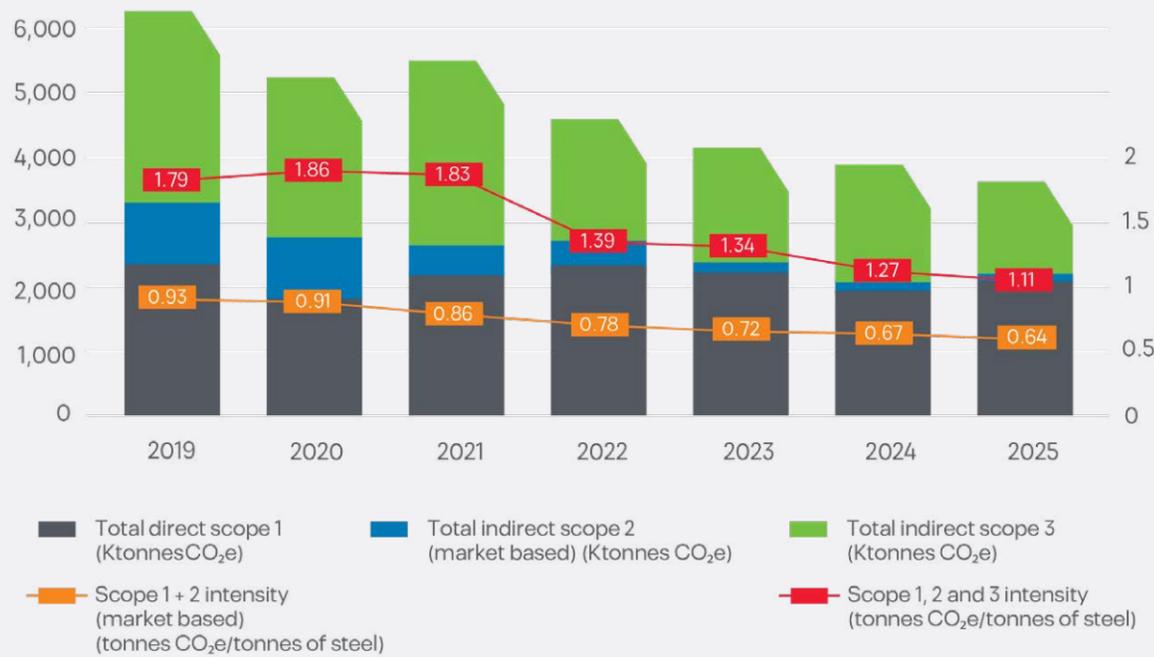
Emirates Steel's carbon intensity was approximately 40% below the World Steel Association global average

Case study Supporting Low-Carbon Mobility

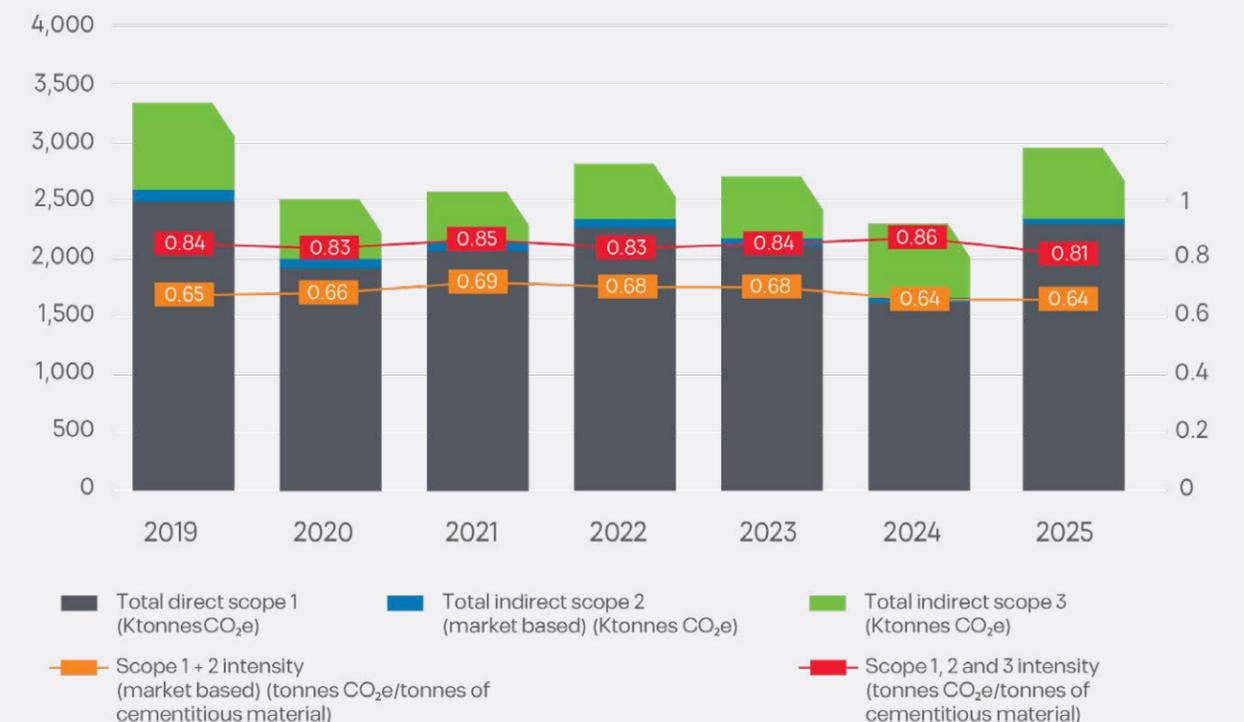
In 2025, EMSTEEL installed a new electric vehicle (EV) charging station at its premises, supporting the transition to cleaner transport. The station powers the company's internal electric shuttle fleet and is available for employees who commute using EVs, making low-carbon travel more accessible and convenient.

This initiative contributes to the reduction of transport-related emissions while reinforcing EMSTEEL's commitment to sustainable operations, innovation, and a future-ready workplace.

Emirates Steel GHG Emissions



Al Ain Cement Factory GHG Emissions



Case study
Scope 3 and Responsible Sourcing Framework

EMSTEEL’s Suppliers’ ESG Programme is a core element of our ESG Strategy and a major driver of Scope 3 emissions reduction. As a leading UAE steel and cement producer, a significant portion of our carbon footprint lies upstream, making supplier performance and data transparency essential to achieving our decarbonisation goals and supporting UAE Net Zero 2050.

EMSTEEL has established a responsible sourcing framework aligned with international standards, and in 2025 expanded ESG assessments beyond Tier 1 raw-material suppliers to include Tier 2 services/equipment and Tier 3 general suppliers. This wider coverage improves visibility of Scope 3 hotspots and strengthens supplier accountability.

At the centre of the programme is our customised ESG Assessment Questionnaire, evaluating suppliers across nine ESG dimensions. Suppliers are scored, risk-rated, and required to implement corrective actions where needed. Key improvement areas identified include GHG emissions, water, biodiversity, and workforce well-being.

To support progress, EMSTEEL delivered targeted training on Responsible Sourcing, GHG Protocol, ResponsibleSteel, and CBAM, and partnered with DitchCarbon to enhance upstream emissions data and Scope 3 accuracy. ESG criteria were embedded into procurement through a 5% evaluation weighting.

In 2025, EMSTEEL initiated on-site ESG audits and began developing a digital Supplier ESG Risk Mapping Dashboard. We also launched the Sustainability Leaders Recognition Programme to reward high-performing suppliers.

Looking ahead, EMSTEEL will deepen supplier engagement through expanded audits, improved Scope 3 tracking, targeted interventions, and full deployment of the digital dashboard—advancing a transparent, resilient, and low-carbon supply chain aligned with global standards.

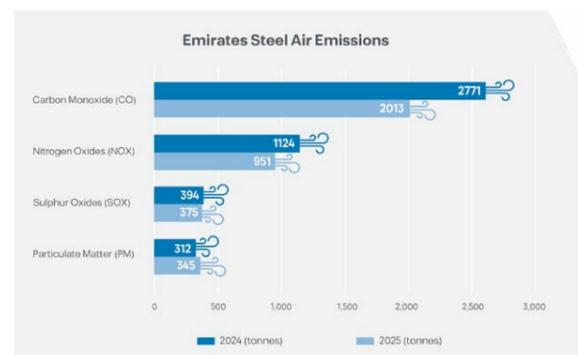
OTHER AIR EMISSIONS

In 2025, we continued to strengthen controls on particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), and carbon monoxide (CO), keeping emissions well within UAE and international standards. Upgraded filtration systems, efficient baghouses, low-NO_x burners, and improved process optimisation across Emirates Steel and Al Ain Cement contributed to year-on-year reductions in key pollutants, supporting cleaner operations and healthier surrounding communities.

Advanced filtration remained the primary driver of performance, maintaining stable PM levels, while SO_x reductions at Al Ain Cement were enabled through improved fuel management and optimised kiln chemistry. At Emirates Steel, emissions continued to decline, with SO_x down 5%, NO_x down 15%, and CO down 27% versus 2024. Although total PM emissions increased by 11% due to higher production, intensity remained stable at 0.10 t/CS, reflecting strong control systems and compliance with federal and Abu Dhabi limits.

To further enhance oversight, Emirates Steel installed two additional Continuous Emissions Monitoring System (CEMS) stations at SMP3, bringing the total to 11. Fully integrated with the Environment Agency – Abu Dhabi, these stations provide real-time monitoring and transparent reporting. The company also maintains internal emission limits stricter than regulatory thresholds, for example, 450 mg/Nm³ for CO and 300 mg/Nm² for SO_x, with automated alarms triggered as values approach internal limits, enabling proactive corrective action and reinforcing robust environmental governance.

AIR EMISSIONS DATA – STEEL



Emirates Steel’s CEMS programme was recognised by **Environment Agency Abu Dhabi (EAD)** as a leading facility for successfully completing and e-linking its system, demonstrating transparent reporting and strong regulatory compliance.

Case study
EMSTEEL Launched the Region’s First AI-Powered Dust Monitoring System

EMSTEEL has introduced the region’s first smart dust-monitoring system powered by artificial intelligence (AI), setting a new standard for environmental control in the steel industry.

The system uses smart cameras, weather sensors, and advanced computer simulations to monitor dust levels in real time. It can detect how much dust is being released, understand how wind and weather may spread it, and predict where it might go.

Installed across Phase 1 and Phase 2 operations, the system continuously monitors key storage

areas. When dust levels approach regulatory limits, it automatically sends alerts so teams can take immediate action.

EMSTEEL has launched the region’s first AI-powered Total Suspended Particulate (TSP) Monitoring System, marking a major advancement in environmental intelligence for the steel industry. This advanced system combines AI, high-resolution CCTV analytics, on-site meteorological data, and CFD plume-dispersion modelling within a unified digital-twin platform to deliver real-time, accurate quantification and management of non-point dust emissions.

¹ Data quality, boundary and assurance

- **Boundary:** Group operations under operational control, UAE. (Unchanged from 2024)
- **Methodologies:** GHG Protocol Corporate Standard; Scope 2 market- and location-based; category mapping for Scope 3. (Unchanged from 2024) Improved tracking in 2025, especially for product distribution, Business Travel, Employee Commuting. We also have more accurate emission factors for water and fuel. Across our Steel, Cement, Blocks, and Anabeb business units, we saw production increases, which increased electricity consumption (scope 2 emissions). Blocks and Anabeb sites do not use natural gas.
- **Assurance:** Independent third-party verification of Scopes 1, 2 and selected Scope 3; carbon capture verified to ISO 14064-2; CBAM-aligned intensity calculations. (Unchanged from 2024)
- **Restatements:** Scope 3 category realignment was undertaken to ensure proper classification of emissions associated with product distribution. Emissions from transportation activities were reclassified based on whether the freight costs were paid by the company or by the customer, in accordance with GHG Protocol Scope 3 guidance.
- **Rounding:** Totals may not sum due to rounding.

WASTE AND CIRCULAR ECONOMY

GRI Standards: 301 (2016), 306 (2020)
 CARES SCS: 3.2, 3.7



DRIVING CIRCULARITY ACROSS EVERY OPERATION

We are accelerating our shift to a fully circular operating model, positioning EMSTEEL as a sector leader in resource efficiency and waste elimination. Building on our "Mission to Zero" ambition, we continued to reduce waste at source, eliminate single-use plastics across priority sites, and increase the recovery of materials that were previously lost to landfill. Circularity is now embedded in everyday decision-making, from how we design our processes to how we manage by-products, packaging, and industrial inputs.

Our approach goes beyond waste management. It is about designing materials, systems, and partnerships that keep resources in use for as long as possible. This includes maximising scrap reuse within our steel routes, recycling slag into valuable construction inputs, and strengthening our synergies between our steel and cement businesses to convert industrial by-products into replacement raw materials. These programmes reduce disposal volumes and cut embodied carbon, helping us to build resilience into our production ecosystem.



Case study Waste & Byproduct Management in the Steel Business

In 2025, EMSTEEL achieved a major milestone by reaching 105% of its annual byproduct-utilisation target, reflecting strong circular-economy performance across steelmaking operations. Significant improvements were made in the handling and recovery of key byproduct streams, including mill scale, oxide fines, DRI fines, DRP sludge, EAF slag, LF slag, and FTP dust. A highlight was the substantial increase in FTP dust dispatch, supported by stronger internal-external coordination. A dedicated committee worked to identify new customers and applications, complemented by a research study with Khalifa University that expanded responsible utilisation pathways and reduced storage pressure.

Higher steel production naturally increased byproduct volumes; however, EMSTEEL effectively scaled its recovery and dispatch capabilities through better segregation, operational controls, and enhanced recovery of iron-rich materials.

Formal contracts with byproduct customers ensured regular monthly dispatches, stabilising outbound flows, reducing storage buildup, and strengthening market confidence. These structured agreements were instrumental in maintaining consistent performance throughout the year. Together, these actions improved stakeholder engagement, expanded R&D collaboration, and strengthened the market for secondary materials, demonstrating EMSTEEL's commitment to circularity, landfill reduction, and sustainable steelmaking.

SCRAP REUSE AND STEEL-LOOP CIRCULARITY WASTE MANAGEMENT IMPROVEMENTS

Scrap reuse remains a core part of our circular economy model, and in 2025, Emirates Steel utilised 352,000 tonnes of recycled scrap. By optimising internal scrap recovery, enhancing collection from cutting and rolling operations, and improving segregation at source, we continued returning material directly into our EAF steelmaking process - reducing the need for virgin inputs. Packaging and single-use plastics elimination

As part of our "Mission to Zero", we continued phasing out single-use plastics in operational areas, substituting them with reusable, durable alternatives. Trials of pallet-wrap reduction and redesigned steel packaging reduced plastic use further, supported by supplier engagement and updated specifications.

Case Study Mission to Zero: Eliminating Single-Use Plastics

In November 2025, EMSTEEL launched the next phase of its Mission to Zero initiative by eliminating single use plastic bottles, cutlery, and bags across all workplaces and canteens. Before this initiative, the company used around 460,000 plastic bottles per year, generating 10 tonnes of waste. To address this, EMSTEEL installed water-refill stations at offices and operational sites, encouraged the use of reusable bottles, and supported the transition by distributing branded stainless-steel or glass alternatives alongside an internal awareness campaign on plastic impacts.

The initiative aligns with the Abu Dhabi Single-Use Plastic Policy and global actions such as #BeatPlasticPollution, reinforcing EMSTEEL's commitment to reducing waste, lowering emissions, and fostering a culture of sustainability among employees.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Our circularity initiatives directly support SDG 12 through smarter material use, higher recycling rates, lower dependence on virgin inputs, and a lifecycle approach that reduces environmental impact. Waste reduction is a structural part of our resource planning, product stewardship, and procurement standards, and we continue to implement it as such.

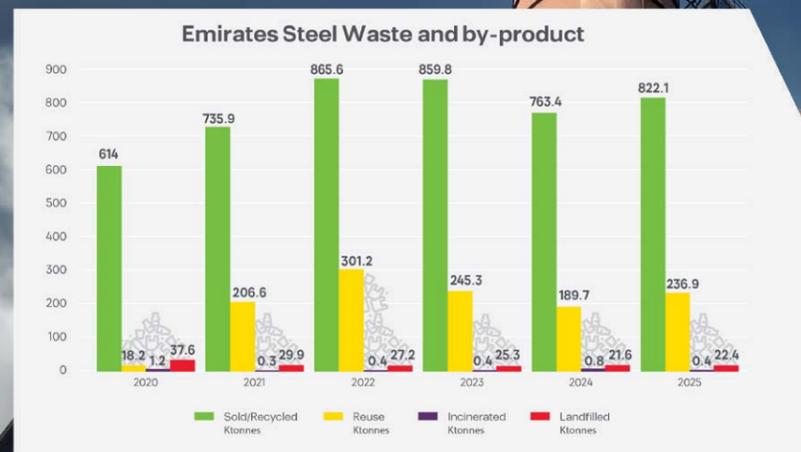
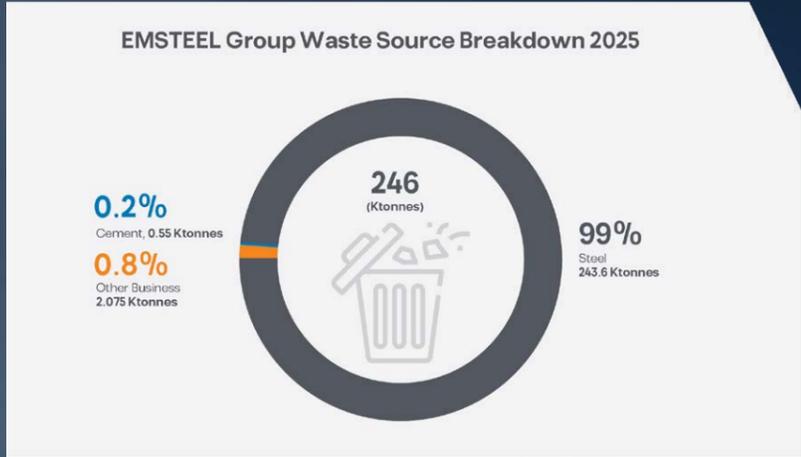
In 2025, we strengthened our waste management performance across all operating units, building on ISO 14001 and ISO 45001 requirements while aligning more closely with production and dispatch volumes. As output increased in key areas, our focus shifted to improving waste efficiency, reducing the amount of waste generated per tonne of product, increasing diversion from landfill, and reinforcing consistent standards across sites.

Our first priority was tightening waste controls at source. Steel and Cement, our highest-volume producers, linked waste KPIs directly to production and sales activity, allowing teams to monitor waste intensity in real time and respond quickly to fluctuations. This helped maintain stable waste performance even as throughput increased during the peak operational periods reflected in the year's dispatch volumes. Anabees and Blocks sustained efficient performance with low waste generation relative to output, supported by better segregation and handling discipline.



We implemented targeted improvements in hazardous and general waste management. Hazardous material handling was strengthened through clearer classification protocols, upgraded storage facilities, and safer labelling and containment systems that reduced risks of cross-contamination. Digital tracking tools were standardised, giving HSE teams clearer visibility of waste flows from the point of generation to final disposal and ensuring full compliance with UAE environmental regulations.

These combined actions helped maintain strong performance against efficiency KPIs, with operational units reducing waste intensity or keeping it stable despite significant changes in production volumes. With enhanced data visibility, stronger handling systems, and more engaged teams, EMSTEEL enters the next reporting cycle with a more mature and integrated approach to waste management, well-positioned to drive further reductions and expand circular practices across all our sites.



In 2025, EMSTEEL diverted **1,059,110 tonnes** of material from landfill through recycling, reuse, and industrial symbiosis, equivalent to avoiding 52,950 fully loaded trucks* of waste and keeping resources in circulation longer.

*1 truck = 20t

WATER & EFFLUENTS

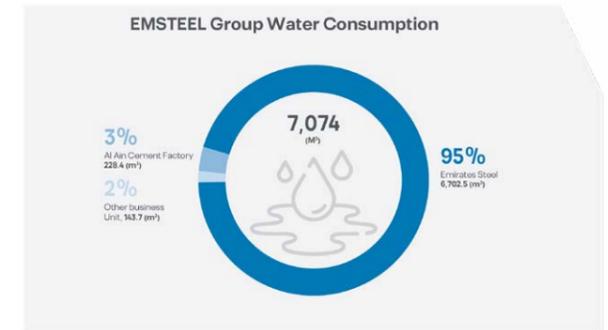
GRI Standards: 303 (2018)
CARES SCS: 3.3



CHAMPIONING WATER STEWARDSHIP IN A WATER-SCARCE REGION

Water is one of the UAE's most precious resources, and we treat it as such. Operating in Abu Dhabi, one of the world's most water-stressed regions, we recognise the critical importance of responsible water stewardship. We conduct environmental assessments in accordance with regulatory requirements, which include evaluation of water-related risks where applicable. Water management considerations are integrated into Environmental Impact Assessments and operational planning processes – and in 2025, we strengthened our approach by improving efficiency, expanding recycling, and reducing demand for freshwater across our steel and cement operations.

Emirates Steel is by far the Group's largest water consumer, with a net water use of 6,702.5 million m³ in 2025, representing a 2% reduction compared to 2024.



Our water withdrawal is primarily from seawater, which is treated through reverse osmosis (RO) for operational use, significantly reducing reliance on freshwater sources. We use water efficiently by closely monitoring daily consumption to detect leaks and reduce losses. Water use is measured across all areas using flowmeters, and optimised through closed-loop systems, water treatment plants and high levels of internal reuse and recycling.

Case study

Achieving ISO 46001 Water Efficiency Management System Certification

In 2025, Emirates Steel became the region's first integrated steelmaker to achieve ISO 46001 Water Efficiency Management System (WEMS) certification, demonstrating strong leadership commitment to sustainable water management and continual improvement. The certification followed a structured programme supported by Top Management, QA, HSE, and the Water Management Team, and successful Stage 1 and Stage 2 audits by TÜV Rheinland.

The journey began with a comprehensive gap analysis against ISO 46001 requirements, which informed a management-approved implementation roadmap. A robust WEMS framework—covering policies,

procedures, controls, KPIs, and monitoring—was developed and integrated into the company's existing Integrated Management System. Targeted training strengthened awareness and operational adoption.

Following disciplined implementation and ongoing monitoring, Emirates Steel passed both audit stages in November and December 2025, securing certification. This milestone reinforces the company's long-term water-efficiency strategy by reducing consumption, enhancing operational performance, managing water-related risks, and strengthening regulatory compliance and stakeholder confidence.



Operating in a water-stressed region also makes circular water management essential to our long-term resilience. This year, we expanded advanced recycling technologies across Al Ain Cement, enhancing our closed-loop systems and increasing the volume of treated effluent returned into industrial processes. These upgrades helped reduce freshwater withdrawal and the amount of water requiring final discharge.

Water discharge consists mainly of treated process water and cooling water released to approved marine outfalls in line with regulatory permits. Discharge destinations are determined based on regulatory approvals, environmental permits, and local requirements, and all discharge routes are defined according to water quality, intended use, and receiving environment. Discharge volumes and quality are tracked through metering, monitoring, and routine reporting to regulators, ensuring full compliance with environmental limits and protection of surrounding ecosystems.

ENHANCING TREATMENT AND DRIVING TOWARDS ZERO-DISCHARGE

In 2025, we upgraded several water treatment plants in our steel operations to enhance filtration, biological treatment, and sludge management, building on our existing systems that stabilise outflows, improve water quality, and enable large-scale reuse. Our primary production facility is WEMS ISO 46001 certified, reflecting the maturity of our water-efficiency practices.

All discharge destinations are managed in line with regulatory approvals, environmental permits, and

our Operational Environmental Management Plan. Routes are defined according to water quality, intended use, and environmental sensitivity to ensure full compliance with Environment Agency – Abu Dhabi standards.

Before discharge, wastewater is stabilised in an outfall tank to manage pH and conductivity prior to release to the sea, while wastewater from cement operations is managed by an authorised third party. Treated water quality is confirmed through routine sampling, laboratory analysis, and independent testing. We do not supply discharged water externally and prioritise internal reuse to minimise freshwater withdrawal.

EMSTEEL's target to reduce water intensity by 4% in the steel business and 7% in the cement business by 2030 is critical for strengthening operational efficiency and lowering environmental impact. In a water-scarce region like the UAE, these reductions support national sustainability goals and contribute to long-term resource security

WATER RECYCLING TECHNOLOGY AND RISK ASSESSMENT

EMSTEEL continued to scale its in-house recycling technologies, especially at points of high-water demand such as cooling systems, dust-suppression units, and cement processing. These systems, now supported by enhanced real-time monitoring, help us capture and re-treat process water, returning it to the system multiple times before disposal.

We also advanced our corporate water risk assessment, integrating climate-related water scenarios into our wider risk model. This assessment identifies potential constraints arising from supply variability, regulatory changes, or long-term climate impacts, ensuring our production planning remains resilient in a region expected to face increasing water scarcity.

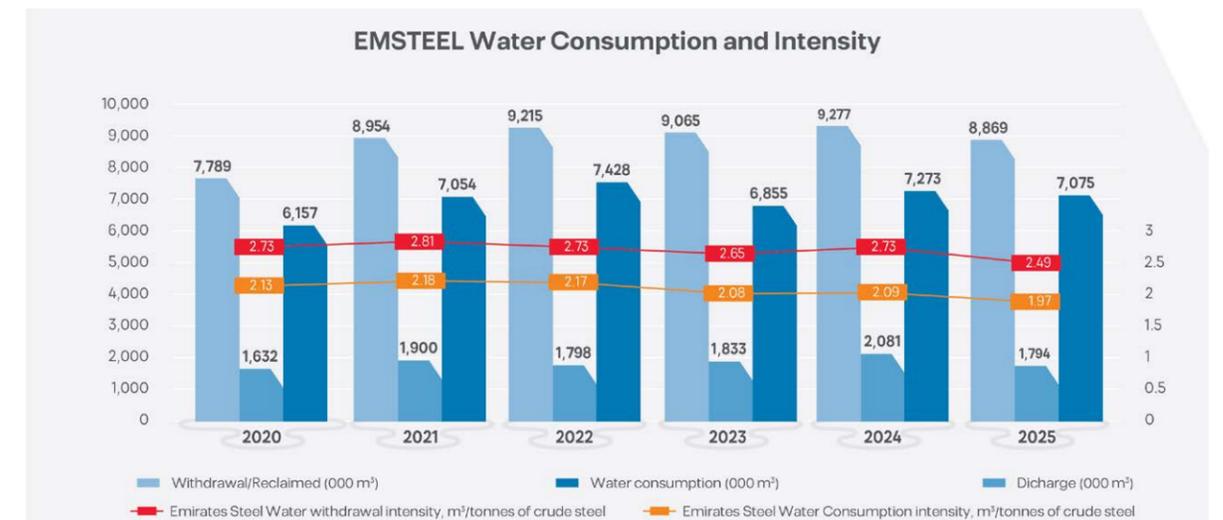
Water consumption intensity for Emirates Steel improved to 1.97 m³/tonne of crude steel in 2025, down from 2.09 in 2024

CLEAN WATER AND SANITATION

Our water stewardship programme directly contributes to SDG 6 Clean Water and Sanitation by:

- Reducing freshwater demand through recycling and efficiency
- Improving effluent quality through upgraded treatment systems
- Strengthening partnerships with local authorities on conservation efforts
- Embedding water risk assessment in strategic planning

These measures ensure that we use water responsibly, protect surrounding ecosystems, and support national sustainability targets.



* Third party water is the water from municipal water supplies or other public or private water utilities

** RO treated seawater for Emirates Steel

*** Covering 100% of all water consumption sources from the company

PRODUCTS & SERVICES ENVIRONMENTAL IMPACTS

GRI Standards: 304 (2016) & 308 (2016)
 CARES SCS: 3.4



INNOVATING FOR LOW-CARBON CONSTRUCTION

EMSTEEL is accelerating the transition to low-carbon steel and building materials by redesigning products with a smaller environmental footprint. In 2025, we advanced two flagship innovations with hydrogen-based rebar and low-carbon cement, positioning EMSTEEL at the forefront of sustainable construction solutions in the UAE. These products demonstrate how industrial innovation can directly support the UAE's Net Zero 2050 strategy while helping customers reduce embodied carbon across major infrastructure and development projects.

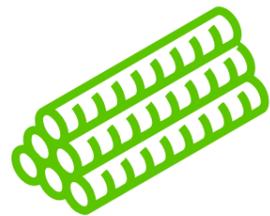
Our product development teams continue to collaborate closely with suppliers, technology partners, customers, and research institutions to scale new solutions that reduce emissions, enhance circularity, and improve material performance. This cross-sector cooperation is central to our innovation model, enabling faster deployment, higher reliability, and measurable sustainability gains.

LEADING WITH LOW-CARBON STEEL AND CEMENT

ES600 Sustainable Rebar

In 2025, EMSTEEL continued to advance its sustainable rebar offering through ES600, marking a meaningful step in decarbonising steel production while maintaining high structural performance. ES600 enables a reduction in overall steel usage through its higher yield strength, which in turn lowers the volume of material required per project and reduces associated emissions across the value chain. The product has been demonstrated to reduce carbon emissions by an average of around one tonne of CO₂ per floor in tower construction, with every 10,000 tonnes of ES600 rebar used eliminating approximately 12,107 tonnes of CO₂ through material efficiency and reduced logistics movements.

By requiring fewer bars and smaller diameters for the same load-bearing capacity, ES600 also reduces transport demand, storage requirements, and on-site congestion, delivering additional indirect emissions benefits. Certified to international and UAE standards, ES600 offers consistent strength, durability, and weldability, providing customers with a lower-carbon rebar solution that supports greener procurement decisions without compromising safety or performance.



AED 111 million revenue from sustainable steel products (ES600) in 2025

Low-carbon cement

At Al Ain Cement Factory, we continued lowering clinker content and increasing the use of recycled and secondary raw materials, supported by process optimisation and improved kiln efficiency. The resulting cement products reduce CO₂ intensity without compromising performance, offering construction partners a high-quality, lower-impact alternative suitable for a wide range of applications.

Case study

Hydrogen-Based Rebar Delivered for World's First Net-Zero Mosque

This year, EMSTEEL is proud to have delivered hydrogen-based rebar for Abu Dhabi's first Net-Zero Mosque in Sustainable City on Yas Island. Developed by Aldar, this landmark project it is the world's first mosque designed for LEED Zero Carbon certification. Spanning 1,595 m³ and hosting over 850 worshippers, the mosque features low-emission concrete, smart cooling, and energy-efficient lighting.

The hydrogen-based rebar, which is produced using green hydrogen from EMSTEEL's pilot project with Masdar, demonstrates the future potential of green-hydrogen steelmaking. While still at pilot scale, this technology is expected to enable up to 95% reductions in embodied carbon once fully scaled, addressing one of construction's most carbon-intensive materials. The project aligns with the UAE's Net Zero 2050 strategy and sets a benchmark for decarbonising religious and cultural buildings.

The Net-Zero Mosque shows that low-carbon materials can be integrated without compromising performance. Through its collaboration with Aldar and Masdar, EMSTEEL is accelerating the path toward green steel adoption and reinforcing its leadership in advancing industrial decarbonisation across the UAE and the wider region.

Case study

True:Green: Industry Leading Environmental Product Declarations

In September 2025, during our annual customer event, EMSTEEL launched its new True:Green™ identity, embodying our vision for sustainable steel production.

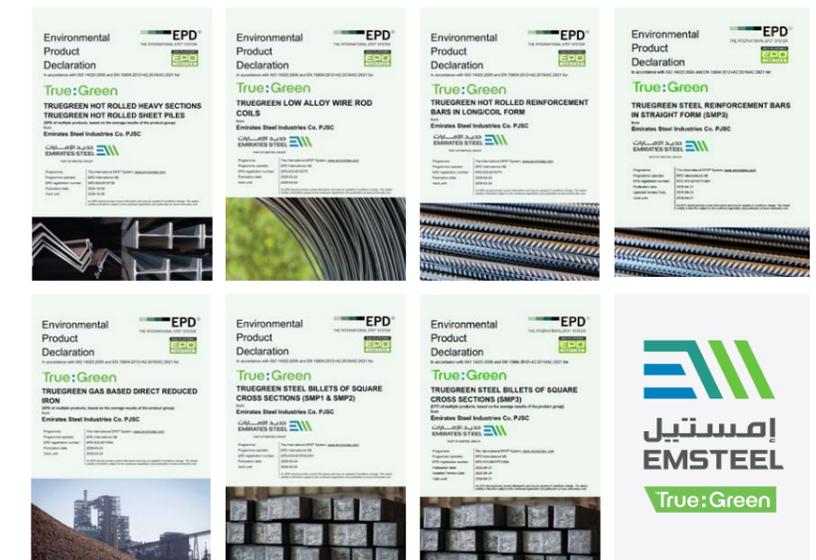
All True:Green™ products and solutions are now accompanied by Environmental Product Declarations (EPDs) - a globally-recognised certification that provides transparent and independently-verified data on the environmental footprint of each product. The EPDs cover key environmental impacts, including greenhouse gas emissions, water footprint, acidification, eutrophication, resource depletion, waste generation, and end-of-life recycling potential and recovery rates.

Emirates Steel product EPDs have amongst the lowest Global Warming Potential (GWP) when compared to the global steel industry average:

Global Warming Potential values for Emirates Steel EPDs (A1-A3)

Global Warming Potential values for Emirates Steel EPDs (A1-A3)		
Steel Billets of Square Cross Sections (SMP3)	kg CO ₂ eq.	457
Low Alloy Wire Rod Coils	kg CO ₂ eq	584
Steel Reinforcement Bars in straight form (SMP3)	kg CO ₂ eq	551
Hot Rolled Reinforcement Bars in Long/Coil Form	kg CO ₂ eq	582
Gas Based Direct Reduced Iron	kg CO ₂ eq	213
Steel Billets of Square Cross Sections (SMP1 & SMP2)	kg CO ₂ eq.	481
Hot Rolled Sheet Piles and Hot Rolled Heavy Sections	kg CO ₂ eq	706

Beyond mandatory certification, all customers of True:Green™ will get access to an extensive digital monitoring system which will track our complex production process to deliver real-life precision measurements for each specific production batch and customer order.



INNOVATION THROUGH STRATEGIC PARTNERSHIPS

This year we deepened our collaboration with technology innovators, including our partnership with Magsort, which focuses on recovering metallics from steel slag and transforming residual material into high-value inputs. This reduces waste, supports circularity, and directly feeds low-carbon product development, all while lowering emissions across the value chain. These partnerships demonstrate how shared innovation accelerates progress and expands the environmental benefits delivered to customers.

Case study

Partnership with Magsort produces industrial-scale production of low-carbon cement

In 2025, EMSTEEL partnered with Finnish technology firm Magsort to accelerate our cement decarbonisation strategy by enabling the industrial-scale use of processed steel slag as an alternative raw material in clinker and cement production. Through this collaboration, steel slag generated from EMSTEEL's operations is treated by Magsort and integrated into the cement raw mix, with the potential to replace up to 18% of limestone in the future. This reduces reliance on virgin raw materials and cuts CO₂ emissions associated with limestone calcination. Over the project period, which will run until 2032, the initiative is expected to deliver a cumulative CO₂ reduction of approximately 1.3 million tonnes while significantly improving material circularity by transforming a steelmaking by-product into a valuable resource. The project showcases strong integration between EMSTEEL's Steel and Cement divisions, sets a new benchmark for industrial collaboration, and reinforces our leadership in decarbonisation, resource efficiency, and the development of low-carbon construction materials.

Up to **18%** of limestone will be replaced with processed steel slag, enabling an estimated cumulative CO₂ reduction of **1.3 million tonnes**

BIODIVERSITY AND NATURE

Although EMSTEEL operates within a highly modified industrial landscape, biodiversity protection remains a core component of our environmental stewardship. Our responsibility extends beyond site boundaries, particularly given our proximity to sensitive marine ecosystems such as the Bul Syayeeef Marine Protected Area. In 2025, we further strengthened our biodiversity governance by enhancing scientific assessment, expanding monitoring coverage, and reinforcing mitigation measures in line with national regulations and international best practice.

Our Biodiversity Management Procedure, aligned with CARES Sustainability Scheme requirements and UAE environmental regulations, provides a structured framework to identify, manage, and mitigate potential ecological impacts related to air emissions, noise, lighting, water discharges, marine activities, and land disturbance. These controls are embedded within our Operational Environmental Management Plan (OEMP) and are supported by routine monitoring, inspections, and independent audits.



5,783 plants across our facilities



"Our collaboration with EMSTEEL demonstrates how industrial by-products can be transformed into valuable low-carbon materials at scale. Through the Alternative Raw Materials project, EMSTEEL has shown a strong commitment to circularity and practical decarbonisation in cement production, supported by robust technical implementation and transparent performance tracking."

Mr. Kalevi Kostianen
Chief Executive Officer
Magsort

PROACTIVE MEASURES TO MINIMISE ECOLOGICAL IMPACT

EMSTEEL applies the Avoid–Minimise–Restore–Offset mitigation hierarchy across all operational and marine-related activities, embedding biodiversity protection into daily operations through preventive controls. Measures include directional and shielded lighting to reduce disturbance to nocturnal and migratory species, native greenbelt planting to buffer dust and noise while supporting local biodiversity, and comprehensive air, water and noise monitoring. Robust emission controls, spill-prevention systems and emergency response preparedness further minimise risks to soil, water and surrounding habitats.

SCIENTIFIC ASSESSMENTS INFORMING OUR APPROACH

In 2025, EMSTEEL completed a Biodiversity Assessment Study with an accredited consultant, aligned with ResponsibleSteel Principle 13 and CARES requirements. Using the International Biodiversity Assessment Tool (IBAT), the EAD

biodiversity database and Environmental Impact Assessments from 2015 and 2022, the study assessed risks within a defined Area of Influence based on air and water dispersion modelling and marine barge routes. It confirmed no World Heritage sites or indigenous community areas within 50 km, identified five critical habitats in the wider area, and noted potential transit of five threatened marine species, while concluding that residual impacts remain low due to effective avoidance and minimisation controls.

ONGOING INITIATIVES AND TRANSPARENCY

Based on study recommendations, EMSTEEL is enhancing sediment and seawater monitoring near the Bul Syayeeef Marine Protected Area, increasing sampling frequency to capture seasonal variation, strengthening audits of marine barge activities, and engaging with EAD on potential conservation and net-gain initiatives. Through these actions, EMSTEEL confirms full compliance with ResponsibleSteel Principle 13 and continues to strengthen biodiversity stewardship across its operation.

Case study

Plant the Emirates Campaign Participation

In 2025, EMSTEEL strengthened its contribution to national environmental priorities through its participation in the UAE's Plant the Emirates campaign and related clean-up and stewardship activities. As the Industrial Sustainable Partner of the Smart Planting Platform, EMSTEEL supported large-scale, digitally monitored tree-planting efforts and contributed to the planting of 3,000 trees, tracked for long-term environmental benefits.

Additionally, 15 EMSTEEL volunteers planted 400 more trees in collaboration with the Saeed Association, the Ministry of Interior, and Abu Dhabi Municipality. Beyond planting, EMSTEEL employees joined community clean-up and site-based environmental activities with government and civil society partners, helping improve local green spaces and promote responsible environmental behaviour through employee volunteering.



COMMITMENT TO OUR PEOPLE AND COMMUNITIES

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GRI 401, 2-6

Material topics: Health and Safety, Human Capital Development, Emiratization



Summary

Our people and the communities around us are the foundation of EMSTEEL's long-term success. In 2025, we strengthened this commitment with a sharper focus on safety, capability building, inclusion, and meaningful community partnerships.

Our approach is practical and people-centred: create safe workplaces, invest in skills that open opportunities, support national development goals, and contribute to stronger, more resilient communities.

We continued to build a safety culture grounded in accountability and proactive risk management. Daily toolbox talks, targeted hazard-identification training, and near-miss reporting helped teams stay alert and engaged. These efforts reinforced one clear message: every incident is preventable, and every person has the right to return home safe.

We invested in our workforce through expanded training pathways, leadership development, and technical upskilling to support operational excellence. Our focus on diversity and inclusion progressed, with programmes designed to create a workplace where people feel respected, heard, and supported to grow. Emiratization also advanced as we opened more structured career routes for UAE nationals and increased access to on-the-job training and mentorship.

In our communities, we prioritised partnerships that create real local value. Throughout the year, employees volunteered their time and expertise, and we supported initiatives that address social needs, promote education, and strengthen wellbeing. These programmes reinforce our role as a responsible neighbour and employer of choice, contributing to shared prosperity across the UAE.

Our CSR Approach

2025 marked the launch of EMSTEEL's new CSR strategy, grounded in internationally recognised principles of environmental stewardship, social responsibility, ethical governance, and community partnership. It reflects our sector's responsibility to manage environmental and social impacts, uphold rigorous safety standards, and embed integrity across all operations.

Our structured, evidence-based approach integrates community needs and environmental management into daily decision-making. We focus on reducing operational impacts through energy efficiency, waste minimisation, responsible resource use, and water stewardship aligned with circular and climate-aware practices. EMSTEEL maintains open engagement with regulators and host communities on environmental matters, including water management, through permitting processes, consultations, transparent reporting, and accessible grievance mechanisms. We also support environmental awareness and conservation initiatives aligned with national sustainability priorities.

Governance and accountability underpin our CSR framework, supported by performance monitoring, stakeholder engagement, and public reporting to ensure measurable and transparent outcomes.

Our CSR Strategy house is structured around five pillars that translate commitments into practical action, ensuring consistent delivery of long-term community impact across the Group.

To establish this new strategy, EMSTEEL conducted its most extensive CSR assessment to date, reviewing 25 documents and engaging 110 stakeholders — 36 internal and 74 external from community groups, government entities, suppliers, customers, and employees. This process identified 28 CSR topics, which were refined into 12 material priorities based on their importance to the business and community needs.

These priorities include decarbonisation co-benefits, nutrition support, disaster preparedness, healthcare access, education infrastructure, skills development, affordable housing, biodiversity and marine protection, public space enhancement, environmental education, and community volunteering — forming the core of EMSTEEL's CSR strategy.

From Activities to Outcomes

EMSTEEL's CSR strategy represents a step change from ad-hoc initiatives to a structured, multi-year approach with clear governance, accountability and impact measurement. Funding is milestone-based, volunteering is skills-led, and a full SROI framework ensures CSR performance is assessed with the same rigour as any strategic investment.

EMSTEEL's CSR Strategy



EMSTEEL Employees Give Back on World Blood Donor Day

On 14 June 2025, EMSTEEL employees participated in the “Drop of Giving” campaign, donating blood in partnership with SEHA. Over 40 employees volunteered, reinforcing EMSTEEL’s commitment to community well-being and social responsibility.

Why it matters:

World Blood Donor Day, observed annually on 14 June, raises awareness of the need for safe blood and blood products. According to the World Health Organisation, voluntary blood donation saves millions of lives each year, supporting surgeries, trauma care, cancer treatment, and maternal health. By contributing to this global cause, EMSTEEL helps ensure a stable blood supply and demonstrates the power of corporate action in advancing public health.



In 2025, EMSTEEL delivered **16 CSR projects**, supported by a **total investment of AED 487,000** and **1096 volunteer hours**. These initiatives reached **112,685 beneficiaries** across health, food security, emergency preparedness, environment, culture and education



Occupational Health and Safety

GRI Standards: GRI 403 (2018)
CARES SCS: 4.2



Safety is a core value that underpins operational excellence across all business units. In 2025, we strengthened our proactive safety culture through structured training, leadership engagement, behaviour-based programmes, and a consistent commitment to preventing injuries and work-related ill health across the Group. Our Occupational Health and Safety (OHS) approach is rooted in risk-based management, regulatory compliance, and continuous learning so that every employee, contractor, and visitor returns home safely.

A unified safety culture runs across all of our operations, supported by shared systems such as mySHEQ reporting, Stop Work Authority, hazard identification processes, emergency preparedness planning, and competency-based training. All EMSTEEL operations are covered under ISO 45001 certification, with 100% of sites subject to annual internal and external audits to ensure continuous compliance and improvement.



Group Safety Performance

In 2025, EMSTEEL achieved measurable performance improvements regarding employee and contractor safety, achieving zero Lost Time Injuries (LTI), a 20% reduction in the Total Recordable Injury Frequency Rate (TRIFR), demonstrating the continued effectiveness of our safety management systems and our sustained commitment to operational excellence.

Safety Initiatives and Culture

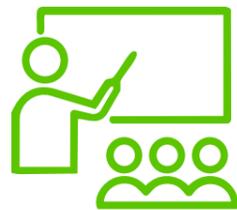
Across EMSTEEL business units, we enforce a culture where safety is understood as everyone's responsibility. This is reinforced through:

Safety competitions, recognition programmes, and workshops

Teams participate in monthly safety competitions, best-practice sharing sessions, and workshops. These initiatives celebrate positive behaviours and encourage friendly competition across departments. Recognition for exemplary safety performance fosters ownership and reinforces our "safety-first" mindset.

Training and awareness campaigns

All units provide comprehensive induction, refresher training, and task-specific instruction, such as Permits to Work (PTW), Job Safety Analysis/Job Method Statements (JSA/JMS), Lockout/Tagout (LOTO) procedure, work at height, lifting operations, mobile equipment safety, and PPE use. Toolbox Talks (TBTs) occur daily or per shift, allowing workers to raise concerns, share ideas, and reinforce safe behaviours. Campaigns on heat stress, emergency response, manual handling, mental well-being, and hazard reporting were carried out across multiple units in 2025.



The **Employee Safety Training Plan** increased by **25%** compared to 2024, strengthening workforce competency and enhancing overall HSE performance

Life Saving Rules

Working at Height
Protect yourself from falling from height

Lock Out Tag Out
Protect yourself from hazardous energy

Traffic & Driving
Protect against traffic accidents

Confined Space
Protect yourself from hazardous atmospheres & avoid becoming trapped in confined spaces

Permit to Work
Protect yourself from the risks associated with unauthorised activities

Energised or Moving Equipment
Protect yourself from the hazards associated with energised or moving equipment

Smoking in Non-Designated Areas
Protect against fire by only smoking in designated areas

Dropped Objects and Mechanical Lifting
Protect against falling objects

Safety Devices and Safety Systems
Never compromise safety devices or safety systems

Good life saving rules focus only on high-risk activities, are practical and utilise existing/available systems in place

Stop Work Authority

Workers across EMSTEEL are empowered to stop unsafe work without fear of reprisal. Clear non-retaliation provisions, reinforced through inductions and TBTs, create trust and openness, which are key pillars of our maturing safety culture.

Robust incident management and learning

All incidents, near misses, and unsafe conditions are logged through MySHEQ, investigated using root-cause analysis (e.g. Why-Tree methodology, a tool we use to map out all possible reasons behind a problem), and closed out with corrective and preventative actions. Lessons learned are consistently shared through TBT's, safety alerts, and weekly communications. This learning culture helps prevent recurrence and strengthens organisational resilience.

Joint worker-management engagement

Formal and informal engagement channels, including safety committees, leadership walkabouts, behaviour-based observations, inspections, and worker representative forums, ensure that our employees participate directly in decision-making and hazard identification.

Case Study

EMSTEEL Launches HSE AI Advisor, Supporting Smarter Safety Management

EMSTEEL introduced an HSE AI Advisor in 2025, providing employees with quick access to health, safety, and environmental guidance. The tool, available to all EMSTEEL employees, supports safer decision-making and reinforces digital enablement within HSE practices.

Business Unit Highlights

While EMSTEEL maintains a unified safety culture, each business unit implements tailored programmes and performance metrics relevant to its known operational risks and regulatory requirements.

EMSTEEL achieved a **zero Lost-Time Injury Frequency Rate (LTIFR) in 2025**, significantly outperforming the global steel industry average of **0.70 injuries per million hours worked** (World Steel Association 2024 benchmark)

Case study

Health, Safety & Environment Competition

EMSTEEL continued its long-standing Health and Safety Competition, a quarterly programme that strengthens safety culture by motivating teams to excel in hazard reporting, inspections, innovation, and compliance. Phase 1 winners included DRP1 Mechanical, SMP1 EAF Operations, RM Roll Shop, and MH DRP & Jetty, while Phase 2 recognised DRP-2 Operations, SMP-2 CCM, and HSM/Material Handling.

Beyond recognition, the competition drives proactive engagement, teamwork, and continuous improvement, reinforcing safety as a shared responsibility. This initiative has supported measurable improvements in safety KPIs and underscores EMSTEEL's commitment to achieving zero harm across all facilities.

Case study:

HSE Champion Ceremony Honours Safety Excellence

In January 2025, EMSTEEL held its HSE Champion Reward Ceremony to recognise exceptional safety performance and reinforce its commitment to a world-class safety culture. Employees across the steel plants were honoured for excellence in hazard identification, compliance, and safe work practices, contributing to the company's strong safety record and low Lost Time Injury Frequency Rate.

The ceremony also provided a platform to share best practices and encourage continued leadership in safety, inspiring employees to uphold EMSTEEL's safety-first values and look after their own wellbeing and that of their colleagues.

Emirates Steel

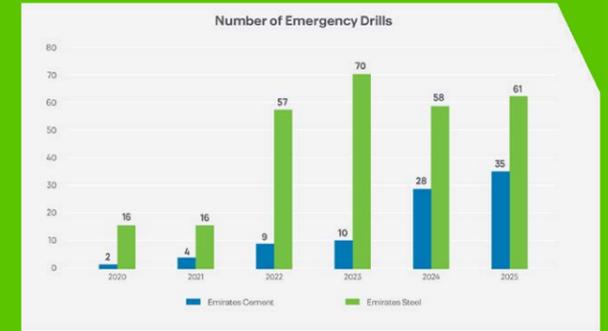
In 2025, Emirates Steel strengthened its position as a safe and reliable operator, reinforcing a culture where risk awareness, accountability and proactive intervention are embedded in day-to-day work. The year saw continued progress in leadership engagement, sharper hazard identification, and more consistent reporting behaviours across the workforce. Investment in people, systems and operational discipline supported a stable performance, with teams applying lessons learned and using analytical insights to anticipate and address emerging risks. Together, these efforts reflect a business that is maturing in its safety practices and prioritising the wellbeing of its workforce while maintaining the operational continuity and resilience expected of a leading industrial manufacturer.



EMSTEEL reached a major safety milestone in 2025, recording over **30 million LTI-free man-hours**. This achievement reflects strong discipline, leadership focus, and a deeply embedded safety culture across sites

How Safety Culture Drives Operational Excellence

Across EMSTEEL, we observe time and again that safety drives productivity, reliability, and workforce morale. Our integrated OHS Management System ensures risks are identified early, controlled effectively, and monitored consistently. Continuous training, behavioural programmes, leadership involvement, and open communication channels empower teams at every level to act early, prevent incidents, and maintain safe, stable operations.



Conducted **96 emergency drills**, strengthening preparedness, response capability, and overall HSE excellence

Emirates Cement

Emirates Cement maintained a strong safety record, achieving zero LTIs and meeting all performance targets across leadership engagement, behavioural observations, PTW audits, emergency drills, and training. Reporting of hazards and near-misses continued to mature, supported by 36,635 hours of health and safety training completed by more than 11,000 training participants. Safety systems were strengthened through new IMS procedures, internal audits, enhanced incident-investigation methods and continuous HIRA development.

The operation remained fully aligned with ISO 45001, ADOSH, ADCD and UAE labour regulations, backed by comprehensive medical surveillance and targeted worker welfare improvements. Ongoing risk-management initiatives, multilingual training, structured root-cause investigations and expanded health screening further reinforced Emirates Cement's commitment to a safe, engaged, and well-protected workforce.



Delivered **36,635 hours** of HSE and technical training, strengthening safety culture and supporting EMSTEEL's commitment to operational excellence

Zero LTI and Zero Fatalities

Case study

Health and Safety at the Forefront for Leadership

In February 2025, Emirates Cement brought health and safety to the forefront at the Al Ain Cement Factory through a combined Visible Felt Leadership and Management Review Meeting. The interactive session encouraged employees and contractors to share real experiences and practical safety improvements, while operational leaders were recognised for high Engagement Survey scores, underscoring the connection between safety and strong team culture.

The discussions generated actionable insights to enhance site performance, strengthening the safety culture and supporting continued operational excellence.



Human Capital, Diversity and Inclusion

GRI Standards: GRI 401 (2016), 403, 404, 405
 CARES SCS: 4.3, 4.5, 5.1 & 5.2



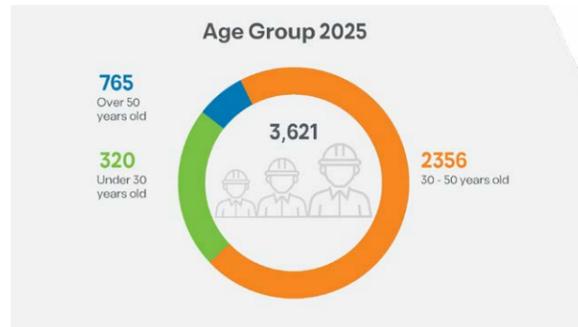
People are at the heart of EMSTEEL's success. In 2025, we continued to invest in a workplace where every employee is supported, empowered, and able to grow. Our approach centres on transparent performance management, inclusive development opportunities, strong communication channels, and a deep commitment to fairness and equal opportunity across the business.

Our philosophy is simple: when people thrive, performance follows. That belief drives our human capital strategy and underpins our contribution to SDGs 4 (Quality Education), 8 (Decent Work and Economic Growth) and 10 (Reduced Inequalities). As shown in Appendix B, EMSTEEL is strengthening outcome-based human capital metrics to demonstrate effectiveness of its people strategy.

Our Workforce



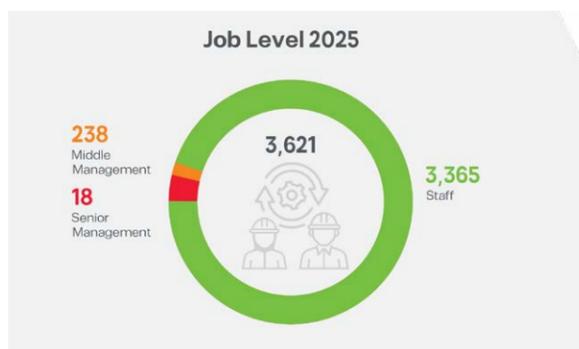
Our **workforce** is proudly diverse, bringing together talent from **64 nationalities** across the globe



A Transparent and Accountable Performance Culture

Every EMSTEEL employee follows a structured annual performance cycle, beginning with objective-setting in the Performance Management System, followed by a mid-year review and a year-end evaluation to assess delivery and assign performance ratings. This process ensures accountability and supports employee development.

To maintain consistent communication, employees engage with leadership through multiple channels, including internal announcements, EMSTEEL Pulse, videos, townhalls with the GCEO and GCPO, "Coffee with the GCPO" sessions, field visits, focus groups, and other employee-voice engagements.



Case study

Our Culture, Our Voice Survey Results

When the Cultural Accelerator Project launched in September 2025, it began a journey shaped by the voices of EMSTEEL employees.

In October, the "Our Culture, Our Voice" survey achieved an outstanding 88% participation rate, showing how strongly employees care about the culture they work in.

Four key themes emerged across the Group:

- **Well-being & Work-Life Balance:** A need for a more supportive and balanced work environment.
- **Leadership & Clarity:** Clearer direction, timely decisions, and more visible leadership.
- **Communication & Trust:** More open communication and transparent updates.
- **Collaboration & Alignment:** Stronger teamwork and reduced silos across the Group.

These insights reflect employees' real experiences and expectations. As we move forward, we continue engaging with teams to turn these priorities into meaningful actions across EMSTEEL.

Strengthening Development and Learning Pathways

Learning and development remain central to building EMSTEEL's workforce capabilities. Through the SuccessFactors Learning Management System, employees receive ongoing technical and soft-skills training, supported by leadership development programmes across four levels and the Itqan and Irshad coaching tracks. EMSTEEL targets more than 49 training hours per employee annually, with a long-term goal of 40-44 hours by 2030.

In 2025, women took on a stronger role in development and leadership programmes, participating in skill-building workshops and Masaar initiatives for early-career UAE National women. This is further supported by targeted well-being sessions, including breast-cancer awareness, mental-health workshops, stress-management training, and motivational talks.



Delivered **180,474 hours of training**, strengthening human capital development and building the skills required for operational excellence and future growth

Case study

Immersive Learning Academy for Advanced Workforce Training

In January 2026, we launched our Immersive Learning initiatives as part of the EMSTEEL Learning Academy, introducing advanced AR and VR technologies developed with Bosch Digital Twin Industries and IDC. These simulation-based tools enable employees to practice complex operational tasks in a safe virtual environment, reducing risk and accelerating skill development.

Focused on technical capability and leadership growth, the academy integrates digital twins and immersive simulations to prepare employees for Industry 4.0 while supporting EMSTEEL's broader sustainability and safety objectives.

Case study

Launch of "Forge" Leadership Development Program

This year, we launched Forge, a flagship leadership programme designed to accelerate the development of high-potential Emirati talent. Endorsed by the Group CEO, the programme provides immersive learning, mentorship, and strategic projects to build technical and leadership capabilities. In 2025, Forge welcomed 16 participants, equipping them with stronger decision-making, innovation, and resilience skills essential for EMSTEEL's transformation journey.

Forge reflects EMSTEEL's commitment to national talent development and supports the UAE's industrial growth ambitions by creating a strong pipeline of Emirati leaders who will drive sustainability, digital transformation, and operational excellence across the Group.

Attracting and Developing New Talent

Developing the next generation of UAE talent is our priority. Through Masaar, our structured one-year programme for UAE Nationals, early-career employees receive targeted development tailored to their aspirations and competencies. These efforts ensure EMSTEEL continues to attract high-potential individuals who can grow with the business.

Case study

Launch of Cement Professional Development Programme (CPDP)

In July, we launched the Cement Professional Development Programme (CPDP) to accelerate talent development within Emirates Cement, inducting 18 employees. Developed with A & Co., the programme equips engineers with advanced technical knowledge and cross-functional skills needed for the evolving cement sector.

CPDP blends classroom learning, on-the-job training, and mentorship to build capability in process optimisation, sustainability, and operational excellence, while strengthening leadership skills. This initiative supports national talent development and aligns with the UAE's industrial and sustainability priorities, helping EMSTEEL build a future-ready workforce and maintain its leadership in the building materials industry.

A Workplace Grounded in Fairness and Inclusion

EMSTEEL upholds strict equal-opportunity and non-discrimination policies in line with UAE Labour Law, ensuring all employees are treated fairly regardless of gender, nationality, age, disability, religion or any protected characteristic. The company's Code of Conduct and HR Policy support this commitment, and internal audits help ensure compliance.

We have no part-time or temporary employees, and all full-time employees benefit from comprehensive employment packages, including education assistance, health insurance, housing advance loans, car loans, pensions for UAE Nationals, and end-of-service benefits.

We confirm that no known negative impacts such as unequal access to opportunity or human-rights

breaches were reported or identified during the year. Unfortunately, one instance of discrimination was reported and corrective action was taken. EMSTEEL actively mitigates such risks through strict HR policies, regular monitoring, employees feedback, and ongoing engagement with internal functions including Audit, BCM and ESG.

EMSTEEL promotes women's inclusion through gender-responsive policies, inclusive workforce practices, and CSR and ESG initiatives. Women are actively encouraged to participate and lead in corporate events, town halls, and workshops, with strong focus on developing young female talent through the Masaar programme. Female employees are well-represented in learning and development pathways, including Leadership Development, Irshad, Itqan, and other capability-building programmes. EMSTEEL also supports women's wellbeing through awareness activities such as breast-cancer, stress-management, and motivational sessions.

The Group advances equal opportunities and non-discrimination through its DEI policies, development programmes, and community initiatives focused on education, wellbeing, and empowerment.

In 2025, EMSTEEL further strengthened inclusion for People of Determination through Group-wide initiatives, independent accessibility assessments, and targeted hiring, including the recruitment of two UAE nationals in the cement business in partnership with the Zayed Authority for People of Determination.

Employee Compensation and Benefits

EMSTEEL's employment framework is fully aligned with UAE Labour Law, forming the foundation of our workforce practices across all operations. Our policies are further guided by internationally recognised principles, including the UN Guiding Principles on Business and Human Rights, ILO conventions, and ResponsibleSteel requirements. We uphold fair wages, equal opportunity, non-discrimination, and the prohibition of forced and child labour.

In accordance with UAE regulations, formal trade unions are not applicable; however, structured grievance and whistleblowing mechanisms ensure employee voice, transparency, and protection.

Competitive compensation and comprehensive benefits are central to attracting, retaining, and developing talent. Our framework includes

market-aligned base salaries, performance-based incentives for eligible full-time employees, statutory benefits, and wellbeing programmes. Parental leave and end-of-service benefits are provided in accordance with UAE Labour Law. Workforce adjustments are managed responsibly, with support for career transition, redeployment, and retraining where applicable. EMSTEEL also supports employees with career transitions, re-employment, and retraining. Workforce adjustments align with business needs, considering performance and behaviour considerations. Severance pay is provided when applicable.

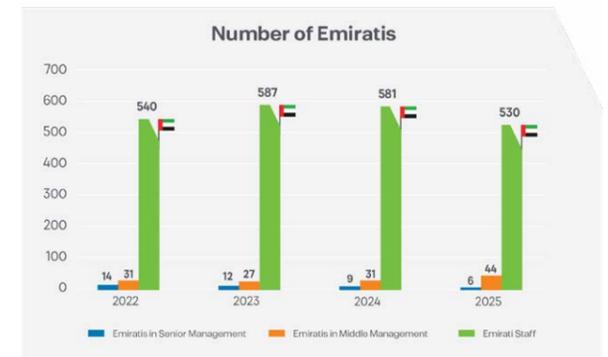
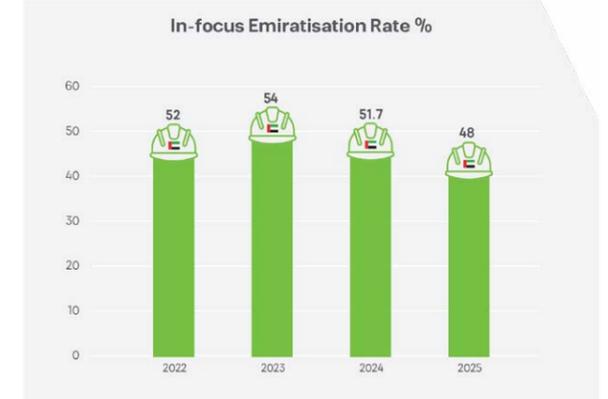
Through continuous benchmarking and policy review, we ensure our employment practices remain fair, competitive, and aligned with our long-term sustainability goals, reinforcing our commitment to decent work and economic growth.

You can see the full data on our compensation and benefits in Appendix B.

Emiratisation

This year, EMSTEEL was recognised among the UAE's Top 3 listed companies for Emiratisation. This is a major milestone that reflects the strength of our national workforce strategy and our sustained commitment to developing Emirati talent across the organisation. This ranking demonstrates the impact of our long-term investment in capability building and the trust we place in national talent to drive EMSTEEL's growth. It also reinforces our responsibility as a national industrial champion to contribute meaningfully to the UAE's socio-economic priorities. While in-focus Emiratisation has decreased to 48% in 2025 compared to the previous years, this decline was not driven by a decrease in the absolute number of UAE Nationals in the workforce, but rather by structural and operating model changes implemented during the year. This includes grading changes, controlled hiring under the new operating model, and natural attrition, rather than a reduction in commitment or absolute national headcount.

Going forward, emiratisation remains a strategic priority for EMSTEEL, strengthening operational resilience, anchoring critical expertise in the UAE, and supporting succession across leadership and technical roles. In 2025, EMSTEEL employed 580 Emiratis across the organisation, including six in senior management, 44 in middle management,



and 530 in staff roles, reinforcing a strong and growing national talent pipeline.

EMSTEEL also expanded fast-track development initiatives, including the Masaar Commercial Talent Programme and engineering placements that provide hands-on experience across production, maintenance, and ESG functions. These programmes are supported by coaching, structured training, and targeted upskilling pathways, creating clear progression opportunities for Emirati talent and building a future-ready industrial workforce.



Our **Emiratisation** focus supports the UAE's nationalisation agenda, strengthens leadership pipelines, and ensures long-term organisational resilience through locally rooted expertise

Case study

Celebrating Launch of Masaar Commercial Talent Programme and the Graduation of 162 Emirati Nationals

In 2025, we advanced our national talent development agenda through two major milestones under the Masaar programme. EMSTEEL celebrated the graduation of **162 Emirati nationals** from the Masaar Accelerated Programme, preparing them with technical and professional skills for rapid deployment across operations. An additional **51 participants** remain on track to graduate in 2026, ensuring a strong pipeline of emerging Emirati talent.

Building on this progress, we launched the **Masaar Commercial Talent Programme** in August 2025 to fast-track Emirati professionals in areas such as strategy, pricing, logistics, and customer experience. Through structured learning, mentorship, and on-the-job training—supported by senior leadership—the programme develops future commercial leaders.

Emiratization also strengthens national workforce development by contributing to the UAE’s ambition of creating sustainable, high-quality jobs that support long-term human capital growth. At EMSTEEL, our approach goes beyond hiring, we invest in learning, career mobility, and leadership

preparation so Emirati employees can thrive in roles that shape the future of heavy industry. As the UAE accelerates its industrial transformation, we are committed to helping build a workforce that is knowledgeable, empowered, and equipped to lead the next era of sustainable steelmaking.

Case study

Young Emirati Engineers Join Al Ain Cement Factory

In April 2025, EMSTEEL welcomed a new group of young Emirati engineers to its Al Ain Cement Factory as part of its commitment to national talent development and the UAE’s industrial growth strategy. The onboarding programme introduced these engineers to the full cement production process, combining technical training with leadership development to prepare them for future roles in operations and sustainability.

This initiative reflects EMSTEEL’s focus on building a skilled local workforce and fostering innovation within the heavy industrial sector. By equipping Emirati engineers with hands-on experience and structured learning pathways, EMSTEEL is creating opportunities for long-term career growth while supporting the UAE’s vision for economic diversification and industrial excellence.



Community Empowerment

GRI Standards: GRI 413 (2016)

CARES SCS: 4.4



Empowering the communities around us is a core part of how EMSTEEL delivers long-term, shared value for all. Our approach centres on building strong partnerships with NGOs, community groups, and suppliers that help amplify our social impact. These collaborations allow us to respond to local needs with agility while supporting programmes that strengthen economic participation, promote environmental awareness, and improve quality of life across the UAE.

This work directly supports SDG 11: Sustainable Cities and Communities, which calls for inclusive, safe, resilient, and sustainable urban environments. Across the year, we advanced initiatives that contribute to this vision—supporting community education workshops, participating in Ramadan distributions, and working with local NGOs to ensure vulnerable households receive essential support.

EMSTEEL’s CSR: Community Support & Environmental Contributions

In 2025, EMSTEEL delivered a wide-ranging CSR programme to create meaningful social and environmental impact across the UAE. Working with government partners, non-profits and community organisations, we supported more than 112,600 people through initiatives focused on community wellbeing, humanitarian support, health, environmental protection, education and biodiversity.



Community initiatives directly benefited over **112,600 individuals**

Health and wellbeing formed a major pillar of the year’s efforts, with blood donation campaigns, medical camps, and awareness activities delivered in partnership with leading healthcare providers,

reaching thousands of workers across ICAD and Mafraq. Employee wellbeing was further supported through the “Beat the Heat” summer campaign, offering hydration and heat-stress relief for 5,000 workers across EMSTEEL sites and residential areas.



The **ICAD Medical Camp** supported **4,000 labourers**, and **103 blood donors** contributed to the **Abu Dhabi Blood Bank**

On the environmental front, EMSTEEL advanced its biodiversity commitments by supporting marine ecosystem restoration through Project REEFrame and participating in conservation and clean-up efforts at the Al Wathba Wetland Reserve. Tree-planting initiatives added 400 new trees, reinforcing climate-action goals and contributing to long-term carbon reduction.

Education and community development also remained central to EMSTEEL’s CSR approach. The Group hosted students and teachers at its facilities to build awareness of steel manufacturing, sustainability, and innovation, while its support to the Delma Island construction project benefited approximately 8,000 community members through improved infrastructure and local resilience.



Delma Island **solar street lighting** improved safety and quality of life for around **8,000 residents**

Case study

Ramadan Initiatives across Abu Dhabi, include distribution of food packages, shared structure building, media Iftar, Eid Essentials for Children

During Ramadan 2025, EMSTEEL delivered a programme of community initiatives combining practical support with meaningful connection. In partnership with Emirates Red Crescent, volunteers distributed 300 food packages to underprivileged families, while support for the Community Iftar in ICAD Residential City helped deliver 20,000 meals through Al Eskan Al Jamae. EMSTEEL also sponsored and constructed a shaded structure at Abu Al Darda'a Mosque in ICAD I, improving comfort and accessibility for worshippers during the holy month. These actions aligned with the UAE's Year of Community and strengthened local social ties where we operate.

Connection remained central to the programme. EMSTEEL hosted its first Media Iftar in Abu Dhabi to thank partners and foster open dialogue, while the Group CEO joined colleagues for an on-site Iftar at the Abu Dhabi plant. Additional team Iftars across the Emirates Blocks Factory reinforced inclusion, recognition, and unity across shifts and sites.

To extend reach and awareness, EMSTEEL returned to Abu Dhabi TV with a 30-second Ramadan TVC, aired six times daily and amplified across digital platforms, showcasing the company's role in national growth and community support. Together, Ramadan 2025 initiatives demonstrated that scale and sincerity can go hand in hand, meeting essential needs while building lasting relationships, guided by three principles: proximity, continuity and participation. These principles continue to shape EMSTEEL's people-centred approach to community engagement.



300 food boxes delivered, supporting around **1,500 individuals**



20,000 Iftar meals provided

Case study

Supplying Sustainable Value to the Zayed National Museum

EMSTEEL played a pivotal role in the construction of the Zayed National Museum in Saadiyat Cultural District, supplying the steel and building materials that underpin this landmark celebration of the UAE's heritage. Our contribution included 24,000 tonnes of rebar, up to 25,000 concrete blocks, and 100,000 tonnes of bulk cement; we are proud to have been able to support construction of an iconic cultural development through reliable, high-quality materials and sustainable value creation.



Cooling shade structures at ICAD mosque now benefit around **65,000 worshippers**



A TRUSTED AND RESPONSIBLE PARTNER



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Material topics:

- Corporate Governance
- Business Integrity & Ethics
- Responsible Supply Chain

Customer Engagement
 GRI 2:3 (2-9 through 2-21), 2-27, 2-30, 3-3,
 GRI 201, 204, 406, 408, 409, 414, 415, 206, 402-1, 407-1

Summary

In 2025, EMSTEEL strengthened its position as a trusted and responsible partner by deepening our governance discipline, embedding ethics across every decision, and raising expectations of integrity throughout our value chain. We enhanced Board level oversight of sustainability, strengthened enterprise risk management, and linked executive compensation to ESG performance. Our responsible sourcing programme matured; we now screen all suppliers against environmental, social, and governance criteria and have expanded ESG training across critical categories. We also achieved strong In

Country Value (ICV) performance and built more resilient partnerships with UAE-based suppliers.

Customer trust remains central to our approach: we improved feedback mechanisms, elevated service quality, and strengthened data protection through improved cybersecurity and information governance. Together, these efforts reinforced transparency, accountability, and long-term value creation, ensuring EMSTEEL remains a reliable partner to regulators, customers, suppliers, and communities as we continue to grow responsibly.



Corporate Governance & Risk Management

GRI Standards: 2-9(2021), 2-13 (2021) & 2-23 (2021)
 CARES SCS: 2.9, 4.1 & 5.4



Strong governance is the foundation of EMSTEEL's resilience and a core driver of stakeholder trust. Our governance structure provides oversight, accountability, and direction across all parts of the business. The Board operates with an independent non-executive Chair and a strong majority of independent directors, with six out of seven Board members classified as independent and the Group CEO being the sole executive director. Two female directors (29%) serve on the Board, reflecting our commitment to improved diversity. The average tenure of Board members is 3 years. Board tenure, succession planning, and refreshment are overseen by the Nomination & Rewards Committee to prevent entrenchment and ensure the Board continues to possess the skills and experience required to support the Company's long-term strategy. The Board is supported by specialised committees which allow for rigorous supervision of financial integrity, risk management, and sustainability performance. Board members are appointed for a term of up to three years, in accordance with the Company's Articles of Association and the UAE Companies Law. Directors stand for re-election by shareholders at the General Assembly upon the completion of their term.

We maintain a strong commitment to ethical business practices and transparency. In alignment with our corporate governance principles and UAE laws, which prohibit political contributions, we report zero political donations or lobbying expenditures. We also report zero revenues from government contracts, reflecting our independent market operations and commitment to transparency in our financial engagements.

Board independence remains strong, with 6 of 7 directors classified as independent, including two female directors

The Board-level ESG Committee provides direct oversight of our environmental, social, and governance priorities, ensuring that sustainability risks and opportunities are fully integrated into

strategic planning. This year, we strengthened our approach by embedding ESG considerations into our enterprise risk management framework, allowing us to assess climate, social, operational, and market risks more systematically. This integration helps us anticipate emerging issues, improve resilience, and create long-term value for stakeholders.

Our risk governance is informed in part by independent assessments such as the Sustainalytics ESG Risk Rating, which evaluates our exposure to industry-specific ESG risks and the effectiveness of our risk-management practices. EMSTEEL has made measurable improvements in transparency, data quality, and overall ESG performance, reflecting our commitment to continuous improvement and stronger internal controls. By monitoring our ESG risk exposure annually, we can refine mitigation actions, close disclosure gaps, and see how we are performing against global peers. This disciplined approach ensures we remain competitive and aligned with international best practice.

We are focused on building Board and leadership capability. During the year, we expanded training for Board members on emerging sustainability regulations, climate-related risks, and best-practice governance, supported by specialised Ethics & Compliance training. These sessions provide the insight the Board requires to oversee complex ESG issues, evaluate long-term risk exposure, and guide the organisation with confidence. Mandatory Ethics & Compliance training completion increased significantly compared to the previous year, reflecting a major uplift in employee participation as the training rollout gained real momentum across the organisation.

Our governance framework also supports responsible remuneration. Executive and employee compensation includes ESG and sustainability performance indicators, reinforcing alignment between leadership actions, operational outcomes, and long-term value creation.

The framework also includes clawback and malus provisions, ensuring executive accountability. By integrating ESG metrics into incentives, we drive accountability at every level and ensure that sustainability performance is rewarded, not just reported.

Corporate Governance Overview

Our corporate governance is supported by a robust management framework:

Board of Directors: The Board of Directors (BoD), entrusted by the shareholders, oversees the affairs of EMSTEEL Group. The Board comprises members with a diverse mix of skills and experience relevant to the Company's

business and strategic priorities, including heavy industry and manufacturing, finance and audit, sustainability and ESG, risk management, strategy, and public-sector governance. The Board's collective competencies are periodically reviewed to ensure alignment with current and future business needs.

Board Age Diversity

In line with global reporting practices, the age composition of the Board is as follows:

- Under 30 years:** 0
- 30–50 years:** 5
- Over 50 years:** 2

Board Committees: EMSTEEL's Board of Directors oversees governance through four dedicated committees: the Audit and Risk Committee, the Nomination and Rewards Committee, the Strategic Investment Committee, and the ESG Committee. Each committee is composed of independent Board members and operates under updated, clearly defined charters. The committees meet regularly throughout the year to provide rigorous oversight, strengthen accountability, and ensure EMSTEEL's governance framework continues to evolve in line with best practice. More information on the Board Committees is available in the Board Committees section.

Management Committees: Our management committees operate under clear charters, policies, and procedures that guide their work across the Executive Committee, Insider Trading Supervision Committee, Risk and Crisis Management Committee, Information Technology Steering Committee, and ESG Steering Committee. These bodies apply defined mandates and decision-making authority to ensure regular oversight and strong coordination across the business.

Our Executive Committee (EXCO): EXCO ensures that the corporate objectives set by our Board are delivered, and that all operational activities follow EMSTEEL's established policies and procedures. The team actively monitors compliance across the business, reinforcing consistency, accountability, and strong governance in day-to-day operations.

We strengthened this framework further with the creation of the ESG and Sustainability Function in 2024. This dedicated team, led by Group Vice President of ESG and Sustainability, is responsible for the development of Group-wide sustainability strategies and embedding environmental and social responsibility into how EMSTEEL operates, positioning the organisation to meet rising regulatory expectations and stakeholder priorities.

Board Committees

EMSTEEL operates with four unique Board committees, to allow us to manage both day-to-day issues and operational growth meaningfully.

Nomination & Rewards Committee: Oversees all Board nominations and executive management, sets and reviews remuneration and benefits policies, and conducts annual performance reviews, promoting a fair and unbiased process throughout.

Strategic Investment Committee: Manages the evaluation and approval of key business operations, such as the corporate strategy and business plans prior to the Board of Directors' approval.

Audit & Risk Committee: Reviews our financial statement and oversees internal financial practices such as governance and the Risk Management Framework.

ESG Committee: Provides a specialist sustainability and ESG lens to the Board of Directors with reference to the Group's ESG programmes, policies, and practices.

As part of our commitment to transparency, EMSTEEL publicly discloses its Corporate Governance Report, which outlines the full governance structure and committee responsibilities in detail. Alongside this, we maintain a comprehensive suite of policies and procedures that guide all operations and support compliance with applicable laws, regulations, and industry best practice. To keep them current and effective, these policies are reviewed and updated every two years.

Policies

EMSTEEL's Company, ESG and CSR policies set clear expectations for ethical, inclusive and responsible conduct across the Group, covering labour rights, non-discrimination, prohibition of forced labour and human trafficking, sustainable procurement, data protection, employee development and whistleblowing. These policies apply from the Board to frontline employees and support transparency, accountability and responsible decision-making.

Risk management is governed by a Board-approved Risk Policy and a comprehensive enterprise framework that applies across all business units. The Board and Audit & Risk Committee oversee effectiveness, supported by a dedicated Risk Management function operating under a three-lines model, with quarterly Board reporting and regular internal and external audits. Enterprise risks are reviewed annually, with quarterly deep dives on priority risks, and ESG risks are fully embedded within the corporate risk assessment.

In 2025, 26 whistleblowing cases were reported, including two potential fraud cases escalated to an external regulator, with no confirmed corruption incidents.

	Chairman Hamad Abdulla Al Hammadi
	Vice Chairman Ahmed Ali Al Shamsi
	GCEO/Member Saeed Ghumran Al Remeithi
	Member Farah Al Mazrui
	Member Abdulaziz Alhajri
	Member Fatima Al Fahim
	Member Nabeel Qadir

Risk capability is reinforced through Board-level education, operational training and updated compliance policies, including sanctions, integrity due diligence and AML procedures. Looking ahead, EMSTEEL aims to strengthen assurance further through IS-aligned compliance certifications and increased automation of risk and compliance processes.

ESG Risk Approach

EMSTEEL proactively identifies, assesses, and manages ESG-related risks that could affect our operations, stakeholders, and long-term performance. ESG risk management is fully integrated into our broader Risk Management Framework, ensuring that environmental and social considerations are evaluated with the same rigour as financial and operational risks.

Our dedicated Climate Risk Register supports this work by tracking both physical and transition climate risks ranging from extreme heat and flooding to market and policy shifts that may influence energy security or operational continuity.

Board-Level ESG and Sustainability Training

During 2024 and 2025, EMSTEEL delivered ESG and sustainability training to the Board of Directors,

covering ESG oversight responsibilities, climate-related risks and opportunities, decarbonisation strategy, ESG value creation, regulatory developments (including CBAM and IFRS sustainability standards), and greenwashing risks. Training was delivered by internal ESG leaders and external sustainability and industrial strategy experts to support informed decision-making and effective governance. EMSTEEL targets at least one ESG or decarbonisation training session for Board members each year, supported by a structured training framework that identifies needs, tracks completion through a formal training matrix, and enables periodic review of Board competencies to ensure alignment with current and future business requirements.

Business Continuity

EMSTEEL's long-term success depends on our ability to serve the market, retain customers, and remain resilient in the face of unexpected events. We continue to strengthen our capability to manage and respond to disruptions, disasters, and serious incidents that could affect our people, communities, or operations. Building this resilience is a core part of how we protect our business and support the UAE's industrial continuity.

Our Business Continuity Management Framework sets out policies and procedures that apply to all

operational and support functions. It defines the requirements for business continuity and recovery and provides structured guidance for responding quickly and effectively to incidents or crises declared by the Crisis Management Team (CMT). This includes defined processes for recovery strategies, Recovery Time Objectives (RTO), Recovery Point Objectives (RPO), and detailed response plans.

The framework ensures that all critical activities needed to resume operations are restored in line with identified priorities. It is reviewed regularly to test its effectiveness, update Business Continuity Plans (BCPs), and identify new areas for improvement as risks evolve. Its scope covers a wide range of disruption scenarios, including loss of buildings or critical equipment, denial of access, unavailability of staff, technology or power failures, automation outages, and vendor disruptions.

Government Contracts: In 2025, we reported zero revenues from government contracts, reflecting our independent market operations.



ZERO payments to the government (UAE), underscoring EMSTEEL's strong governance framework, full adherence to UAE tax legislation, and transparent financial practices. This highlights the Company's responsible corporate conduct and the absence of any tax-related disputes or penalties

our actions remain aligned with national laws and EMSTEEL's values.

Zero political donations and zero lobbying expenditure reported

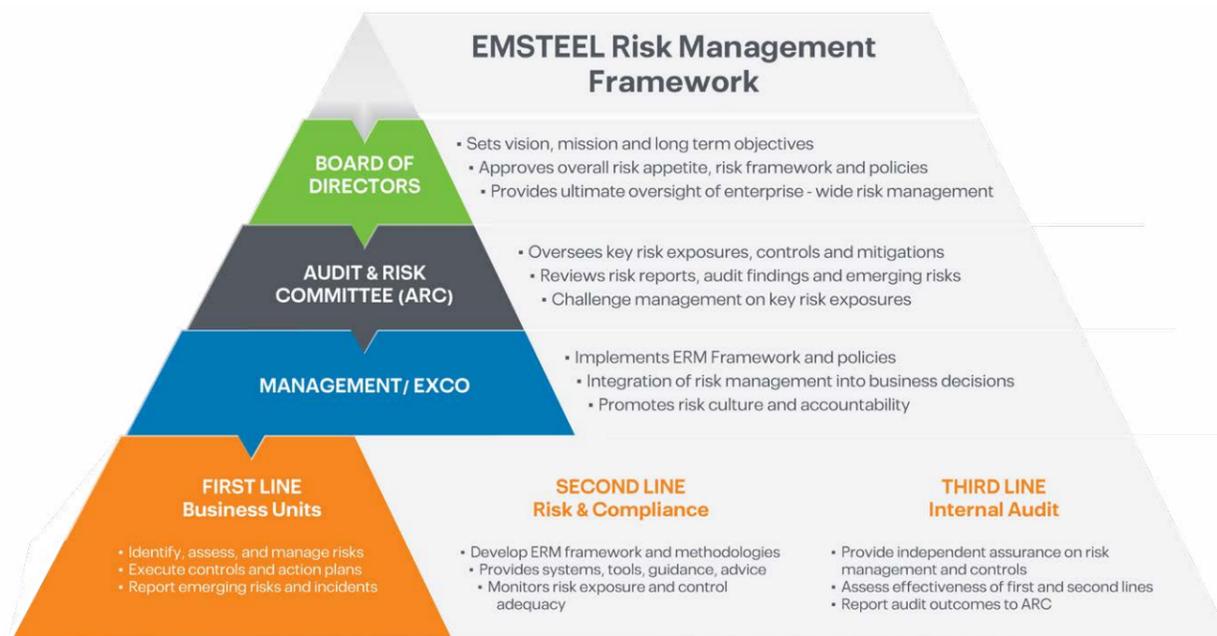
Executive Compensation: Executive compensation is linked to EMSTEEL's corporate balance scorecard and includes ESG-related KPIs, such as GHG reduction and ESG index. Relevant performance metrics are incorporated into remuneration and incentive frameworks overseen by the Nomination and Rewards Committee, aligning executive rewards with long-term sustainability and value-creation objectives. ESG index performance is independently assessed across key material topics, including climate, energy, health and safety, supply chain, ethics, and governance. In 2025, EMSTEEL achieved an overall ESG score of 96/100, reflecting strong sustainability governance and performance with no material controversies reported. In 2025, the ratio of the CEO's total compensation to the median total compensation of full-time equivalent (FTE) employees was 9%.

We are certified with ISO 22301 for Business Continuity.



ISO 22301 certified for Business Continuity Management

Political Contributions and Lobbying: We remain firmly committed to ethical business conduct and full transparency. In line with our corporate governance principles and UAE regulations, which prohibit political contributions, we have reported zero political donations and zero lobbying expenditure. This commitment reinforces our integrity, protects stakeholder trust, and ensures



Business Integrity & Ethics

GRI Standards: 2-23 (2021), 2-27 (2021)
 CARES SCS: 2.9, 4.1 & 5.4



At EMSTEEL, integrity is the foundation of how we operate; there is zero tolerance for corruption or unethical behaviour. Integrity shapes every decision, every relationship, and every responsibility we hold towards our people, partners, and wider stakeholders. We work hard to build trust, because trust is earned through consistent action, not grand statements.

We maintain a comprehensive suite of policies, each designed to protect EMSTEEL, our employees, and our stakeholders:

- **Compliance Policy:** Defines our compliance framework and clarifies roles, responsibilities, and reporting lines.
- **Whistleblowing Policy:** Encourages employees and external stakeholders to report wrongdoing confidentially, reinforcing our zero-tolerance stance.
- **Anti-Bribery and Corruption Policy:** Establishes a zero-tolerance framework and provides clear guidance for identifying, preventing, and managing bribery, corruption, and facilitation payment risks across all business activities.
- **Conflict of Interest and Related Party Policy:** Sets out how conflicts should be disclosed and managed.
- **Fraud Control Policy:** Outlines controls, responsibilities, and processes for preventing, detecting, and investigating fraud.

We review these policies every two years to ensure they remain aligned with best practice and regulatory expectations.

Ethics & Compliance Function

In 2023, we established the Ethics & Compliance Function to elevate oversight across whistleblowing, Code of Conduct management, anti-bribery and corruption procedures, conflict of interest disclosures, related-party transactions, and fraud control. The function strengthens consistency and responsiveness across the Group

and provides employees with clear guidance and secure reporting channels.

Whistleblower Protection & Reporting Channels

We maintain multiple secure channels for employees and external stakeholders to raise concerns safely and confidentially, including an independent whistleblower portal accessible 24/7 via our website and available in local and multiple other languages. All reports are reviewed, investigated, and managed in accordance with our Code of Conduct and Non-Retaliation Policy, ensuring protection for individuals who raise concerns in good faith.

We assess 100% of our operations for corruption-related risks, reflecting our commitment to early detection and proactive management. Our Code of Conduct applies to all employees and is publicly available on our website to ensure transparency and accessibility.



100% of operations assessed for corruption-related risks

Ethical Incidents & Training

In 2025, five ethical incidents were recorded and reported to an external regulator. No incidents led to enforcement or prohibition notices, and no corruption cases were reported.

Training is a core prevention tool. Throughout the year, we expanded awareness programmes on fraud, corruption, and risk management. 77% of our workforce certified their compliance with anti-corruption requirements, demonstrating strong engagement.

Human Rights & Social Responsibility

Our CSR Policy outlines our commitment to human rights, labour rights, and compliance with UAE laws and international standards. We foster a workplace culture built on tolerance, respect, and equal opportunity.

Key commitments include:

- Zero tolerance for child or forced labour, with a minimum hiring age of 18 years.
- Protection of workers' rights, including women's rights and the right to fair treatment.
- A disciplinary process applied consistently across all operations.

While trade unions are not legally recognised in the UAE, we uphold workers' rights to representation through surveys, focus groups, grievance channels, and structured engagement mechanisms.

In 2025, EMSTEEL recorded 26 cases through the Whistleblowing platform, reflecting increased transparency and improved reporting mechanisms. Two of these were potential fraud cases, which were escalated to the Abu Dhabi Accountability Authority (ADAA) for independent review. Importantly, no confirmed incidents of corruption were subsequently identified. Each case underwent formal investigation, with corrective and preventive actions implemented in line with our Ethics & Compliance Policy and monitored through our quarterly KPI review process. These insights continue to strengthen our internal controls and reinforce our culture of integrity.

Case study

Internal Audit Team Recognised for Excellence

In April 2025, EMSTEEL's Internal Audit Department was recognised at the Chief Audit Executive Conference for completing the UAE Internal Auditors Association's Quality Assessment and Improvement Programme. This achievement reflects our commitment to strong governance and transparency. By aligning with international best practices, we strengthened trust across our operations and reinforced accountability at every level.

This recognition is more than an award. It demonstrates how rigorous standards and continuous improvement drive sustainable business. Our audit team's dedication ensures that EMSTEEL operates with integrity, creating confidence for our people, partners, and communities.

ZERO incidents of corruption, abusive behaviour, or harassment

ZERO legal actions related to anti-competitive conduct, anti-trust or monopoly issues, or human rights grievances



Market Presence & Economic Performance

GRI Standards: 201 & 202 (2016)
 CARES SCS: 5.5 & 5.6



EMSTEEL plays a central role in strengthening the UAE's industrial base and advancing its position as a global steel producer. Our products support national infrastructure, strategic industries, and major regional developments. At the same time, our global footprint continues to expand, with exports reaching more than 70 markets across the Americas, Europe, Asia, the Middle East, and Africa.

Despite ongoing volatility in international steel prices and persistent overcapacity in several regions, we sustained solid production volumes and protected our market presence. This reflects disciplined commercial strategy, operational agility, and consistent demand across the UAE's construction and industrial sectors.

Financial Performance

EMSTEEL reported revenues of AED 8.9 billion for FY 2025, marking a 7% increase compared to the same period last year.

EBITDA reached AED 1.2 billion, up 34% YoY, with an EBITDA margin of 13.4%, compared to 10.7% in FY 2024. Increased sales volumes coupled with

optimization initiatives and the continued efficient utilisation of production capacities, contributed to the improvement in the EBITDA margin.

The Emirates Steel division contributed AED 8.0 billion in revenue, representing a 6% increase compared to FY 2024, and generated AED 1.0 billion in EBITDA, up by 51% YoY.

The Emirates Cement division recorded AED 944 million in revenue, reflecting 24% YoY growth, and generated AED 172 million in EBITDA. Within this division, the Pipes & Other segment during 2025 contributed AED 187 million in revenue, and generated AED 42 million in EBITDA. The Group completed the disposal of the Pipes & Other segment on 18th December 2025 and the resulting financial impact is reflected in the FY 2025 Group results.



AED 8.9 billion revenue in 2025
 up 7% to 2024

AED 1.2 billion EBITDA in 2025
 up 34% to 2024

Across both divisions, we delivered topline growth in steel and held our position in cement while responsibly managing costs and cash. Our ability to hold steady volumes in steel and navigate market pressures in cement demonstrates the strength of our business model and our capacity to adapt quickly when conditions shift.

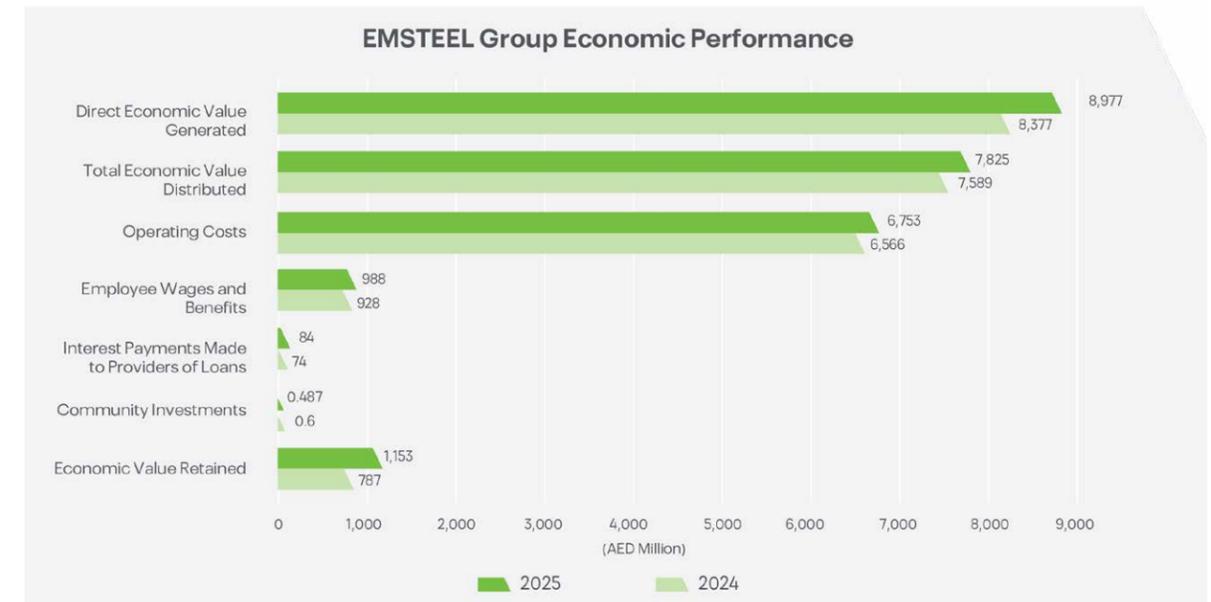
Resilience in a Volatile Market

The global steel industry faced another year of volatility in 2025, influenced by excess production capacity, fluctuating input costs, and uncertain demand patterns. Against this backdrop, EMSTEEL remained focused on strategic growth and long-term value creation.

Our growth priorities included:

- Maintaining market share in core segments across the UAE
- Strengthening export competitiveness in diversified global markets
- Investing in product innovation to meet evolving customer and regulatory needs
- Building operational resilience through efficiency, quality, and reliability

These efforts helped reinforce our position as a key contributor to the UAE economy and a trusted supplier to markets worldwide. As EMSTEEL enters its next phase of growth, it does so with a clear strategy, a robust asset base, and a proven ability to perform in both stable and challenging conditions.



"Supporting our clients as they invest for the future is central to everything we do at FAB, particularly so in advancing the transition to a net-zero carbon economy. As a regional leader in sustainability, we advised EMSTEEL on structuring financing options that resonate with sustainability-focused investors, ensuring access to the capital needed to deliver on its environmental commitments. Together, we are making finance a powerful enabler to integrate goals with action, and accelerate meaningful progress toward a more sustainable future. Through this framework, we have established a strong foundation that aligns EMSTEEL's future financing with its ESG strategy and supports long-term sustainable growth."

Sarah Pirzada Usmani
 Managing Director, Head of Loan Capital Markets & Sustainable Finance
 First Abu Dhabi Bank



This year, the Group strengthened its overall economic contribution by building on the solid base established the year before. Direct value creation increased, supported by steady operating performance and disciplined cost control across both steel and cement operations. The year also saw continued investment in people, reflected in higher wage and benefit spend, alongside stable financing costs.

Together, these shifts enabled the Group to retain significantly more economic value than in 2024, signalling a business that is not only expanding its output but doing so with greater efficiency, resilience, and long-term value creation in mind.

Green Finance Framework

In 2025, EMSTEEL launched its Green Finance Framework to formally link funding to its decarbonisation pathway and long-term sustainability goals. The Framework enables the issuance of green bonds, green loans, and other instruments to fund and refinance projects that support low-carbon steel and cement production, renewable energy expansion, and improvements in energy and material efficiency across the Group. It is aligned with leading international standards, including the ICMA Green Bond Principles, LMA/APLMA/LSTA Green Loan Principles and the ICMA Pre-Issuance Checklist, strengthening transparency, governance and investor confidence.

Through the Framework, EMSTEEL can channel capital into priority projects that advance its decarbonisation strategy and support the UAE's Net Zero 2050 agenda. Eligible activities include low-carbon steel and cement technologies, such as the DRI-EAF route with benchmark-aligned emissions thresholds, renewable energy installations, energy-efficient equipment upgrades, sustainable product innovation, waste-to-resource programmes, and clean-energy expansion, including on-site solar PV. These categories align with EMSTEEL's transition plan to reduce steel-sector emissions by 40% and cement-sector emissions by 30% by 2030, from a 2019 baseline.

Governance is provided by a dedicated Green Finance Committee, bringing together finance, sustainability, investor relations, legal, and operations expertise to oversee project selection, allocation of proceeds, and annual allocation and impact reporting. The Framework is supported by external verification and a "Very Good" Second Party Opinion from Moody's. By directly linking finance to climate action, EMSTEEL is mobilising capital to accelerate greener production technologies, expand renewable energy supply, and improve energy efficiency across steel and cement operations, helping to underpin growth with robust governance and measurable decarbonisation impact.

[You can read the full Green Finance Framework here](#)



"Together with EMSTEEL, we developed a Green Finance Framework that links the company's long term decarbonisation strategy with internationally recognised sustainable finance standards. The Framework reflects global best practices and the specific transition challenges of the steel and cement sectors. It gives EMSTEEL a platform to access sustainable capital markets and finance projects with measurable environmental benefits.

The Framework defines clear eligibility criteria, strong governance processes, and transparent reporting requirements. These elements help build confidence and ensure accountability and provide a clear view with regards to the investments implemented to reach EMSTEEL's science-aligned emissions reduction targets including its ambition to significantly reduce absolute greenhouse gas emissions.

This work also aligns with ING's own climate ambitions and our commitment to support clients in their transition pathways. This fits with the work we have done with EMSTEEL to establish a framework for targeted investments in low-carbon technologies and operational improvements.

Ultimately, the Framework strengthens EMSTEEL's ability to mobilise capital for its transition plan. It also provides stakeholders with an externally validated mechanism to track progress and environmental impact. This marks an important step in advancing EMSTEEL's sustainability agenda and reinforces ING's role as a partner in facilitating responsible, long term value creation."

Erik van Doezum
Head of Metals, Mining & Fertilizers Germany, Global Steel Lead
ING

Supply Chain Management

GRI Standards: 204, 308 & 414 (2016)
CARES SCS: 2.10 & 5.1



A resilient, responsible, and future-ready supply chain is central to EMSTEEL's ability to deliver high-quality products that support the UAE's industrial ambitions. In 2025, we strengthened our procurement and supply chain systems with a focus on transparency, ESG-alignment, and rigorous due diligence. We advanced local sourcing, enhanced our supplier governance framework, and deepened our engagement with partners to raise environmental and social standards across all critical categories.

2025 saw full ESG screening of all registered suppliers, with responsible sourcing controls embedded into every stage of procurement, from onboarding and registration to evaluation, contract award, and performance monitoring. All suppliers undertook mandatory ESG screening through the Supply Chain Hub (SCH), including completing detailed questionnaires for all suppliers. Risk scores were monitored jointly by Procurement and the ESG team to identify potential impacts early and ensure corrective actions where needed. All suppliers are evaluated using ICV and ESG criteria, which contribute to the overall evaluation score at the bidding stage.

Screening 100% of new suppliers for environmental and social factors strengthens EMSTEEL's supply chain by ensuring responsible sourcing, reducing ESG risks, and supporting compliance with international sustainability standards

We embedded ESG, labour protection, and environmental compliance requirements directly into our standard contract terms. These clauses reflect UAE Labour Law and EMSTEEL's Supply Chain Management Policy, including minimum standards on child labour, forced labour, safe working conditions, working hours, equal treatment, and non-discrimination.

All our suppliers must have at least one of the following certifications:

- ISO 9001:** Quality Management Systems
- ISO 14001:** Environmental Management Systems
- ISO 45001:** Occupational Health and Safety Management Systems
- ISO 50001:** Energy Management Systems

To reinforce this culture of responsible sourcing, we conducted supplier ESG training and awareness sessions throughout the year, increasing supplier readiness and improving response quality across ESG questionnaires.

Case study Local Scrap Supplier Workshop Strengthens Partnerships

In January 2025, the Supply Chain team hosted a Scrap Supplier Workshop to strengthen collaboration and ensure alignment with key partners. The session brought together scrap suppliers and internal teams from Material Handling, Procurement, ESG & Sustainability, and Safety to discuss safety and quality expectations, ESG goals, and compliance with ISO and ICV requirements.

Through open dialogue and best-practice sharing, participants identified practical steps to meet EMSTEEL's standards for responsible sourcing and operational excellence. The workshop reinforced EMSTEEL's commitment to transparent, resilient, and ethical supply chain partnerships that support its decarbonisation and sustainability objectives.

Supplier Risk Management and Performance Monitoring

Our due-diligence framework assesses environmental and social risks using a tiered model aligned to supplier criticality:

- Tier 1 suppliers: 111 (7%)
- Tier 2 suppliers: 947 (59%)
- Tier 3 suppliers: 553 (34%)

EMSTEEL embeds sustainability and ESG principles across its supply chain through a structured Supplier Sustainability & ESG Assessment framework aligned with ISO standards, ResponsibleSteel, the UN Guiding Principles, ILO conventions, and the Paris Agreement.

Strategic suppliers are evaluated on governance, environmental management, health and safety, business ethics, and legal compliance. Documented policies on sustainability, anti-bribery, human rights, and responsible sourcing are required, while certifications such as ISO 9001, ISO 14001, and ISO 45001 are strongly encouraged and monitored.

Suppliers must demonstrate effective management of water, energy, emissions, and waste, including compliance with discharge limits, hazardous waste controls, air quality regulations, and climate risk mitigation. ESG performance is embedded into procurement decisions, with higher assessment scores awarded to suppliers that establish measurable targets for water, energy, and GHG reductions.

Labour and human rights expectations include the prohibition of forced and child labour, non-discrimination, fair wages, respect for freedom of association in accordance with national regulations, and whistleblower protections. Robust safety management systems and regulatory compliance are mandatory.

In 2025, EMSTEEL launched on-site ESG audits for suppliers to strengthen oversight and drive responsible sourcing across our value chain. During the year, we completed six on-site audits for local suppliers, with plans to expand the programme further.

The audits assess governance practices, environmental performance, social responsibility, and business ethics. Suppliers are evaluated on regulatory compliance, ISO-aligned management systems, GHG and energy monitoring, air emissions control (NOx, SOx, CO, PM), water and waste management, hazardous materials

handling, health and safety standards, labour rights, and ethical conduct.

Through onboarding, periodic audits, risk-based reassessments, and performance evaluations, EMSTEEL ensures responsible business conduct and ethical practices are consistently embedded across its supply base.

Case study

EMSTEEL Champions the UAE's Industrial Future with Landmark Partnerships at Make it in the Emirates 2025

At Make it in the Emirates 2025, EMSTEEL signed a series of landmark agreements and procurement commitments totalling over AED 1.6 billion, reinforcing its role as a key enabler of the UAE's industrial strategy and ICV programme. These new partnerships will see EMSTEEL source more than 50% of its procurement spend from local suppliers, directly supporting the UAE's goal to increase the industrial sector's contribution to GDP and create high-value jobs.

Among the highlights, EMSTEEL committed to procuring AED 1.1 billion in steelmaking raw materials and services from UAE-based companies, including AED 600 million in contracts for locally manufactured lime, electrodes, and refractories. We also signed agreements worth AED 500 million to localise the supply of engineering, maintenance, and digital solutions, and AED 100 million for advanced logistics and transport services within the Emirates.

These partnerships are expected to generate over 1,000 new skilled jobs for UAE nationals and residents and will support the development of local manufacturing capabilities in critical supply chain segments. EMSTEEL's localisation drive is aligned with the UAE's Net Zero 2050 ambitions, with new contracts prioritising suppliers who demonstrate strong sustainability credentials and a commitment to low-carbon operations.

Promoting Local Sourcing and In-Country Value

Local value creation remained a core priority in 2025. EMSTEEL advanced its In-Country Value (ICV) performance through structured local supplier engagement, participation in "Make it in the Emirates" and SME outreach sessions, and

close cooperation with the Abu Dhabi Department of Economic Development. These forums help identify qualified UAE-based suppliers and invite them to register through SCH.

This approach delivered strong results:

- 88% of local suppliers are now ICV-certified, exceeding our internal targets.
- Emirates Steel recorded an ICV contribution of AED 1.5 billion in 2025, representing 50% of its total local spend.
- We continued a steady, multi-year upward trend in ICV contribution, reinforcing our commitment to the UAE economy.

Local suppliers are defined as entities legally registered, licensed, and operating within the UAE, including those holding valid ICV certification. Preference for local suppliers is integrated into our sourcing strategy, provided that commercial and technical criteria are met.

Digitalising and Modernising Procurement

We strengthened transparency and governance by expanding the use of SAP and the Supply Chain Hub to manage ESG screening, supplier segmentation, contract compliance, and ESG scoring. These systems allow real-time tracking

of supplier performance and risk, while improving data quality and audit readiness.

Monthly Health, Safety, and Environment (HSE) meetings further support governance by reviewing contractor safety hours, environmental aspects, and compliance matters, ensuring suppliers remain aligned with EMSTEEL's operational standards.

In 2025, EMSTEEL advanced three key programmes to drive sustainable and inclusive procurement:

- Local Supplier Engagement & ICV: expanding SME participation, improving ICV scores, and strengthening UAE-based supply chains.
- ESG Integration in Supplier Evaluation: allocating 10% of tender evaluation to ESG and ICV (5% each), ensuring responsible suppliers are rewarded through competitive processes.
- SME Champion Campaign: conducted with the UAE Ministry of Industry and Advanced Technology (MOIAT) and Abu Dhabi Department of Economic Development (DED) to onboard qualified SMEs and expand sustainable local sourcing.

These initiatives strengthen resilience, support national industrialisation, and advance EMSTEEL's commitment to sustainable procurement.

Key Procurement Highlights in 2025



Embedded comprehensive ESG and responsible-sourcing controls across procurement



Digitalised procurement processes via SAP and SCH to enhance transparency and efficiency



Increased local sourcing and ICV performance, supported by regular MOIAT reporting



Expanded Procurement's remit to include ESG risk management and cross-functional collaboration



Strengthened supplier performance management through annual evaluations and ESG-aligned KPIs



Addressed key challenges including ESG data quality, supplier capability gaps, and balancing cost with sustainability goals

Stable Production & Operational Efficiency

GRI Standards: 201(2016) & 3-3 (2021)
 CARES SCS: 4.3, 5.1, 5.3 & 5.4



At EMSTEEL, stable, high-quality production is delivered through disciplined operational control, asset reliability, and standardised execution. In 2025, operations across steel, cement, construction materials, and pipes and packaging were managed through tighter process control, defined operating windows and targeted reliability improvements, sustaining output while maintaining quality and safety performance.

All units operated under defined inspection regimes, in-process quality checkpoints, and routine compliance reviews aligned with approved Standard Operating Procedures. Preventive and condition-based maintenance reduced unplanned downtime, stabilised critical equipment, and improved plant availability, while expanded real-time monitoring enabled earlier detection of deviations and more consistent shift-to-shift performance.

End-to-end product traceability remained fully embedded, providing batch-level visibility from raw materials through dispatch and supporting root-cause analysis, certification requirements, and rapid response to customer or regulatory

queries. Across building materials operations, process and equipment improvements enhanced consistency and throughput. In Blocks and Interlocks, refined mix designs, upgraded vibration and compaction systems, optimised mould-to-pallet ratios, and increased sampling improved dimensional control, strength, and repeatability, while Dry Mortar operations strengthened scheduling discipline, equipment handling, and customer coordination to improve delivery reliability.

These improvements were delivered through cross-functional execution, including joint sampling, site inspections, and customer-linked performance reviews, ensuring changes were validated under real operating conditions. Overall, 2025 demonstrated EMSTEEL's ability to operate at scale with control, delivering reliable performance through robust standards and continuous improvement. Looking ahead, focus remains on asset reliability, energy and water efficiency, waste reduction, automation, and workforce capability, embedding sustainability into everyday operations across all business units.



Supporting Quality of Services and Products

GRI Standards: 2 (2021) CARES SCS: 5.1 & 5.5

Certifications, Audits, and Assurance

EMSTEEL and its Business Units maintain a robust certification and assurance framework under the Quality Assurance Department, supporting product quality, operational excellence, regulatory compliance, and responsible business conduct. In 2025, this framework was further strengthened through new certifications, continued alignment with international standards, and expanded internal and external audit coverage.

During the year, EMSTEEL's steel business achieved ResponsibleSteel™ Core Site Certification, becoming the first steel producer in the MENA region to receive this certification following a rigorous independent ESG audit by CARES. This milestone confirms alignment with global requirements spanning environmental performance, labour and human rights, occupational health and safety, governance, and stakeholder engagement.

The steel business also achieved ISO 50001 Energy Management System certification in June 2025 and ISO 46001 Water Management System certification in December 2025, reflecting the maturity of EMSTEEL's energy and water stewardship practices and their alignment with international best practice.

These certifications apply across relevant business units and are supported by regular internal audits under EMSTEEL's Integrated Management System

(IMS), which verifies conformity, performance, and effectiveness while identifying risks and improvement opportunities. Independent external audits by accredited certification bodies provide further assurance, with ISO 9001, ISO 14001, and ISO 45001 certifications successfully maintained in 2025 through surveillance audits.

In 2025, EMSTEEL obtained third-party-verified Environmental Product Declarations (EPDs) covering all steel product lines, providing transparent, comparable lifecycle data for customers and regulators. These EPDs were verified by accredited bodies in line with recognised programme rules and international standards.

EMSTEEL also maintains a comprehensive portfolio of product conformity and chain-of-custody certifications—including CARES, DCL, ADQCC, MolAT Digital Product Passport, BSI, CE, UKCA, ASME, SIRIM, ISI, SASO, and multiple regional and international approvals—ensuring compliance with regulatory, safety, and customer requirements across domestic and export markets. These are supported by ISO 17025-accredited in-house laboratory testing, providing reliable and internationally recognised results.

Audit findings, corrective actions, and improvement opportunities are formally documented, tracked, and reviewed through established management review and governance processes.

Our Certifications





Customer Engagement & Satisfaction

GRI Standards: 2-29(2021)
CARES SCS: 5.1

Customer satisfaction will always be one of our highest priorities. In 2025, we elevated the customer experience by capturing feedback at every key interaction with EMSTEEL. Our goal is simple: understand what our customers need, how they experience our services, and where we can create more value.

We gather and process insights across all parts of the business, using a structured set of tools that include quarterly evaluations of the purchasing process and annual assessments of our overall value proposition. These mechanisms help us stay aligned with customer expectations, identify improvement opportunities early, and ensure our products and services continue to meet the standards our customers rely on.

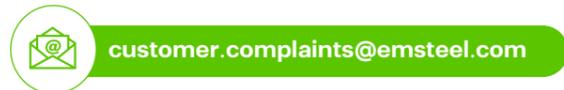
In 2025, we strengthened customer and stakeholder engagement around raising concerns. Our grievance mechanism is accessible through our website, offering a simple and transparent way for users to submit complaints or feedback. Every submission is acknowledged, tracked, and handled

through a structured process that ensures issues are addressed and formally closed.

Our employees play a central role in maintaining responsible, respectful relationships with customers. To support this, our onboarding programme includes mandatory training on customer care, ethical conduct, and stakeholder engagement. This helps ensure every interaction reflects EMSTEEL's values and commitment to service excellence.

To maintain objectivity in our performance assessment, our customer satisfaction survey was conducted by a third party. This independent approach ensures unbiased insights and strengthens our understanding of customer expectations.

Customers with any concerns are openly invited to contact us at:



Innovation & Technology

GRI Standards: 2 (2021)
CARES SCS: 5.3



In 2025, EMSTEEL strengthened its digital foundations, focusing on information security, data governance, and smart innovation to build secure, future-ready systems that support our people and drive operational excellence. We combined engineering expertise with smarter digital tools and targeted R&D to improve efficiency, safety, and sustainability across our operations.

AI-powered environmental monitoring and energy dashboards at the Heavy Sections Mill expanded real-time operational visibility, enabling faster responses to dust levels, optimised energy use, and reduced environmental risk in support of our decarbonisation goals. R&D-linked enhancements across production lines continued to refine the use of heat, electricity, and raw materials, reducing waste, lowering product carbon intensity, and strengthening global competitiveness.

Innovation became more structured with Board approval of EMSTEEL's Innovation Strategy following the Innovation Ignition Programme, while Innovation Week 2025, held during UAE Innovates, brought employees and partners together to accelerate problem-solving. In 2025, EMSTEEL invested AED 11.2 million in innovation across R&D, pilots, and digital deployment, alongside AED 47.48 million in digitalisation and IT.

This supported new steel chemistries that reduce ferroalloy inputs, advanced key decarbonisation pilots, including MgCO₂ recovery from RO reject streams and the ePGH initiative, and delivered around AED 6 million in validated financial impact through AI-enabled forecasting, pricing, and EAF optimisation.

Innovation Culture & Capability Building

Our future depends on building a strong innovation culture. In 2025, we moved from fragmented initiatives to a more intentional, Group-wide approach to creativity, experimentation, and continuous improvement. Following the Innovation Ignition Programme, the Board approved EMSTEEL's Innovation Strategy, setting clear priorities, governance, and expectations for how ideas are captured, tested, and scaled across the business.

We brought this strategy to life through focused engagement and capability building. Innovation Week 2025, held during UAE Innovates, brought employees, partners, and technology experts together through hands-on workshops and demonstrations, helping teams explore how digital tools, automation, AI, robotics, and process improvements can address everyday operational challenges.

Case study

Introduction of MUSAED: The AI IT Help Desk Assistant

We introduced MUSAED in January 2025 – EMSTEEL's AI-powered IT help desk assistant. Designed to enhance the IT Client Excellence experience, MUSAED helps employees raise IT requests, from access issues to software and hardware support, through EMSTEEL Pulse, MS Teams, and WhatsApp.

By streamlining IT interactions, MUSAED reduces waiting times and improves resolution speed. This means that our people spend less time troubleshooting and more time focusing on work that matters. It's a simple change with a big impact: better efficiency, less frustration, and more connected teams. Training sessions and updates ensure that everyone can maximise MUSAED's capabilities, reinforcing our commitment to innovation that supports people first.

Strengthening workforce capability was a key priority. Teams were introduced to new tools such as Private 5G connectivity, AI assistants including Sanaad and MUSAED, and advanced analytics platforms, making innovation more accessible across functions while building the skills and mindset needed to use technology effectively.

Looking ahead, 2026 will accelerate this shift through the rollout of an Enterprise Idea Management System, supported by targeted skills development, an Innovation Culture and Employee Engagement Programme, and enhanced governance. By empowering our people with the right tools and support, EMSTEEL is embedding innovation into how we work, solve problems, and create value every day.

Information Security & ISO 27001 Progress

This year, we successfully implemented enhanced Information Security Management and technical controls across EMSTEEL. These improvements form the backbone of our cyber-resilience efforts and ensure our systems remain secure, stable, and compliant.



EMSTEEL has formally achieved ISO 27001 certification, a critical milestone that strengthens information security, protects sensitive operational and customer data, and enhances trust with stakeholders

This marks a major milestone in strengthening our enterprise-level information security posture.

Data Governance & Classification

We completed the rollout of EMSTEEL's Data Security & Governance Framework, establishing consistent standards for how data is classified, stored, accessed, and protected across all business units. The new Information Classification procedures ensure that sensitive data is handled responsibly and transparently, in line with both organisational policy and national standards.

This framework covers all aspects of data governance, from lifecycle management to secure access controls.

Cybersecurity Monitoring & Risk Management

Cybersecurity continues to be managed through a robust, continuous monitoring model. EMSTEEL maintains an active partnership with CPX, whose Security Operations Centre (SOC) provides:

- Regular vulnerability assessments (VA)
- Ongoing cyber risk assessments
- Continuous penetration testing (PT) through SOC-managed and external independent providers

This combination ensures that threats are identified early, risks are assessed quickly, and controls are strengthened proactively.

EMSTEEL's cybersecurity programme is anchored in a Board-approved Information Security

Policy, with oversight at the highest levels of the organisation. Governance includes a Board member with information-security expertise and executive accountability through the Chief Technology Officer, ensuring cyber risks are clearly understood, prioritised and managed within the wider governance framework.

In 2025, EMSTEEL completed a comprehensive Data Security and Governance Framework, introducing formal data classification and updated security policies to protect sensitive information and clarify employee responsibilities. Cyber-risk visibility was strengthened through a 24/7 Security Operations Centre operated by CPX, providing continuous monitoring, vulnerability assessments, and penetration testing.

These measures delivered strong results. Despite multiple attempted and targeted cyberattacks in 2024 and 2025, EMSTEEL recorded zero security breach incidents, reflecting robust systems, disciplined processes and strong employee awareness.



"ZERO" security breach incidents

Our security posture is externally validated through regular independent audits by EY, Protiviti, and Glocert. In Q4 2025, EMSTEEL achieved ISO 27001 certification, aligning our information-security management with international best

practice and reinforcing stakeholder confidence in our digital resilience.

Employees remain central to our defence. In 2025, we delivered five cybersecurity training modules via our Learning Management System, while strengthening operational safeguards through expanded Privileged Access Management, formal incident escalation procedures, and regularly tested business continuity and disaster-recovery plans.

Regulatory Compliance & Standards

We remain fully aligned with the National Electronic Security Authority (NESA) Compliance Framework and UAE Information Assurance (IA) Standards. These standards guide our security controls, help maintain resilience, and ensure EMSTEEL remains compliant with regional regulatory requirements.

Awareness, Training & Culture

Strengthening security is as much about people as it is about systems. In 2025, we ran regular awareness sessions focused on responsible data handling, cybersecurity behaviours, and phishing prevention. These were augmented by quarterly audits to reinforce good governance and help maintain high compliance across all functions.

These initiatives support a culture where employees understand their role in protecting EMSTEEL's data and digital assets.

"Our partnership with EMSTEEL Group reflects a shared commitment to leveraging advanced digital technologies to enable more resilient, secure, and sustainable industrial operations."

In 2025, e& and EMSTEEL collaborated across several major digital transformation initiatives, including 5.5G connectivity, advanced security solutions, Device-as-a-Service, and Drone-as-a-Service, supporting EMSTEEL's journey toward smarter and more connected operations.

Together, we have established a robust and redundant network foundation that enables mission-critical use cases, from enhanced CCTV coverage across the SMP2 production area to reliable connectivity for field workforce operations—strengthening operational visibility, safety, and efficiency.

As we look ahead, our collaboration continues to evolve with initiatives such as the development of a centralised Command & Control Centre, as well as proof-of-concept deployments in drones and robotics. These initiatives are designed to further enhance operational intelligence, optimise resource utilisation, and support EMSTEEL's long-term sustainability ambitions.

We are proud to partner with EMSTEEL Group as they lead the transformation of the industrial sector through innovation, resilience, and responsible digitalisation."

Fadi Shanaah
Sr. Vice President/Enterprise Sales
e& UAE

Case study

EMSTEEL Champions Sustainable Innovation Across Global Climate Platforms

In January 2025, EMSTEEL reaffirmed its position as a leader in sustainable industrial transformation at Abu Dhabi Sustainability Week (ADSW). As an associate partner, we joined global experts and policymakers to shape conversations on decarbonisation, industrial innovation, and the UAE's Net Zero agenda. Our leadership contributed to high-level panels and strategic roundtables, showcasing how EMSTEEL is advancing green manufacturing and setting new benchmarks for low-carbon steel.

But our engagement extended far beyond ADSW. In 2025, we increased our presence on the global climate stage, participating in major international forums including New York Climate Week, where we shared insights on the future of green industrial ecosystems and the role of responsible manufacturing in accelerating the global transition. We also contributed to regional and international industry events throughout the year, collaborating with partners across government, finance, and heavy industry to strengthen the collective response to climate challenges.

Case study
Smart Guidebook Enhances IT Support

EMSTEEL launched the Smart Guidebook in October 2025, to make IT support simpler for everyone. This interactive tool brought all essential resources into one place: key IT resources, self-service support, and security guidelines.

By centralising information, we reduced the time spent searching for help and empowered employees to solve issues independently. The Smart Guidebook is a practical step towards improving efficiency and supporting people across the business.

Case study
EMSTEEL Supports AI Hackathon in AI Ain

In April 2025, EMSTEEL partnered with the MoIAT for the Advanced Industry Hackathon in AI Ain. Over three days, students worked on real industrial challenges using artificial intelligence. Our team joined the judging panel, helping select the most promising solutions.

The winning team earned AED 25,000 and secured internships and job offers with AIQ and EMSTEEL. This initiative strengthened the link between education and industry, giving young talent the tools and opportunities to shape a smarter, more sustainable future.

Data Privacy Performance

Our monitoring programme tracks key data privacy metrics, including the number of reported breaches, complaints, and confirmed incidents.

In 2025:



- No substantiated complaints related to breaches of customer or employee data privacy
- No confirmed data leaks, cyber incidents, or loss of confidential information
- No significant fines, penalties, or regulatory actions

These results reflect the strength of our controls and our commitment to safeguarding sensitive information.

Case study
Accelerating Digital Solutions and Finance Digitisation

EMSTEEL's digital transformation journey in 2025 delivered a more connected, efficient, and fully paperless workplace. Several key digital solutions were rolled out to streamline workflows, improve internal efficiency, and strengthen operational control. Centralised cloud-based document access via Microsoft OneDrive reduced printing, duplication, and data loss. The introduction of MUSAED AI provided instant, AI-powered IT support, enabling faster issue resolution and fewer repeated requests. EMSofwares enabled self-service access to company-approved applications, with fully digital onboarding, upgrades, and installations. The Zeyara System digitised visitor check-ins and tracking, enhancing security, transparency, and communication, while the VIP Visitor Management System centralised coordination for high-profile visits, ensuring faster communication and a smoother experience.



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Appendix A: Abbreviations

ACF – Al Ain Cement Factory	CEMS – Continuous Emissions Monitoring System	EPD – Environmental Product Declaration	ILO – International Labour Organization	NGO – Non-Governmental Organisation	SROI – Social Return on Investment
ADAA – Abu Dhabi Accountability Authority	CFD – Computational Fluid Dynamics	ESG – Environmental, Social and Governance	IMS – Integrated Management System	NOx – Nitrogen Oxides	SRC – Sulphate Resistant Cement
ADCD – Abu Dhabi Civil Defence	CO – Carbon Monoxide	EXCO – Executive Committee	IT – Information Technology	OEMP – Operational Environmental Management Plan	TCFD – Task Force on Climate-Related Financial Disclosures
ADNOC – Abu Dhabi National Oil Company	CO₂ / CO₂e – Carbon Dioxide / Carbon Dioxide Equivalent	FTP – Fume Treatment Plant (dust/ by-product context)	JSA / JMS – Job Safety Analysis / Job Method Statement	OHS – Occupational Health and Safety	TRI / TRIFR – Total Recordable Injuries / Total Recordable Injury Frequency Rate
ADX – Abu Dhabi Securities Exchange	CPDP – Cement Professional Development Programme	GCPO – Group Chief People Officer	KPI – Key Performance Indicator	OPC – Ordinary Portland Cement	TSP – Total Suspended Particulate
ADSW – Abu Dhabi Sustainability Week	CPX – CPX Cybersecurity Services	GHG – Greenhouse Gas	LEED – Leadership in Energy and Environmental Design	PPE – Personal Protective Equipment	UAE – United Arab Emirates
AI – Artificial Intelligence	CS – Crude Steel	GRI – Global Reporting Initiative	LMA – Loan Market Association	PT / VA – Penetration Testing / Vulnerability Assessment	UKCA – UK Conformity Assessed
AML – Anti-Money Laundering	CSRD – Corporate Sustainability Reporting Directive	GRP – Glass Reinforced Plastic	LMS – Learning Management System	PTW – Permit to Work	UN – United Nations
AR – Augmented Reality	CSR – Corporate Social Responsibility	GWP – Global Warming Potential	LOTO – Lockout / Tagout	PV – Photovoltaic	UNSDGs – United Nations Sustainable Development Goals
ASME – American Society of Mechanical Engineers	DED – Department of Economic Development	HIRA – Hazard Identification and Risk Assessment	LRF – Ladle Refining Furnace	QA – Quality Assurance	VR – Virtual Reality
BCM – Business Continuity Management	DMA – Double Materiality Assessment	HSE – Health, Safety and Environment	LTIFR – Lost Time Injury Frequency Rate	R&D – Research and Development	VSD – Variable Speed Drive
BCP – Business Continuity Plan	DNV – Det Norske Veritas	HVAC – Heating, Ventilation and Air Conditioning	LTI – Lost Time Injury	RO – Reverse Osmosis	WBCSD – World Business Council for Sustainable Development
BoD – Board of Directors	DRI – Direct Reduced Iron	IA – Information Assurance	MEA – Middle East Africa	RPO – Recovery Point Objective	WEMS – Water Efficiency Management System
CARES – Certification Authority for Reinforcing Steels	DRP – Direct Reduction Plant	IBAT – International Biodiversity Assessment Tool	MENA – Middle East and North Africa	RTO – Recovery Time Objective	WSA – World Steel Association
CAP – Career Aspiration Programme	EAD – Environment Agency – Abu Dhabi	ICAD – Industrial City of Abu Dhabi	MOIAT – Ministry of Industry and Advanced Technology	SCH – Supply Chain Hub	
CBAM – Carbon Border Adjustment Mechanism	EAF – Electric Arc Furnace	ICMA – International Capital Market Association	MRV – Measurement, Reporting and Verification	SDG – Sustainable Development Goal	
CCM – Continuous Casting Machine	EBF – Emirates Blocks Factory	ICV – In-Country Value	MSCI – Morgan Stanley Capital International	SEHA – Abu Dhabi Health Services Company	
CCUS – Carbon Capture, Utilisation and Storage	EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation	I-REC – International Renewable Energy Certificate	MWh – Megawatt hour	SHEQ – Safety, Health, Environment and Quality	
CDP – Carbon Disclosure Project	EHS – Environment, Health and Safety	IRENA – International Renewable Energy Agency	NDC – Nationally Determined Contribution	SMP – Steel Making Plant	
CEC – Clean Electricity Consumption	ePGH – Electric Process Gas Heater	IFRS – International Financial Reporting Standards	NESA – National Electronic Security Authority	SOx – Sulphur Oxides	
				SOC – Security Operations Centre	

Appendix B: EMSTEEL Group KPIs

Emirates Steel GHG Emissions

Description	2019	2020	2021	2022	2023	2024	2025
Total direct Scope 1 (Ktonnes CO ₂ e)	2,346	1,905	2,095	2,194	2,105	1,979	2,048*
Total indirect Scope 2 (location-based) (Ktonnes CO ₂ e)	857	630	564	625	614	556	610
Total indirect Scope 2 (market-based) (Ktonnes CO ₂ e)	857	630	458	411	100	78	69
Total indirect Scope 3 (Ktonnes CO ₂ e) **	2,978	2,631	2,907	2,041	1,928	1,872 ***	1,586
Scope 1 + 2 intensity (market-based) (tonnes CO ₂ e/tonne of steel)	0.93	0.91	0.86	0.78	0.72	0.67	0.64
Scope 1, 2 and 3 intensity (tonnes CO ₂ e/tonne of steel)	1.79	1.86	1.83	1.39	1.34	1.13	1.11

*We have utilised 70,000 tonnes from the Carbon Bank to reduce our Scope 1 emissions for Emirates Steel.

**Scope 3 covers: Purchased goods and services, fuel and energy-related activities, upstream transmission and distribution, waste and water, employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products.

***Updated from the previously reported 1,427 in 2024 following improvements to the Scope 3 emissions calculation methodology.

Al Ain Cement Factory GHG Emissions

Description	2019	2020	2021	2022	2023	2024	2025
Total direct Scope 1 (Ktonnes CO ₂ e)	611	497	501	554	517	394	2,308
Total indirect scope 2 (location-based) (Ktonnes CO ₂ e)	98	74	59	65	62	48	68
Total indirect scope 2 (market-based) (Ktonnes CO ₂ e)	98	74	59	65	62	41	49
Total indirect Scope 3 (Ktonnes CO ₂ e)*	737	520	488	484	526	559	630
Scope 1 + 2 intensity (tonnes CO ₂ e/tonne of cementitious material)	0.65	0.66	0.69	0.68	0.68	0.64	0.64
Scope 1, 2 and 3 intensity (tonnes CO ₂ e/tonnes of cementitious material)	0.84	0.83	0.85	0.83	0.84	0.86	0.81

*Scope 3 covers: Purchased goods and services, fuel and energy-related activities, upstream transmission and distribution, waste and water, employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products.

Blocks GHG Emissions

Description	2019	2020	2021	2022	2023	2024	2025
Total direct Scope 1 (Ktonnes CO ₂ e)	14.1	9.1	10.5	11.9	11.9	11.0	9.2
Total indirect Scope 2 (Ktonnes CO ₂ e)	3.0	2.9	2.0	2.0	2.1	1.6	2.01
Total indirect Scope 3 (Ktonnes CO ₂ e) *	85.5	80.1	76.3	82.0	80.0	70.8	83.7

*Scope 3 covers: Purchased goods and services, fuel and energy-related activities, upstream transmission and distribution, waste and water, employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products.

Anabeb GHG Emissions

Description	2019	2020	2021	2022	2023	2024	2025
Total direct Scope 1 (Ktonne CO ₂ e)	4.6	3.3	3.4	4.0	1.7	1.1	0.8
Total indirect Scope 2 (Ktonne CO ₂ e)	3.9	3.8	2.5	2.7	3.0	2.8	2.9
Total indirect Scope 3 (Ktonne CO ₂ e) *	67.5	87.7	66.5	63.3	67.8	58.7	62.3

*Scope 3 covers: Purchased goods and services, fuel and energy-related activities, upstream transmission and distribution, waste and water, employee commuting, downstream transportation and distribution, processing of sold products, and end-of-life treatment of sold products.

Group Scope 3

Description	Unit	2019	2020	2021	2022	2023	2024	2025
Purchased goods and services - input materials	Ktonnes CO ₂ e	1,377	1,209	1,288	1,009	877	1,068	1,469
Purchased goods and services - other G&S	Ktonnes CO ₂ e	4	1	3	3	4	22	34
Capital Goods	Ktonnes CO ₂ e	0	0	2	0	0	3	3
Fuel and energy related activities	Ktonnes CO ₂ e	1,104	1,078	1,280	1,099	1,073	1,055	607
Upstream Transportation and Distribution	Ktonnes CO ₂ e	130	140	139	148	115	83	108
Waste and Water	Ktonnes CO ₂ e	110	19	13	119	13	13	15
Business Travel	Ktonnes CO ₂ e	2	1	1	1	1	1	1
Employee Commuting	Ktonnes CO ₂ e	6	5	6	6	81	5	8
Total Upstream Activities	Ktonnes CO ₂ e	2,733	2,453	2,731	2,386	2,165	2,249	2,244
Downstream Transportation and distribution	Ktonnes CO ₂ e	1,086	808	730	202	265	244	80
Processing of sold products	Ktonnes CO ₂ e	35	51	69	69	164	56	29
End of life treatment of sold products	Ktonnes CO ₂ e	14	7	8	14	8	11	8
Total Downstream Activities	Ktonnes CO ₂ e	1,135	866	807	284	438	312	118
Sub-total	Ktonnes CO ₂ e	3,867	3,319	3,538	2,670	2,602	2,561	2,362

Steel – Clean Electricity (2025)

Item	Amount (MWh)	Share of Total Electricity
Total electricity consumption	2,512,102.98	100%
Solar Energy (I-RECs)	753,630.89	30%
Nuclear clean energy (I-RECs)	1,474,648.67	58.7%
Total clean electricity (CEC)	2,228,279.56	88.7%

Cement – Clean Electricity (2025)

Item	Amount (MWh)	Share of Total Electricity
Total electricity consumption	281,732.16	100%
Solar Energy (I-RECs)	40,247.45	14.286%
Nuclear clean energy (I-RECs)	40,247.45	14.286%
Total clean electricity (CEC)	80,494.90	28.57%

Air Emissions – Steel

Emission (tonnes/ year)				
	Particulate matter	SOx	NOx	CO
2024	312	394	1,124	2,771
2025	345	375	951	2,013
Y-O-Y	11%	-5%	-15%	-27%
Emission intensity (Kg/ t cs)				
2024	0.10	0.12	0.35	0.85
2025	0.10	0.11	0.28	0.59
Y-O-Y	-	-9%	-19%	-31%

Materials

Facility / Material Type	Unit	2020	2021	2022	2023	2024	2025
Emirates Steel							
Nonrenewable Materials	Ktonnes	4,380.1	5,471.3	5,151.7	5,449.3	5,295.5	5,124.40
Renewable Materials	Ktonnes	245.2	188.7	276.2	450.7	430.2	351.6
Al Ain Cement Factory (ACF)							
Nonrenewable Materials	Ktonnes	4,621.7	4,715.9	5,561.9	5,062.3	3,839.7	5,577
Renewable Materials	Ktonnes	0.8	1.6	1.6	1.4	2.2	0
Emirates Blocks Factory							
Nonrenewable Materials	Ktonnes	-	-	1,510.4	1,489.4	921.4	806.9
Renewable Materials	Ktonnes	-	-	363.7	385.1	210	169.7
Anabeeb							
Nonrenewable Materials	Ktonnes	31.3	20.1	19.8	26	24	28.1
Renewable Materials	Ktonnes	4.4	4	3.9	3.5	2.8	2.9

Waste Generation Classification

Facility	Waste Type	Unit	2020	2021	2022	2023	2024	2025
Emirates Steel	Hazardous Waste	Ktonnes	9.0	3.3	4.5	3.9	4.8	7.5
	Non-hazardous Waste	Ktonnes	39.3	189.6	255.8	217.2	195.0	236.1
Al Ain Cement Factory (ACF)	Hazardous Waste	Ktonnes	0	0.002	0	0	0	0
	Non-hazardous Waste	Ktonnes	1.7	2.9	1.1	0.3	0.6	0.55
Emirates Blocks Factory	Hazardous Waste	Ktonnes	0	0	0	0	0	0
	Non-hazardous Waste	KTonnes	4.9	1.3	3.7	3.5	9.3	0.07
Anabeeb	Hazardous Waste	KTonnes	0	0	0	7	8.6	0.005
	Non-hazardous Waste	KTonnes	1.4	1.1	1.1	1.6	1.7	2

Waste and by-product

Facility / Category	2020	2021	2022	2023	2024	2025
Emirates Steel						
Sold/Recycled	614	735.9	865.6	859.8	763.4	822.1
Reuse	18.2	206.6	301.2	245.3	189.7	236.9
Incinerated	1.2	0.3	0.4	0.4	0.8	0.4
Landfilled	37.6	29.9	27.2	25.3	21.6	22.4
Al Ain Cement Factory (ACF)						
Landfilled	2.4	0.4	0.3	0.3	0.6	0.55
Emirates Blocks Factory						
Sold/Recycled	0	0	0	0	0	0.018
Landfilled	4.9	1.3	3.7	3.5	9.3	0.056
Anabeeb						
Sold/Recycled	0.03	0.05	0.03	0.03	0.03	0.11
Incinerated	0	0	0	0	0.01	0
Landfilled	1.4	1.1	1.1	1.1	1.1	1.9

Water Consumption

Category	Unit	2020	2021	2022	2023	2024	2025
Total Water Withdrawal/Reclaimed (EMSTEEL Group)							
Total	000 m ³	7,788.5	8,954.2	9,215.2	9,065	9,276.8	8,868.8
Thirdparty Water ¹	000 m ³	975.9	1,293.9	1,356.1	1,402.1	1,448.2	1,574.4
Fresh Water ²	000 m ³	6,812.6	7,660.3	7,859.1	7,662.9	7,828.6	7,294.4
Total Water Discharge Destination (EMSTEEL Group)							
Total	000 m ³	1,631.8	1,899.9	1,798.4	1,832.9	2,080.7	1,794.2
Thirdparty Water	000 m ³	5.0	2.4	5.7	0	6.2	8.9
Seawater	000 m ³	1,624.9	1,894.5	1,790.3	1,850.7	2,072.5	1,785.3
Total Water Consumption (EMSTEEL Group)³							
Total	000 m ³	6,157.2	7,054.3	7,427.5	6,854.9	7,272.7	7,074.6
Net water consumption (breakdown by business unit)							
Emirates Steel	000 m ³	5,811.5	6,592.9	6,977.6	6,742.1	6,809.6	6,702.5
Al Ain Cement Factory (ACF)	000 m ³	232.9	322.4	329.3	371.2	342.8	228.4
Emirates Blocks Factories (EBF)	000 m ³	66.2	81.0	76.0	74.6	74.5	88.6
Anabeeb	000 m ³	46.5	58.0	44.7	38.2	45.8	55.1
Water use intensity (breakdown by business unit)							
Emirates Steel (Water withdrawal use intensity)	m ³ /tonnes of crude steel	2.73	2.81	2.73	2.65	2.73	2.49
Emirates Steel (Water consumption intensity) ⁴	m ³ /tonnes of crude steel	2.13	2.18	2.17	2.08	2.09	1.97
Emirates Steel (Water withdrawal use intensity) as per ISO 46001 boundary ⁵	m ³ /tonnes of crude steel						2.51
Al Ain Cement Factory (ACF) ⁶	m ³ /tonnes of cementitious material	0.08	0.11	0.1	0.11	0.13	0.06
Anabeeb	m ³ /tonnes	1.39	1.95	1.84	1.28	1.76	1.47

1. Third party water is the water from municipal water supplies or other public or private water utilities, we don't withdraw or use groundwater at EMSTEEL

2. RO treated seawater for Emirates Steel

3. Covering 100% of all water consumption sources from the company

4. The majority of this volume is recirculated through our on-site Water Treatment Plants, where it is treated, cooled, monitored, and adjusted to meet required pH and quality standards before being reused in operations. This closed-loop approach significantly reduces freshwater withdrawal and ensures responsible water management across our facilities.

5. Water without irrigation intake

6. Our cement business operates on a closed-loop system, reducing water consumption

Energy Consumption (EMSTEEL Group)

Description	2021	2022	2023	2024	2025
Total Fuel Consumption from non-renewable sources (TJ)	57,523	57,331	58,037	55,088	58,368
Total Electricity consumption (TJ)	10,165	9,811	9,774	9,635	10,129
Total Energy Consumption (TJ)	67,688	67,142	67,812	64,723	68,497
Energy Consumption (by business)					
Emirates Steel (TJ)	56,149	54,433	56,428	55,734	55,722
Al Ain Cement Factory (ACF) (TJ)	11,334	12,492	11,158	8,793	12,579
Blocks (TJ)	160	172	178	151	148
Anabeeb (TJ)	44	44	48	45	49
Energy Intensity (by business)					
Emirates Steel (GJ / tonnes of crude steel)	18.58	16.95	17.43	17.13	16.37
Energy Steel (GJ / tonnes of crude steel) as per ISO 50001 ¹			17.89	17.23	17.22
Al Ain Cement Factory (ACF) (GJ/tonnes of cementitious material)	3.68	3.6	3.4	3.38	3.4
Anabeeb (GJ/tonnes)	1.44	1.76	1.61	1.74	1.37

1. In accordance with ISO 50001 methodology, the model incorporates key energy streams, including natural gas, electricity, and company-owned transportation fuels, to ensure a comprehensive representation of operational energy performance.

Occupational Health and Safety

Emirates Steel

Category	Metric	Unit	2022	2023	2024	2025
Employees	Lost Time Injuries (LTI)	Number	1	1	1	0
	Lost time injuries Frequency (LTIFR)	-	0.13	0.13	0.18	0
	Total Recordable Injuries (TRI)	Number	7	6	2	2
	Total Recordable Injuries Rate (TRIR)	-	0.89	1.10	0.36	0.33
	Hours worked	Million hours	7.9	5.5	5.6	6
	Fatalities	Number	0	0	0	0
Contractors	Lost Time Injuries (LTI)	Number	0	0	2	0
	Lost time injuries Frequency (LTIFR)	-	0	0	0.14	0
	Total Recordable Injuries (TRI)	Number	0	1	5	2
	Total Recordable Injuries Rate (TRIR)	-	0	0.07	0.36	0.14
	Hours worked	Million hours	11.6	14.1	14	14.1
	Fatalities	Number	0	0	0	0

Emirates Cement

Category	Metric	Unit	2022	2023	2024	2025
Employees	Lost Time Injuries (LTI)	Number	0	1	0	0
	Lost-time injuries Frequency (LTIFR)	-	0	0.52	0	0
	Total Recordable Injuries (TRI)	Number	1	3	1	0
	Total Recordable Injuries Rate (TRIR)	-	0.4	1.6	0.4	0
	Hours worked	Million hours	2.2	1.9	2.5	1.7
	Fatalities	Number	0	0	0	0
Contractors	Lost Time Injuries (LTI)	Number	2	2	1	0
	Lost-time injuries Frequency (LTIFR)	-	2.03	1.31	0.37	0
	Total Recordable Injuries (TRI)	Number	3	3	1	4
	Total Recordable Injuries Rate (TRIR)	-	3.05	1.97	0.37	0.52
	Hours worked	Million hours	1	1.5	2.7	5.9
	Fatalities	Number	0	0	0	0

Health and Safety Training

Training Hours	2020	2021	2022	2023	2024	2025
Group	15,746	18,491	25,713.1	35,477.5	35,423	3,6635
Emirates Steel	14,127	17,016	2,3747	32,777	29,454	31,627
Emirates Cement	1,619	1,475	1,966.1	2,700.5	5,969	5,008
Number of employees trained on H & S topics						
Group	4,859	5,342	8,776	14,325	14,792	11,117
Emirates Steel	3,384	4,061	6,313	11,428	1,0078	9,041
Emirates Cement	1,475	1,281	2,463	2,897	4,714	2,076

Our Workforce

Our Group Workforce

Description	2022	2023	2024	2025
Female	153	168	163	165
Male	3,510	3,595	3,540	3,456
Under 30 years old	349	425	401	320
30 – 50 years old	2,591	2,666	2,493	2,536
Over 50 years old	723	672	809	765
Senior Management	28	30	24	18
Middle Management	158	168	186	238
Staff				3,365
Nationality				
Emirati	585	626	620	580
Non-Emirati	2,373	2,379	2,337	3,041

New Hires

Description	2022	2023	2024	2025
By Gender				
Female	45	20	21	23
Male	15	28	21	122
By Age				
Under 30 years old	12	06	25	29
30 – 50 years old	70	35	13	108
Over 50 years old	7	11	6	8
By Nationality				
Emirati	99	35	9	35
Non-Emirati	98	67	168	110

Employees Number by Category

Category	2022	2023	2024	2025
Permanent Employees	2,958	3,005	2,957	2,898
By Gender				
Female	138	153	149	154
Male	2,820	2,852	2,808	2,744
By Nationality				
Emirati	585	626	620	579
Non-Emirati	2,373	2,379	2,337	2,319
Temporary Employees	705	758	746	723
By Gender				
Female	15	15	14	11
Male	690	743	732	712
By Nationality				
Emirati	0	0	1	1
Non-Emirati	705	758	745	722

Employee Turnover by rate

Description	Unit	2022	2023	2024	2025
Total employee turnover	Number	218	203	240	159
Voluntary turnover rate	%	3.7	4.0	6.0	3.7
Involuntary turnover rate	%	2.5	1.4	2.9	2.0
Workforce turnover rate	%	6.2	5.5	8.9	5.7

Employee Turnover by Category

Description	Unit	2022	2023	2024	2025
Gender					
Female	Number	14	15	23	12
Male	Number	204	188	217	147
Age group					
Under 30 years old	Number	82	42	17	17
30-50 years old	Number	87	101	134	89
Over 50 years old	Number	49	60	89	53
Nationality					
Emirati	Number	100	57	45	41
Non-Emirati	Number	118	146	195	118

Compensation and Benefits

Description	Unit	2022	2023	2024	2025
Average (median) income of men	AED	15,815	13,561	13,861	17,321
Average (median) income of women	AED	31,413	26,550	27,794	33,176
Ratio of median male compensation to median female compensation	Number	0.50	0.51	0.50	0.52

Parental Leave

Description	Unit	2022	2023	2024	2025
Total number of employees that were entitled to parental leave					
Female	Number	77	80	64	71
Male	Number	2,066	2,563	1,934	1,949
Total number of employees that took parental leave					
Female	Number	4	3	5	5
Male	Number	110	145	143	151
Number of employees that returned to work in the reporting period after parental leave ended					
Female	Number	4	3	5	5
Male	Number	110	145	143	151

Community Initiatives by the Number

Description	Unit	2022	2023	2024	2025
Total community initiative expenditure	AED	741k	517k	606k	487k
Community initiative rate	AED/Tonne of crude steel	0.23	0.159	0.19	0.14
Amount invested in the community as a percentage of company revenue	%	0.003	0.006	0.007	0.005
Total number of employee volunteers	Number	220	337	181	137
Total number of employee volunteering hours	Number	1,760	2,022	1,448	1,096

Time Spent on Learning – EMSTEEL

Description	Unit	2022	2023	2024	2025
Gender					
Female	Hours	157,759	7,992	36,328	14,888
Male	Hours	3,655	233,590	313,017	165,586
Category					
Senior management	Hours	127	133	581	129
Middle management	Hours	2,377	2,306	4,904	4,831
Staff – employees	Hours	135,467	239,143	343,549	175,514
Average training hours per employee	Hours/Number	61	83	94	50
Number of training hours per employee/contractor	Hours/Number	8	15	94	50
Gender					
Female	Hours/Number	42	55	223	90
Male	Hours/Number	61	84	88	48
Total (average) number of employees and permanent contractors	Number	2,668	2,909	3,703	3,621
Total number of graduate trainees employed in reporting year	Number	3	27	153	99
Total number of long-term unemployed people on training programme (toward employment)	Number	71	109	99	0

Economic Performance

EMSTEEL Group Economic Performance (AED Million)

Description (AED Million)	2020	2021	2022	2023	2024	2025
Direct economic value generated	5,920	8,682	9,395	8,966	8,377	8,977
Total economic value distributed	5,687	8,052	8,212	7,705	7,589	7,825
Operating costs	4,893	7,396	7,523	6,920	6,566	6,753
Employee wages and benefits	802	755	790	850	928	988
Interest payments made to providers of loans	138	51.28	60.61	82	74	84
Payments to the government by country (UAE)	0	0	0	0	0	0
Community investments	1.2	0.5	0.7	0.5	0.6	0.487
Economic value retained	55	4	1,001	1,057	787	1,153

Procurement

EMSTEEL Procurement

Description	Unit	2022	2023	2024	2025
Total procurement spending	AED Million	7,754	6,077	6,847	7,763
Procurement spending on local suppliers	AED Million	2,986	2,346	3,302	3,558
Percentage of spend on local suppliers	%	38.5	38.6	48.2	45.8
Total number of local suppliers engaged	Number	1,247	2,275	1,365	1,537

Emirates Steel Procurement

Indicator	Unit	2023	2024	2025
New suppliers screened using social criteria	%	100	100	100
Suppliers assessed for social impacts	Number	1,446	682	1,611
Suppliers identified as having significant actual and potential negative social impacts	Number	NA	NA	583
New suppliers screened using environmental criteria	%	70	100	100
Suppliers assessed for environmental impacts	Number	1,018	682	1,611
Suppliers identified as having significant actual and potential negative environmental impacts	Number	NA	NA	440
Suppliers who formally certified their compliance with the code of conduct	%	100	100	100
Total mass of raw materials purchase	Million tonnes	5.1	5.0	6.21
Total mass of raw materials from suppliers evaluated for sustainability impacts	Million tonnes	5.0	3.9	6.20

Emirates Cement Procurement

Description	Unit	2023	2024	2025
New suppliers screened using social criteria	%	85	100	100
Suppliers assessed for social impacts*	Number	790	464	505
Suppliers identified as having significant actual and potential negative social impacts	Number	0	0	106
New suppliers screened using environmental criteria	%	85	100	100
Suppliers assessed for environmental impacts	Number	790	464	505
Suppliers identified as having significant actual and potential negative environmental impacts	Number	0	0	80
Suppliers who formally certified their compliance with the code of conduct	%	100	100	100

Customer Engagement

Emirates Steel Customer Engagement

Description	2020	2021	2022	2023	2024	2025
Customer return rate	100%	100%	100%	100%	100%	100%
Satisfaction Rate	85	85	85	87	86	- *
Complaints	Number	75	49	76	62	59
	Resolved	75	49	76	62	59

* 2025 customers survey results to be released by end of March 2026

Emirates Cement Customer Engagement

Description	2022	2023	2024	2025
Customer return rate	92%	95%	98%	90%
Satisfaction Rate	87%	88%	72%	87%
Complaints	Number	29	10	30
	Resolved	29	10	30

Emirates Steel Production

2025	Product	Production (Tonnes/year)		
Direct Reduction Plants		DRI		
DRP1	DRI	1,784,405		
DRP2	DRI	1,585,983		
DRP3	DRI	48,667		
TOTAL		3,419,055		
Steel Making Plants		Billets	Blooms	Beam Blanks
SMP1	Billets	1,556,699		
SMP2	Billets/Blooms/BBlanks	772,608		703,655
SMP3	Billets	370,434		
TOTAL		3,403,396		
Rolling Mills		Rebar	Wire Rod/ Rebar Coil	Heavy Section
RM 1	Rebar	821,221		
RM 2	Rebar	827,224		
RM 3	Rebar coils & wire rods		535,691	
RM 4	Heavy Section			589,072
RM 5	Rebar	525,496		
TOTAL		3,298,704		

Appendix C: EMSTEEL Climate Resilience

EMSTEEL aligns its climate resilience and decarbonisation strategy with leading global climate-related disclosure frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), CDP requirements, and the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures. Climate-related risks and opportunities are considered across Governance, Strategy, Risk Management, and Metrics & Targets, supporting effective oversight and long-term organisational resilience.

The Company continuously identifies and assesses both transition and physical climate-related risks and opportunities, incorporating forward-looking financial impact assessments and climate related scenario analysis. This approach supports EMSTEEL’s ability to maintain operational continuity, enhance asset resilience, and create sustainable value under evolving regulatory, market, and environmental conditions.

Oversight of climate-related matters is provided by the ESG Board Committee, representing those charged with governance. The Committee ensures that environmental, social and governance considerations are integrated into corporate strategy and capital allocation decisions, oversees climate-related initiatives, monitors progress against decarbonisation objectives, and supervises the implementation of the ESG Policy, which formalises EMSTEEL’s commitments to environmental stewardship, social responsibility, and sound governance practices.

Climate-related risk management is embedded within the Company’s enterprise risk management framework. EMSTEEL assesses climate-related financial risks and opportunities across short-, medium-, and long-term time horizons, consistent with the requirements of IFRS S2.

The table below outlines the criteria applied by EMSTEEL to identify, assess, and prioritise climate-related risks and opportunities, in line with international climate-related disclosure standards.

Temperature scenario: 1.5C	Time Horizon
	Short (2025-27)
	Medium (2028-35)
	Long (2036-50)

Climate Factor	Risk / Opportunity	IFRS S2 Risk Classification	Nature of Impact	Type of Investment / Effect	Short Term (2025–2027)	Medium Term (2028–2035)	Long Term (2036–2050)	Assumption of Calculation
Decarbonisation Strategy Implementation	Opportunity	Transition – Strategic & Regulatory Response	Low-carbon asset transformation; climate technology; competitiveness	CapEx	Approx. +AED 50–60M	Approx. +AED >200M	Not quantified	Capital expenditure reflects planned decarbonisation projects. Medium- to long-term estimates are based on best available assumptions.
Energy Efficiency & Value+ Program	Opportunity	Transition – Operational	Reduced electricity and natural gas consumption; cost improvement	Opex (Savings)	Approx. +AED 150–200M	Not quantified	Not quantified	Savings based on recent project performance; future savings assumed broadly constant in real terms.
Renewable & Clean Energy Procurement (IRECs)	Risk	Transition – Market	Renewable and clean attribute procurement costs	Opex	Approx. –AED 5–15M	Approx. –AED 15–30M	Approx. –AED 30–60M	Based on contracted certificate rates and planned renewable share increases. Pricing assumed constant in real terms.
Renewable Electricity Procurement – On-Site Solar	Opportunity	Transition – Market	Lower AED/kWh vs grid; electricity cost stability	Opex (Savings)	Approx. +AED 5–10M	Approx. +AED 60–80M	Approx. +AED 100–150M	Savings estimated based on assumed future grid prices versus anticipated solar tariff.
Water Risk	Risk	Physical – Chronic	Increased desalination/RO energy intensity; water security exposure	Opex	Approx. –AED 2.5M	Not quantified	Not quantified	Short-term costs reflect ISO 46001 and monitoring investments.
Carbon Pricing Exposure	Risk	Transition – Regulatory	Potential domestic carbon pricing policy	Opex	Approx. –AED 300–700M	Approx. –AED 2,000–5,000M	Approx. –AED 1,500–3,500M	Exposure estimated using a carbon price range (USD 25–50/tCO ₂ e) applied to projected emissions.
CBAM Exposure	Risk	Transition – Regulatory & Market	Carbon border adjustment costs on exports; margin impact	Margin / Competitiveness	Approx. –AED 20–25M	Approx. –AED 200–250M	Not quantified	Based on verified embedded emissions for EU exports and EU ETS reference prices. No escalation assumed.
Physical Climate Risk (Damage to Coastal/Offshore Infrastructure)	Risk	Physical – Acute & Chronic	Extreme heat; corrosion; resilience upgrades	CapEx	No short-term spend (upgraded in 2024)	Approx. –AED 4M	Approx. –AED 8M	Based on 2024 jetty enhancement expenditure; interventions assumed every five years.
Green Product Premium	Opportunity	Transition – Market	Revenue uplift; preferential procurement access; customer retention	Strategic Market Positioning	Approx. +AED 5–10M	Approx. +AED 150–200M	Approx. +AED 550–650M	Revenue uplift depends on market demand and customers’ willingness to pay a premium.
Workforce & Operational Climate Impact (Extreme Heat & Severe Weather)	Risk	Physical – Acute & Chronic	Reduced productivity; shift adaptation; equipment efficiency losses	Opex	Approx. –AED 20–30M	Approx. –AED 50–75M	Approx. –AED 100–140M	Based on historical seasonal performance data; workforce financial impact considered minimal due to mitigation measures.

Note: Figures are indicative and based on high-level assumptions at the reporting date. Detailed validation and scenario refinement will be conducted in future reporting cycles.

Appendix D: Stakeholder Engagement Map

EMSTEEL adopts a structured stakeholder engagement approach to ensure transparent, inclusive, and outcome-driven dialogue aligned with its ESG priorities, Net Zero 2050 commitment, and long-term value creation. Engagement effectiveness is regularly reviewed through defined KPIs, feedback mechanisms, and governance oversight.

Category	Stakeholders	Key Issues	Expectation	Engagement Method (Frequency)	Actions/ Outcomes
Internal	Shareholders and Board of Directors	<ul style="list-style-type: none"> Corporate governance and long-term value creation Climate-related transition risks (CBAM, carbon pricing, market shifts) Physical climate risks (heat stress, water scarcity) Capital allocation for decarbonisation Carbon regulations 	<ul style="list-style-type: none"> Sustainable growth and shareholder returns Contribution to local economy Leading steel manufacturer Clear climate transition plan 	<ul style="list-style-type: none"> Board Information Pack (quarterly, annual) Board/Committee meetings (quarterly, as required) Site visits and correspondences (as required) Media releases and publications (as required) 	<ul style="list-style-type: none"> Developed and integrated corporate governance policies to core business activities Identified key business risks and priorities Plans and Policies Developed long-term and short-term strategic goals and objectives. Strategies and budget including Innovation, CSR, ESG and Decarbonisation Value + projects Green Finance Framework Board oversight of Net Zero strategy
Internal	Top Management	<ul style="list-style-type: none"> Company's vision, mission, and core values Business strategy and planning Business strategy and planning Company BSC/ KPIs Customer satisfaction Risks and opportunities Quality, Environmental, Health & Safety, Energy, Social, Financial Performance Improved operational efficiency Management of change Internal & External Communications Employees Happiness Decarbonisation roadmap execution 	<ul style="list-style-type: none"> Understanding of company vision, mission, and core values across the organization Strictly adhere to company's ethics and culture Strong safety culture and safety excellence Achievement of company BSC/ KPIs/ EnPIs High customer satisfaction Improved business performance Mitigation of risks and taking advantage of opportunities Mitigate any adverse effects arising from unplanned changes Improved performance of IMS and desired outputs Climate-resilient operations 	<ul style="list-style-type: none"> EXCO/Top Management meeting (as required) Regular progress reporting of strategy implementation, monitoring and review of BSC/ KPIs (as required) Management review meeting (monthly/quarterly) Operation meetings (weekly /monthly) ESG Steering Committee (quarterly) EHS ExCo Meeting (monthly) Operations Function EHS Meetings (monthly) Non-operation Function EHS Meeting (monthly) Energy Reviews (monthly) ESG Steering Committee (quarterly) 	<ul style="list-style-type: none"> Established Vision, Mission, Core Values and Company Policy Code of Ethics Policy EHS Principles and Life Saving Rules Established BSC/ KPIs Established EnBs/ SEUs/ EnPIs Customer feedback process, Perception Survey Risk Management framework Strategies and budget including Innovation, CSR, ESG and Decarbonization Defined management Action Plans Change Management plans Improvement in IMS Plant efficiency and capacity enhancement Product quality Improvements and conformity Company website and Intranet (Pulse) Value + project Happiness Committee Integration of ESG and climate risks into ERM

Internal	Employees	<ul style="list-style-type: none"> Employee Health, Safety, & work environment Remuneration and benefits Effective leadership and supervision Employee trainings and competency development Developing high potential employees Recognition and rewards Effective career development program Employee performance Employees empowerment, and accountability Organizational knowledge Energy use and consumption Water use and consumption Safe and climate-resilient workplace Sustainability culture Green skills development 	<ul style="list-style-type: none"> Opportunities for personal and professional development and success Provide a safe, healthy, and environment-friendly workplace, and welfare & wellbeing Job security Reward & recognition: competitive compensation Energy efficiency Water efficiency 	<ul style="list-style-type: none"> Face to face communication (as required) Emails and other correspondence (as required) Online Employee Services System and correspondences (as required) Safety tours and site visits (monthly, quarterly) Internal training and toolbox talks (as per plan, as required) Participation in external training programs, seminars, conference etc. (as required) Performance review (semi-annual, annual) Employee Engagement Survey Internal communication email blasts (as required) Behavioural Observations (monthly) Middle Management Meeting (quarterly) Town-hall Meeting Accelerated Young Leaders Program Company programs and events (as scheduled) Operations Department EHS Meeting (monthly) EHS Department Meeting (monthly) Events & Recreation Program Survey (annual) Suggestion schemes and grievance procedure Company website, press releases, social media posts Violation Reporting Coffee with GCPO and the Team (biweekly) Energy Reviews (Monthly) 	<ul style="list-style-type: none"> Safety Champions Recognition Sustainability Leaders Recognition Behavioural safety tours Increased involvement of top management in EHS programs and initiatives Review and updating of people function policies and procedures, including compensation and benefits, training and career development plans. Performance Management System, awards, and recognitions, etc. Communication of company policies, objectives, and performance Future Leaders Program, Talent Acquisition Module SANAAD People function Digital Platform / SANAAD AI Internal promotions and organizational changes Enhanced competence and improved performance of employees Career Aspiration Program Learning Management System (LMS) mySHEQ application Knowledge Management Hub EMSTEEL Pulse Platform Energy and water Management Team Value + Climate Fresk workshops
External	ESG Rating Agencies, Lenders and Financial Institutions	<ul style="list-style-type: none"> Ability for repayments Company reputation for ethical business practices Potential liabilities due to environmental and social issues Company ESG Management and practices Company ESG competitiveness IFRS S2 climate disclosure 	<ul style="list-style-type: none"> Business performance Low Environmental and Social risks Information availability Competitive positioning versus peers. Transparent reporting Credible Net Zero plan Strong governance 	<ul style="list-style-type: none"> Financial reports (annual) Meetings and correspondences (as required) Sustainability Report (annual) Press releases 	<ul style="list-style-type: none"> Corporate governance policies and procedures Financial controls, management, and investments Third party audits ESG and decarbonization strategies ESG ratings Green Finance Framework

External	Customers	<ul style="list-style-type: none"> Products and management system certifications Competitive price Customer complaints Green building schemes Ethical Business Practices <i>Embedded carbon in products</i> <i>CBAM compliance</i> <i>Low-carbon steel and cement demand</i> <i>Product EPDs</i> 	<ul style="list-style-type: none"> Product quality and availability Product Innovation and solutions Product cost and value creation Reliable and efficient customer service On time delivery <i>Verified low-carbon products</i> <i>Reliable supply with reduced emissions</i> 	<ul style="list-style-type: none"> Customer meeting/visits (monthly or as required) Perception (Customer Satisfaction) Survey Customer complaint meeting (monthly or as required) Events, conferences, and exhibitions (as scheduled) Project prequalification and tendering (as scheduled) Brochures, product catalogues Company website, press releases and social media posts Violation Reporting 	<ul style="list-style-type: none"> Effective implementation of Integrated Management System (IMS) Market research and pricing committee Customer complaint management Product Research and Development Communication with authorities on product regulations and important duties Environmental Product Declaration <i>Publications</i> <i>CBAM reporting support</i> Product and management system certifications Corporate governance policies <i>ESG assessments</i> <i>ESG & Sustainability certifications</i>
External	Suppliers, service providers, and contractors	<ul style="list-style-type: none"> Quality, environment, energy, health & safety issues Cost reduction and value creation Long-term business relations Compliance and corporate governance policies ESG and Sustainability Assessment Scope 3 emissions traceability 	<ul style="list-style-type: none"> Quality products and services Responsible sourcing principles Sustainable Supply Chain practices Business Ethical Practice Long-term partnership On-time payment Increase ICV score 	<ul style="list-style-type: none"> Direct communications through meetings, phone calls and emails Inquiries, coordination, and clarification meetings Site visits and supplier audits (annual or as required) Supplier Feedback Survey (annual) Training and awareness sessions (as scheduled) Contractors EHS Meeting (monthly) Awards/recognition events (as scheduled) Company website, press releases and social media Violation Reporting Supply chain hub platform chat and broadcast 	<ul style="list-style-type: none"> Supply Chain Policies, manual, and procedures Supplier Qualification and Registration Supplier audit and Performance Evaluation Partnership and long-term contract program Supply chain Hub Platform records Improvement of Supply Chain Functions Contract administration Code of Ethics and Whistle blowing policies Contractor management and safety programs Contractor Safety Management <i>ESG and sustainability assessment and audit</i>
External	Regulatory Authorities	<ul style="list-style-type: none"> Emissions and Discharges EHS Management System Implementation Incidents and emergencies Environmental complaints Statutory and regulatory compliance <i>Climate law compliance</i> <i>MRV reporting</i> <i>Carbon registry participation</i> <i>Environmental permits</i> 	<ul style="list-style-type: none"> Environment, Social & Governance Performance Environment, Health & Safety performance Energy Performance Contribution to local economy <i>Full regulatory compliance</i> <i>Emissions reduction contribution to UAE NDC</i> 	<ul style="list-style-type: none"> Direct communication through meetings, phone calls and emails (as required) Conferences, forums, and workshops (as required) Site visits, inspections, and audits (as required) Company website and publications 	<ul style="list-style-type: none"> Audit, inspections, monitoring and reporting Incident Notification, Investigation, and reporting Implementation of environmental projects Carbon capture and storage project Business Continuity and Emergency procedures Regular performance and compliance reporting Environmental Projects and Initiatives <i>Green label, ICV certificate, Env permit.</i> <i>MRV implementation</i> <i>Carbon capture reporting</i> <i>Zero environmental non-compliance</i>

External	Certification Bodies	<ul style="list-style-type: none"> Effective implementation of management systems. 	<ul style="list-style-type: none"> Conformity to certification and technical standards 	<ul style="list-style-type: none"> Direct communication through meetings, phone calls and emails (as required) Audits, inspections, and site visits (semi-annual, annual) Conferences, forums, and workshops (as scheduled) Company website and publications Participation in Working Group meetings 	<ul style="list-style-type: none"> Implementation of Integrated Management System Internal audits and inspections Regulations, standards, and scheme reviews Training and awareness <i>ISO certifications (14001, 50001, 46001)</i>
External	Peers, Industrial sector, and business community	<ul style="list-style-type: none"> Government regulations and initiatives Industrial and economic challenges Sustainability, Environment, Health & safety performance Water, energy and material consumption and waste <i>Low carbon steel and cement advocacy</i> 	<ul style="list-style-type: none"> Responsible and ethical business practice Industry best practice and benchmarking Innovation and value creation 	<ul style="list-style-type: none"> Meetings, presentations, and site visits (as required) Project collaboration and studies (as required) Technical conferences, workshops, and forums Exhibitions, sponsorships, and industry events Websites and social media posts Publications and press releases, brochures, and catalogues 	<ul style="list-style-type: none"> Active involvement in industry and business community initiatives Endorsement of policies to industrial sectors and authorities Sharing of best practice and benchmarking Recycling, reuse of by-products and waste Active participation in World Steel Association (WSA) programs Active member of WSA Climate Action and Sustainability Programs Benchmarking activities
External	Neighbouring companies, Local society and community	<ul style="list-style-type: none"> Occupational health and safety issues. Emissions and environmental compliance Employment and Emiratisation Promoting local products and business initiatives 	<ul style="list-style-type: none"> Supporting community development and local economy Environmental protection and cultural heritage preservation <i>Responsible industrial operations</i> <i>Transparent communication</i> 	<ul style="list-style-type: none"> Community and medical out-reach programs Cultural events Training and awareness sessions Site visits, plant tours Scholarships and internship program Charity projects and volunteering in community services Conferences and Seminars Brochures, press releases and social media posts Violation Reporting Company website and social media platforms 	<ul style="list-style-type: none"> Promoting health and safety programme and improving EHS performance Emiratization and career development program for UAE nationals Scholarships and work placement programs Cultural, community and charity programs and sponsorships <i>Corporate Social Responsibility programs and strategy</i> <i>ESG and decarbonization strategies</i> Communication through social media
External	Media	<ul style="list-style-type: none"> Availability of information Promotion of new products and innovations Reliable and timely information Reach to company's spoken people <i>Transparency in decarbonisation progress</i> <i>Innovation in Green Steel</i> <i>Industry leadership</i> 	<ul style="list-style-type: none"> <i>Accurate</i> Information on latest news, trends, events, and industry practices to public or interested parties. Ethics and transparency 	<ul style="list-style-type: none"> Public and POS advertisements Events Media Interviews Case studies Annual and <i>Sustainability</i> reports Press releases Brochures, catalogues, and flyers Company website and social media platforms 	<ul style="list-style-type: none"> Publishing, posting or press release of news, events, and awards. Interviews, site visits and use of reliable media platforms Follow-up and verification of information Use of different social media platforms External communications <i>Sustainability Report</i> <i>Press releases on hydrogen, CCUS, electrification</i> <i>Industry event participation</i>

Appendix E: Double Materiality Assessment

Full List of Material Topics

1. GHG Emissions
2. Energy Management
3. Health and Safety
4. Circular Economy and Waste
5. Business Integrity and Ethics
6. Customer Engagement
7. Human Capital Development
8. Water Consumption
9. Water Contamination
10. Corporate Governance
11. Responsible Supply Chain
12. Emiratisation
13. Economic Performance
14. Market Presence and Business Model Resilience
15. Resources Management
16. Diversity and Inclusion
17. Product Quality
18. Operational Efficiency
19. Emergency Preparedness
20. Air Emissions
21. Responsible Behaviour
22. Stakeholder Relations
23. ESG Related Transparency and Disclosures
24. Labour Management
25. Climate Change Adaptation
26. Opportunities in Clean Tech
27. Local Community (Community Investment)
28. Product Environmental Impact
29. ESG Governance / Oversight
30. Biodiversity and Ecosystems
31. Working Conditions

Voting on Key ESG Issues

The voting on the key ESG issues was conducted on a scale from 1–5 for **40 questions** categorised as follows:

- 12 environment questions
- 13 social questions
- 11 governance questions
- 4 demographic questions

Analysis & Validation

We used a structured approach to analyse survey responses, applying both qualitative and quantitative methods to ensure a robust and comprehensive evaluation. The data was categorised and analysed to identify patterns and trends in line with ESG principles. Consequently, the severity and likelihood of the financial impact on our business were used to determine the material topics.

We defined a set of impacts, risks, and opportunities associated with each of the material topics. The results of our materiality assessment have been revised to reflect the validated input and strategic priorities established by our management team. The following concepts were used:

- **Positive impact:** Refers to beneficial effects that the organisation's activities have on stakeholders, the environment, or society at large.
- **Negative impact:** Denotes adverse effects caused by the organisation's operations, products, or decisions.
- **Risks:** Potential or actual events that could negatively affect the organisation's ability to create value for stakeholders, encompassing financial, operational, reputational, and strategic dimensions.
- **Opportunities:** Favourable circumstances or conditions that could positively impact the organisation's ability to create value for stakeholders, including innovation, growth, sustainability, and competitive advantage.

Additional Context

The analysis involved reviewing the list of potential material risks and opportunities, applying a set of objective thresholds for likelihood and magnitude, and considering the nature of the identified risks and opportunities.

After considering both financial and impact materiality, the results of the DMA indicated full alignment with our ESG Strategy, and all the topics covered in the ESG Strategy were deemed "Material Topics". These topics are validated by our management in December 2024.

The following potential material topics are taken into consideration throughout the Sustainability Report, although they are not categorised as material topics for this year, as we are keeping an eye on any emerging issues that could become significant in the future. This shows a forward-thinking approach to sustainability.

- Human Rights
- Socioeconomic Compliance
- Hazardous Substances
- Data Privacy (Cybersecurity)
- Gender Equality



Appendix F: Maturity Matrix

Maturity Scale Definition

Immature: Ad-hoc engagement, informal processes, limited integration into strategy.

Engaged: Policies documented, accountable roles assigned, management systems operational, measurable improvements demonstrated.

Proactive & Learning: Sustainability drives innovation and decision-making. Science-based transition plans in place. Impacts are integrated into financial and strategic planning. Continuous learning culture.

1. Inclusivity

Overall Maturity: Proactive & Learning

Practice	Current Status	Maturity Level	Improvement Actions
Stakeholder Identification & Mapping	Structured mapping integrated into double materiality, risk register, Scope 3 strategy, KPIs.	Proactive and Learning	Automate mapping updates and integrate digital dashboards.
Stakeholder Engagement	Multi-channel engagement including Board, CBAM customers, suppliers, regulators.	Proactive and Learning	Expand annual ESG forum and digital engagement platforms.
Issue Identification	Double materiality translated into 12 ESG priorities and KPIs.	Proactive and Learning	Establish central ESG Issue Register.
Communication of Response	Issues tracked via action plans and escalated to management.	Proactive and Learning	Publish formal response timelines and progress updates.

2. Integrity

Overall Maturity: Proactive and Learning

Practice	Current Status	Maturity Level	Improvement Actions
ESG Governance & Leadership	ESG Board oversight and GCEO-led Steering Committee. ESG KPIs is linked to compensation.	Proactive and Learning	Formal Board ESG & climate competency programme.
Code of Conduct	Mandatory Code of Conduct and whistleblower policy across operations and supply chain.	Proactive and Learning	Achieve ≥90% annual ethics training coverage.
Integrity Risk Management	Annual Fraud Risk Assessment and ARC oversight.	Proactive and Learning	Expand ESG risk register to include data governance risks.

3. Stewardship

Overall Maturity: Engaged → Selected Areas Approaching Proactive

Practice	Current Status	Maturity Level	Improvement Actions
Sustainable Culture	Net Zero 2050 and 2030 reduction targets embedded in governance.	Engaged	Conduct Sustainability Culture Survey.
Responsible Supply Chain	Tier 1–2 supplier ESG risk mapping and Scope 3 integration.	Engaged	Set quantified Scope 3 reduction targets.
Environmental Management	ISO 14001 certified and digital environmental monitoring.	Proactive and Learning	Expand biodiversity strategy and align with TNFD.
Social Management	Zero LTI ambition and structured CSR strategy.	Proactive and Learning	Define measurable social impact KPIs.
Economic Management	Green Finance Framework and climate risk embedded in ERM.	Proactive and Learning	Embed ESG risks into financial planning and link executive incentives to ESG targets.
Skills and training	Structured, measurable, and multi-level sustainability capacity building.	Proactive and Learning	Board-level climate and sustainable finance training.
Career development	Structured career development is established.	Engaged	Establishing a structured “Green Career Pathway” aligned with decarbonisation strategy.

4. Transparency

Overall Maturity: Proactive and Learning

Practice	Current Status	Maturity Level	Improvement Actions
KPI Definition	Clear ESG targets established (40% steel / 30% cement by 2030, Net Zero 2050, TRIR reduction, clean electricity, supplier screening), with structured and strategy-linked KPIs.	Proactive and Learning	Introduce climate financial impact KPIs, Define CSR financial impact KPIs (e.g., % profit allocated, SROI).
Monitoring	Quarterly oversight by ESG and Board Committees, supported by ISO-certified systems, internal audits, 46 inspections, DNV assurance, CBAM verification, and digital emissions tracking.	Proactive and Learning	Expand digital monitoring to cover other KPIs and Implement automated supplier emissions monitoring system.
Public Reporting	Annual assured Sustainability Report aligned with GRI, TCFD, IFRS, and ADX; full Scope 1–3 disclosure; MSCI AA, CDP B, and ResponsibleSteel certification.	Proactive and Learning	Publish a Climate Transition Plan and disclose quantified IFRS S2 scenario analysis impacts
Performance Review	Quarterly management review and annual Board approval, with sustainability risks embedded in ERM and CAPEX decision-making.	Proactive and Learning	Perform annual external ESG maturity benchmarking.

Appendix G: Global Reporting Initiative (GRI) Content Index

Statement of use	EMSTEEL has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 18-19				
	2-2 Entities included in the organisation's sustainability reporting	Page 6				
	2-3 Reporting period, frequency and contact point	Page 6				
	2-4 Restatements of information	Page 54-55				
	2-5 External assurance	Page 6				
	2-6 Activities, value chain and other business relationships	Page 18-25				
	2-7 Employees	Page 76-79; detailed data in Appendix B				
	2-8 Workers who are not employees	Page 79				
	2-9 Governance structure and composition	Page 86-89				
	2-10 Nomination and selection of the highest governance body	Page 89				
	2-11 Chair of the highest governance body	Page 89				
	2-12 Role of the highest governance body in overseeing the management impacts	Page 86-87				
	2-13 Delegation of responsibility for managing impacts	Page 36-37				
	2-14 Role of the highest governance body in sustainability reporting	Page 37				
	2-15 Conflicts of interest	Page 90-91				
	2-16 Communication of critical concerns	Page 92-93				
	2-17 Collective knowledge of the highest governance body	Page 90				
	2-18 Evaluation of the performance of the highest governance body	Page 89				
	2-19 Remuneration policies	Page 88-89				
	2-20 Process to determine remuneration	Page 88-89				
	2-21 Annual total compensation ratio	Appendix B				
	2-22 Statement on sustainable development strategy	Page 10-17				
	2-23 Policy commitments	Page 90-91				
	2-24 Embedding policy commitments	Page 91				
	2-25 Processes to remediate negative impacts	Page 79				
	2-26 Mechanisms for seeking advice and raising concerns	Page 92-93				
	2-27 Compliance with laws and regulations	Page 44-45				
	2-28 Membership associations	Page 21				
	2-29 Approach to stakeholder engagement	Page 30-31; detailed mapping in Appendix D				
	2-30 Collective bargaining agreements	Page 79				
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 30-31				
	3-2 List of material topics	Page 31				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	201-1 Direct economic value generated and distributed	Page 94-95				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Page 34-35; scenario detail in Appendix C				
	201-3 Defined benefit plan obligations and other retirement plans	Page 79				
	201-4 Financial assistance received from government	Page 91				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix B				
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 78-79				
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Appendix B				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	205-1 Operations assessed for risks related to corruption	Page 92-93				
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Page 92-93				
	205-3 Confirmed incidents of corruption and actions taken	Page 92-93				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	301-1 Materials used by weight or volume	Page 56-59				
GRI 301: Materials 2016	301-2 Recycled input materials used	Page 56-59				
	301-3 Reclaimed products and their packaging materials	Page 56-59				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	302-1 Energy consumption within the organisation	Page 46-49; tables in Appendix B				
GRI 302: Energy 2016	302-2 Energy consumption outside of the organisation	Page 52-55				
	302-3 Energy intensity	Page 48				
	302-4 Reduction of energy consumption	Page 48-49				
	302-5 Reductions in energy requirements of products and services	Page 62-63				
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 62-64				
	303-2 Management of water discharge-related impacts	Page 62-64				
	303-3 Water withdrawal	Page 62-64				
	303-4 Water discharge	Page 62-64				
	303-5 Water consumption	Page 62-64				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 64-66				
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Page 64-66				
	304-3 Habitats protected or restored	Page 64-66				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 64-66				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 50-55				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 50-55				
	305-3 Other indirect (Scope 3) GHG emissions	Page 52-55				
	305-4 GHG emissions intensity	Page 50-55				
	305-5 Reduction of GHG emissions	Page 34-35				
	305-6 Emissions of ozone-depleting substances (ODS)	Page 55				
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Page 54-55				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 56-57				
	306-2 Management of significant waste-related impacts	Page 56-57				
	306-3 Waste generated	Page 56; data in Appendix B				
	306-4 Waste diverted from disposal	Page 56				
	306-5 Waste directed to disposal	Page 56				
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 97-100				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 97-100				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 92-94				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 92-94				
	401-3 Parental leave	Page 92-94				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 70-75				
	403-2 Hazard identification, risk assessment and incident investigation	Page 70-75				
	403-3 Occupational health services	Page 70-75				
	403-4 Worker participation, consultation and communication on occupational health and safety	Page 70-75				
	403-5 Worker training on occupational health and safety	Page 70-75				
	403-6 Promotion of worker health	Page 70-75				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 70-75				
	403-8 Workers covered by an occupational health and safety management system	Page 70-75				
	403-9 Work-related injuries	Page 70-75				
	403-10 Work-related ill health	Page 75				

GRI Standard	Disclosure	Location/Direct Response	Omission			GRI Sector Standard No.
			Requirement(s) Omitted	Reason	Explanation	
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 94-97				
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Page 94-97				
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 94-97				
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 92-94				
	405-2 Ratio of basic salary and remuneration of women to men	Page 92-94				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 92-94				
Child Labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risks for incidents of child labour	Page 92-94				
Forced or Compulsory Labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 92-94				
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	Page 83-86				
	413-2 Operations with significant and potential negative impacts on local communities	Page 83-86				
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic-specific sections throughout report; summary in Appendix E				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 97-100				
	414-2 Negative social impacts in the supply chain and actions taken	Page 97-100				

Appendix H: Abu Dhabi Securities Exchange (ADX) Content Index

Category	Metric Code	Metric Title	Indicator / Disclosure Requirement	Standards Alignment	Page Number
Environment	E1	Environmental Operations	Environmental policy; waste, water, energy and recycling policies; energy management systems	GRI, GCC ESG Metrics	42-45
	E2	Water Usage	Total water consumed; total water reclaimed	GRI, GCC ESG Metrics	62-64
	E3	Waste Generation	Total waste generated by type; percentage recycled	GRI	56-57
	E4	Energy Usage	Total direct energy consumed; total indirect energy consumed	GRI, GCC ESG Metrics	46-49
	E5	Energy Intensity	Total direct energy usage per output scaling factor	GRI, GCC ESG Metrics	48
	E6	Energy Mix	Percentage of energy usage by generation type	GRI, GCC ESG Metrics	46-49
	E7	GHG Emissions	Scope 1, Scope 2 and Scope 3 GHG emissions (CO ₂ e)	GRI, IFRS S2, GCC ESG Metrics	50-55
	E8	Emissions Intensity	GHG and non-GHG emissions per output scaling factor	GRI, IFRS S2, GCC ESG Metrics	54-55
	E9	Climate Strategy	Climate-related risks and opportunities; impacts on strategy, business model and financial performance	IFRS S2	33-36; Appendix C
	E10	Climate-Related Risks & Opportunities	Processes to identify, assess and monitor climate risks; use of scenario analysis	IFRS S2	Appendix C
	E11	Climate Governance	Governance oversight of climate risks; integration into strategy; links to remuneration	IFRS S2	87-91
	E12	Climate Targets	Climate-related targets, baselines and tracking mechanisms	IFRS S2	33-35
Social	S1	CEO Pay Ratio	Ratio of CEO compensation to median employee compensation	GRI, GCC ESG Metrics	91
	S2	Gender Pay Ratio	Ratio of median compensation for men and women	GRI, GCC ESG Metrics	92-94
	S3	Employee Turnover	Year-on-year employee turnover by employment type	GRI, GCC ESG Metrics	92-94
	S4	Gender Diversity	Gender representation across workforce and senior roles	GRI, GCC ESG Metrics	92-94
	S5	Temporary Worker Ratio	Proportion of part-time and contract workers	GRI, GCC ESG Metrics	92-94
	S7	Nationalisation	Percentage of national employees by category	GRI, GCC ESG Metrics	78-79; Appendix B
	S8	Non-Discrimination	Non-discrimination policy in place	GRI, GCC ESG Metrics	92-94
	S9	Health, Safety & Wellbeing	Occupational health and safety policy	GRI, GCC ESG Metrics	70-75
	S10	Injury Rate	Frequency of injuries relative to workforce time	GRI, GCC ESG Metrics	70-75
	S11	Child & Forced Labour	Policies covering child and forced labour (including suppliers)	GRI, GCC ESG Metrics	92-94
	S12	Human Rights	Human rights policy covering operations and suppliers	GRI, GCC ESG Metrics	92-94
S13	Community Investment	Community investment as % of revenue	GRI, GCC ESG Metrics	83-86	

Category	Metric Code	Metric Title	Indicator / Disclosure Requirement	Standards Alignment	Page Number
Governance	G1	Board Independence	Separation of CEO and Chair; % independent directors	GCC ESG Metrics	87-89
	G2	Board Diversity	Gender diversity on board and committees	GRI, GCC ESG Metrics	88-89
	G3	Supplier Code of Conduct	Supplier code of conduct and compliance coverage	GRI, GCC ESG Metrics	97-100
	G4	Ethics & Anti-Corruption	Ethics and anti-corruption policy and workforce coverage	GRI, GCC ESG Metrics	92-93
	G5	Data Privacy	Data privacy policy and GDPR compliance	GRI, GCC ESG Metrics	90-91
	G6	Sustainability Strategy	Sustainability-related risks and opportunities and strategic integration	IFRS S1	10-17
	G7	Sustainability Risk Management	Processes to identify and manage sustainability risks	IFRS S1	86-91
	G8	Sustainability Governance	Governance oversight of sustainability risks and opportunities	IFRS S1	86-91
	G9	Sustainability Targets	Metrics and targets used to monitor sustainability risks and opportunities	IFRS S1	33-35
	G10	Disclosure Practices	Publication of sustainability report and frameworks used	—	6
	G11	External Assurance	Third-party assurance of sustainability disclosures	GRI, GCC ESG Metrics	6; Appendix J
Integrated KPIs	I1	Sustainability Reporting	Publication and quality of sustainability reporting	GRI, IFRS S1, UNGC, MSCI, Sustainalytics, S&P, etc.	6
	I2	ESG Ratings	ESG ratings received and latest score	GRI, IFRS S1, UNGC	17
	I3	Stakeholder Engagement	Stakeholder engagement on ESG topics	GRI, IFRS S1, UNGC	30-31; Appendix D

Appendix I: IFRS S1/S2

IFRS S1:

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Governance (S1)	27a	Disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Mandatory	
Governance (S1)	27ai	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Mandatory	
Governance (S1)	27aii	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities;	Mandatory	Section 7: A trusted and responsible partner – Corporate governance & risk management (Page 87-91)
Governance (S1)	27aiii	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities;	Mandatory	
Governance (S1)	27aiv	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Mandatory	
Governance (S1)	27av	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	Mandatory	Section 7: A trusted and responsible partner (Page 87)
Governance (S1)	27bi	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	Mandatory	Section 7: A trusted and responsible partner – Corporate governance & risk management (Page 87-91)
Governance (S1)	27bii	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Mandatory	
Strategy (S1)	30a	An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Mandatory	
Strategy (S1)	30b	Specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur;	Mandatory	
Strategy (S1)	30c	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Mandatory	Refers to Appendix C Climate resilience (Page 126)
Strategy (S1)	32a	An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: a description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain;	Mandatory	
Strategy (S1)	32b	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Mandatory	
Strategy (S1)	33a	An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose: Information about how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	Mandatory	Appendix C Climate resilience (Page 126) Section 5: Decarbonisation and environmental stewardship
Strategy (S1)	33b	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information;	Mandatory	Appendix B: EMSTEEL Group KPIs (Page 114 – 125)
Strategy (S1)	33c	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	Mandatory	Section 4: Our sustainability management (Page 30)

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Strategy (S1)	34a	An entity shall disclose information that enables users of general-purpose financial reports to understand: the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	Mandatory	
Strategy (S1)	34b	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Mandatory	
Strategy (S1)	35a	Specifically, an entity shall disclose quantitative and qualitative information about how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Mandatory	
Strategy (S1)	35b	The sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Mandatory	
Strategy (S1)	35ci	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration: its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	Mandatory	
Strategy (S1)	35cii	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration: its planned sources of funding to implement its strategy; and	Mandatory	
Strategy (S1)	35d	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Mandatory	
Strategy (S1)	40a	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity applying the criteria set out in paragraphs 38-39, the entity shall: explain why it has not provided quantitative information;	Conditional	
Strategy (S1)	40b	provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that sustainability-related risk or opportunity; and	Conditional	Refers to Appendix C Climate resilience (Page 126)
Strategy (S1)	40c	Provide quantitative information about the combined financial effects of that sustainability-related risk or opportunity with other sustainability-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Conditional	
Strategy (S1)	41	An entity shall disclose information that enables users of general-purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or range.	Mandatory	
Risk Management (S1)	44ai	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Mandatory	
Risk Management (S1)	44aii	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks;	Conditional	
Risk Management (S1)	44aiii	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Mandatory	
Risk Management (S1)	44aiv	Whether and how the entity prioritises sustainability-related risks relative to other types of risk	Conditional	
Risk Management (S1)	44av	How the entity monitors sustainability-related risks; and	Mandatory	
Risk Management (S1)	44avi	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	Mandatory	
Risk Management (S1)	44b	To achieve this objective, the entity shall disclose information about the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	Mandatory	
Risk Management (S1)	44c	To achieve this objective, the entity shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Mandatory	
Metrics and Targets (S1)	46a	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect an entity's prospects: metrics required by an applicable IFRS Disclosure Standard;	Mandatory	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Metrics and Targets (S1)	46bi	Disclose metrics the entity uses to measure and monitor that sustainability-related risk or opportunity	Mandatory	Appendix B: EMSTEEL Group KPIs (Page 114 – 125)
Metrics and Targets (S1)	46bii	Its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation	Mandatory	
Metrics and Targets (S1)	49	If an entity discloses a metric taken from a source other than IFRS Sustainability Disclosure Standards, the entity shall identify the source and the metric taken	Conditional	Metrics sourced from GRI, TCFD, ADX, ISO 14001/50001, CARES.
Metrics and Targets (S1)	50a	If a metric has been developed by an entity, the entity shall disclose information about: how the metric is defined, including whether it is derived by adjusting a metric taken from a source other than the IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	Conditional	EMSTEEL uses internal KPIs for ESG maturity and supplier ESG compliance.
Metrics and Targets (S1)	50b	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green - or RAG - status)	Conditional	GHG emissions (absolute), intensity (relative), ESG maturity (qualitative)
Metrics and Targets (S1)	50c	Whether the metric is validated by a third party, and, if so, which party	Conditional	Section 1: About this report – Third-party assurance
Metrics and Targets (S1)	50d	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	Conditional	GHG calculated per GHG Protocol and ISO 14404, energy intensity per ISO 50001; water per ISO 46001.
Metrics and Targets (S1)	51a	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose: the metric used to set the target and to monitor progress towards reaching the target	Mandatory	Appendix B: EMSTEEL Group KPIs (Page 114 – 125)
Metrics and Targets (S1)	51b	The specific quantitative or qualitative target the entity has set or is required to meet	Mandatory	Section 4 Our sustainability management (Page 30– 33)
Metrics and Targets (S1)	51c	The period over which the target applies	Mandatory	
Metrics and Targets (S1)	51d	The base period from which progress is measured	Mandatory	
Metrics and Targets (S1)	51e	Any milestones and interim targets	Mandatory	
Metrics and Targets (S1)	51f	Performance against each target and an analysis of trends or changes in the entity's performance	Mandatory	
Metrics and Targets (S1)	51g	Any revisions to the target and an explanation for those revisions	Mandatory	

IFRS S2:

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Governance (S2)	6a	To achieve this objective, an entity shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	Mandatory	Section 7: A trusted and responsible partner – Corporate governance & risk management (Page 87-91)
Governance (S2)	6ai	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Mandatory	
Governance (S2)	6aaii	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate related risks and opportunities;	Mandatory	
Governance (S2)	6aaiii	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Mandatory	
Governance (S2)	6aiv	How the body(s) or individual(s) takes into account climate related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Mandatory	
Governance (S2)	6av	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	Conditional	
Governance (S2)	6bi	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Mandatory	Section 7: A trusted and responsible partner – Corporate governance & risk management (Page 87-91)
Governance (S2)	6bii	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	Conditional	
Strategy (S2)	9	Specifically, an entity shall disclose information to enable users of general-purpose financial reports to understand:	Mandatory	See below
Strategy (S2)	9a	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 10–12);	Mandatory	
Strategy (S2)	9b	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13);	Mandatory	
Strategy (S2)	9c	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraph 14);	Mandatory	
Strategy (S2)	9d	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15–21); and	Mandatory	
Strategy (S2)	9e	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22).	Mandatory	
Strategy (S2)	10a	An entity shall disclose information that enables users of general-purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Mandatory	Appendix C Climate resilience (Page 126)
Strategy (S2)	10b	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Mandatory	
Strategy (S2)	10c	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Mandatory	
Strategy (S2)	10d	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Mandatory	
Strategy (S2)	13a	An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	Mandatory	
Strategy (S2)	13b	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Mandatory	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Strategy (S2)	14a	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	Mandatory	Section 4: Our sustainability management – Decarbonisation strategy (Page 35 -36) Section 5: Decarbonisation and environmental stewardship (page 42 -65)
Strategy (S2)	14ai	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	Mandatory	
Strategy (S2)	14aii	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	Mandatory	
Strategy (S2)	14aiii	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	Mandatory	
Strategy (S2)	14aiv	Any climate-related transition plans the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	Mandatory	
Strategy (S2)	14av	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	Mandatory	
Strategy (S2)	14b	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	Mandatory	
Strategy (S2)	14c	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	Mandatory	
Strategy (S2)	15a	An entity shall disclose information that enables users of general-purpose financial reports to understand: the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	Mandatory	Section 4: Our sustainability management – Decarbonisation strategy (Page 35 -36) Appendix B: EMSTEEL Group KPIs (Page 115 – 124) Appendix C Climate resilience (Page# TBC)
Strategy (S2)	15b	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Mandatory	
Strategy (S2)	16a	Specifically, an entity shall disclose quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Mandatory	
Strategy (S2)	16b	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Mandatory	
Strategy (S2)	16ci	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	Mandatory	
Strategy (S2)	16cii	Its planned sources of funding to implement its strategy; and	Mandatory	
Strategy (S2)	16d	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Mandatory	
Strategy (S2)	21a	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: explain why it has not provided quantitative information;	Conditional	
Strategy (S2)	21b	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	Conditional	
Strategy (S2)	21c	Provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Conditional	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Strategy (S2)	22ai	An entity shall disclose information that enables users of general-purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances (see paragraphs B1–B18). In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose: the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	Mandatory	Appendix C Climate resilience (Page# TBC) Strategic responses: Section 5: Decarbonisation and environmental stewardship (page 42 -65)
Strategy (S2)	22aii	The significant areas of uncertainty considered in the entity's assessment of its climate resilience;	Mandatory	Refers to Appendix C Climate resilience (Page# TBC). The assumptions used in the calculations are specified in the climate resilience assessment.
Strategy (S2)	22aiii1	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	Mandatory	Refers to Appendix C Climate resilience (Page# TBC).
Strategy (S2)	22aiii2	The entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and	Mandatory	
Strategy (S2)	22aiii3	The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and	Mandatory	Section 5: Decarbonisation and environmental stewardship (page 42 -65)
Strategy (S2)	22b	How and when the climate-related scenario analysis was carried out, including:	Mandatory	Refers to Appendix C Climate resilience (Page# TBC).
Strategy (S2)	22bi1	Information about the inputs the entity used, including which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Mandatory	
Strategy (S2)	22bi2	Whether the analysis included a diverse range of climate-related scenarios;	Conditional	
Strategy (S2)	22bi3	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Conditional	Refers to Appendix C Climate resilience (Page# TBC).
Strategy (S2)	22bi4	Whether the entity used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change;	Conditional	
Strategy (S2)	22bi5	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Mandatory	
Strategy (S2)	22bi6	The time horizons the entity used in the analysis; and	Mandatory	Appendix C Climate resilience (Page# TBC).
Strategy (S2)	22bi7	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	Mandatory	
Strategy (S2)	22bi11	The key assumptions the entity made in the analysis, including assumptions about: climate-related policies in the jurisdictions in which the entity operates;	Mandatory	
Strategy (S2)	22bi12	Macroeconomic trends;	Conditional	
Strategy (S2)	22bi13	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	Conditional	
Strategy (S2)	22bi14	Energy usage and mix; and	Conditional	
Strategy (S2)	22bi15	Developments in technology; and	Conditional	
Strategy (S2)	22bi18	The reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).	Mandatory	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Risk Management (S2)	25ai	An entity shall disclose information about the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Mandatory	Refers to Appendix C Climate resilience (Page 126).
Risk Management (S2)	25aii	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	Conditional	
Risk Management (S2)	25aiii	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Mandatory	
Risk Management (S2)	25aiv	Whether and how the entity prioritises climate-related risks relative to other types of risk;	Conditional	
Risk Management (S2)	25av	How the entity monitors climate-related risks; and	Mandatory	
Risk Management (S2)	25avi	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	Conditional	
Risk Management (S2)	25b	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	Mandatory	
Risk Management (S2)	25c	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Mandatory	
Metrics and Targets (S2)	28a	An entity shall disclose information relevant to the cross-industry metric categories (see paragraphs 29–31);	Conditional	
Metrics and Targets (S2)	28b	An entity shall disclose industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32); and	Conditional	Appendix B: EMSTEEL Group KPIs (Page 114)
Metrics and Targets (S2)	28c	An entity shall disclose: targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets (see paragraphs 33–37).	Mandatory	Target: and align with the UAE's net-zero commitment and are disclosed
Metrics and Targets (S2)	29a1	An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gases—the entity shall: disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as: (1) Scope 1 greenhouse gas emissions;	Mandatory	Appendix B: EMSTEEL Group KPIs (Page 114)
Metrics and Targets (S2)	29a2	(2) Scope 2 greenhouse gas emissions;	Mandatory	
Metrics and Targets (S2)	29a3	And (3) Scope 3 greenhouse gas emissions;	Mandatory	
Metrics and Targets (S2)	29aii	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	Mandatory	Section 5: Decarbonisation and environmental stewardship (Page 55) <i>*GHG methodology not explicitly stated</i>
Metrics and Targets (S2)	29aiii1	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	Mandatory	
Metrics and Targets (S2)	29aiii2	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Mandatory	
Metrics and Targets (S2)	29aiii3	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Mandatory	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Metrics and Targets (S2)	29aiv1	For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1) – (2), disaggregate emissions between: the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and	Mandatory	Section 5: Decarbonisation and environmental stewardship (Page 50)
Metrics and Targets (S2)	29aiv2	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);	Mandatory	
Metrics and Targets (S2)	29av	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and	Mandatory	Appendix B: EMSTEEL Group KPIs (Page 114)
Metrics and Targets (S2)	29avi1	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose: the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	Mandatory	
Metrics and Targets (S2)	29avi2	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);	Mandatory	
Metrics and Targets (S2)	29b	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Mandatory	Refers to Appendix C Climate resilience (Page 126).
Metrics and Targets (S2)	29c	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	Mandatory	
Metrics and Targets (S2)	29d	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	Mandatory	There are high level financial estimates provided for items like carbon price, physical risk impact.
Metrics and Targets (S2)	29e	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	Mandatory	
Metrics and Targets (S2)	29fi	Internal carbon prices—the entity shall disclose: an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	Conditional	
Metrics and Targets (S2)	29fii	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	Conditional	
Metrics and Targets (S2)	29gi	Remuneration—the entity shall disclose: a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	Conditional	Section 7: A trusted and responsible partner (Page 87)
Metrics and Targets (S2)	29gii	The percentage of executive management remuneration recognised in the current period that is linked to climate related considerations.	Conditional	

Disclosure Area	Paragraph	IFRS Requirements	Mandatory/conditional	Page Number (s) and/or Direct Answer
Metrics and Targets (S2)	33a	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target (see paragraphs B66–B67);	Conditional	Section 4 Our sustainability management (Page 30– 39)
Metrics and Targets (S2)	33b	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Conditional	
Metrics and Targets (S2)	33c	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	Conditional	
Metrics and Targets (S2)	33d	The period over which the target applies;	Conditional	
Metrics and Targets (S2)	33e	The base period from which progress is measured;	Conditional	
Metrics and Targets (S2)	33f	Any milestones and interim targets;	Conditional	
Metrics and Targets (S2)	33g	If the target is quantitative, whether it is an absolute target or an intensity target; and	Conditional	
Metrics and Targets (S2)	33h	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Conditional	
Metrics and Targets (S2)	34a	Whether the target and the methodology for setting the target has been validated by a third party;	Conditional	EMSTEEL has not indicated any third-party validation (e.g. SBTi approval) of its climate targets yet.
Metrics and Targets (S2)	34b	The entity's processes for reviewing the target;	Conditional	
Metrics and Targets (S2)	34c	The metrics used to monitor progress towards reaching the target; and	Conditional	Section 4: Our sustainability management – materiality assessment (Page 30 -33)
Metrics and Targets (S2)	34d	Any revisions to the target and an explanation for those revisions.	Conditional	
Metrics and Targets (S2)	35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Mandatory	
Metrics and Targets (S2)	36a	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target.	Mandatory	
Metrics and Targets (S2)	36b	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Conditional	
Metrics and Targets (S2)	36c	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).	Conditional	
Metrics and Targets (S2)	36d	Whether the target was derived using a sectoral decarbonisation approach.	Conditional	
Metrics and Targets (S2)	36e	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the entity shall disclose information including, and with reference to paragraphs B70–B71:	Conditional	
Metrics and Targets (S2)	36ei	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Conditional	
Metrics and Targets (S2)	36eii	Which third-party scheme(s) will verify or certify the carbon credits;	Conditional	
Metrics and Targets (S2)	36eiii	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and"	Conditional	
Metrics and Targets (S2)	26eiv	Any other factors necessary for users of general-purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	Conditional	

Appendix ج: Independent Limited Assurance Statement

Appendix K: Links to Additional Resources

Group ESG Policy

<https://www.emsteel.com/emsteel-esg-policy/>

Corporate Social Responsibility (CSR) Policy

<https://www.emsteel.com/corporate-social-responsibility/>

Integrated Management System (IMS) Policy

https://www.emsteel.com/pdf/2025/01/EMSTEEL-POLICY_REV-9-30-01-2025.pdf

Quality Assurance Page

<https://www.emsteel.com/es-quality-assurance/>

Ethics and Compliance Page

<https://www.emsteel.com/Ethics%20and%20Compliance/>

Code of Conduct

<https://www.emsteel.com/code-of-conduct/>

Violation Reporting

<https://emsteel.ipm.ae.starcompliance.com/#landing>

Supplier Code of Conduct

<https://www.emsteel.com/pdf/2025/01/EMSTEEL-Supplier-COC-Jan-2025.pdf>

Supply Chain Management Policy

https://www.emsteel.com/wp-content/uploads/2024/01/SCD-GR-PC-001-Supply-Chain-Management-Policy_Approved.pdf

Investor Relations Page

<https://www.emsteel.com/investor-relations/>

ESG & Sustainability Page

<https://www.emsteel.com/sustainability-new/>

EMSTEEL Corporate Governance and Board Committees Charters

<https://www.emsteel.com/investor-relations/corporate-governance/overview/>



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Sustainability
Report 2025