

## EMSTEEL BUILDING MATERIALS PJSC

Integrated Management System

Environmental, Social, and Governance (ESG) Policy

GCEO-GR-PR-001

	Name	Title	Sig.
Prepared by	Anna Petrachkova	Director - Health & Safety	
	Dr. Dimitrios Dimitriou	Advisor - Group CEO	
Reviewed by	Hugo Losada	CEO - Building Materials	
	Saeed Al Ghafri	CEO - Emirates Steel	
Approved by	Saeed Al Remeithi	Group CEO of EMSTEEL	
Approved by	Hamad Abdulla Mohamed AlShorafa Alhammadi	Chairman	

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## 1. Definitions/ Abbreviation

<b>ADQ</b>	Abu Dhabi Developmental Holding Company
<b>BoD</b>	Board of Directors
<b>CARES</b>	The Certification Authority for Reinforcing Steels (generally known as CARES)
<b>CDP</b>	Carbon Disclosure Project
<b>EHS</b>	Environment, Health, and Safety
<b>EMSTEEL</b>	EMSTEEL Building Materials PJSC, formerly Arkan Building Materials Company PJSC, a public joint stock company listed on ADX
<b>ESG</b>	Environment, Social, and Governance
<b>GHG</b>	Green House Gases
<b>TCFD</b>	Task Force on climate-related financial disclosure
<b>VP</b>	Vice President

## 1. Introduction

EMSTEEL Building Materials PJSC (hereafter referred to as “EMSTEEL” or the “Group”) is a public joint stock company (ADX: EMSTEEL) and the UAE’s largest steel and building materials manufacturer. The Group leverages cutting-edge technologies to supply both the local market and more than 70 international markets with high-quality finished products, creating a one-stop shop for the manufacturing and construction sectors. EMSTEEL is committed to contributing to the UAE's industrial strategy ‘Operation 300 billion’ by delivering market-leading products to support local industries, creating job opportunities for UAE Nationals, and enhancing its sustainable practices.

The Group is also among the leading decarbonized steel manufacturers in the world and is recognized for its world-class safety performance. The Group’s steel and building materials have been used in some of the UAE’s most iconic construction projects, including the Burj Khalifa, Emirates Palace, Etihad Towers, Yas Island, and more.

EMSTEEL is majority-owned by ADQ, one of the region’s largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi’s diversified economy.

At EMSTEEL, our aim is to manufacture high-quality steel and building materials products while adhering to all applicable legal standards, and other requirements. Our Board of Directors oversees policies and operational controls for environmental, health, safety, and social risks. Our ESG commitments encompass every aspect of our business, including how we design new projects, operate our portfolio, collaborate with stakeholders, and report progress. We are committed to sustainability principles of inclusivity, integrity, stewardship, transparency, supporting the privacy rights of our stakeholders, and implementing rigorous data security measures. Additionally, we are striving to improve our raw material, energy, and water use efficiencies while reducing our greenhouse gas emissions to achieve net-zero emissions by 2050. We are also committed to preventing and minimizing pollution and to understanding and minimizing the potential negative impacts of our products and services on the community.

EMSTEEL’s (Steel Division) is committed to supporting the achievement of the CARES Sustainability Construction Scheme, Responsible Sourcing BES 6001 standard, and the vision and mission of Responsiblesteel.

We will periodically review this group policy to ensure it remains relevant and appropriate to the purpose and context of the Group.

Note: EMSTEEL’s Steel Division already has an integrated policy covering the requirements of the Sustainability Management System as per the CARES Constructional Sustainability Scheme and Responsible Sourcing BES 6001.

### 1.1. Purpose

The purpose of EMSTEEL's ESG Policy is to establish a framework to guide EMSTEEL's activities and operations towards sustainable development. This policy outlines EMSTEEL's commitments to environmental stewardship, social responsibility, and governance, and provides a roadmap for achieving our goals.

## 1.2. Scope

EMSTEEL's ESG Policy applies to all our business activities and operations, including but not limited to the design, production, marketing, and distribution of our products and services. This policy also applies to all our employees, contractors, suppliers, customers, and other stakeholders who are involved in our operations. We will regularly review and update this policy to ensure it remains relevant and appropriate to the purpose and context of the Group. The Group which comprises Emirates Steel PJSC, ARKAN PJSC, and the subsidiaries of EMSTEEL.

## 2. Roles & Responsibilities

### 2.1. Responsibilities

#### Board of Directors

The Board of Directors is responsible for the review and approval of the ESG policy. This includes fostering ESG and sustainability initiatives, setting strategic goals and targets, approving budgets and resources, monitoring performance, and reporting progress to stakeholders.

#### ESG Board Committee

The ESG Board committee oversees our policies and operational controls for environmental, health, safety, and social risks. The ESG Committee reports to the Board of Directors and meets regularly to set goals, budgets, and implementation timelines while monitoring progress.

#### Executive Committee of EMSTEEL

The Executive Committee is responsible for developing and implementing the sustainability and ESG policy. This includes developing action plans, allocating resources, monitoring progress, and reporting to the ESG Board Committee.

#### Sustainability Task Force

The Sustainability Task Force is responsible for providing guidance and oversight on sustainability and ESG matters. This includes identifying risks and opportunities, developing policies and procedures, monitoring performance, and reporting to the Executive Committee.

#### HSE VP

The HSE VP or his/her representative is responsible for leading the implementation of the ESG Policy. This includes developing strategies and action plans, allocating resources, building partnerships, engaging stakeholders, and reporting to the Executive Committee and Board of Directors. The HSE VP guides and aligns with the Sustainability Committee for the development and execution of the Group's sustainability strategy. This includes identifying areas for improvement and setting sustainability targets, as well as monitoring and reporting on progress towards meeting those targets.

## 2.2. Governance

The governance for ESG Policy at EMSTEEL involves the ESG Committee overseeing the implementation and management of the policy. This includes setting strategic goals and targets, developing policies and procedures, allocating resources, monitoring performance, and reporting progress to stakeholders. The ESG Committee is also responsible for identifying and mitigating risks related to sustainability and ESG matters, ensuring compliance with relevant laws and regulations, and promoting a culture of sustainability throughout the Group. In addition, the ESG Committee works closely with other key stakeholders, such as the Executive Committee and HSE and Sustainability department(s), to ensure that the ESG policy is integrated into the overall business strategy and operations of EMSTEEL.

## 2.3. Training

Sustainability and decarbonization computer-based training offered to all employees was developed covering awareness of the Group's ESG Policy. The ESG Policy is part of the welcome package and HSE induction for new employees. The ESG Policy is placed in a prominent location across the Group's facilities, including the Group website and intranet.

## 3. ESG key issues commitment

### 3.1. Position on Key ESG Issues

The below details the Group commitments towards key ESG issues:

#### **Environment Stewardship:**

##### Environmental Management

EMSTEEL is dedicated to environmental stewardship and the sustainable management of resources. We commit to complying with ISO 14001 standards, continuously improving our environmental performance, identifying and mitigating environmental risks, reducing our environmental footprint, and fostering a culture of environmental responsibility among our employees and stakeholders.

##### GHG Emissions

EMSTEEL is committed to reducing its greenhouse gas emissions to address climate change and achieve net-zero emissions by 2050. We will do this by implementing energy-efficient technologies, promoting the use of clean energy sources, and continuously monitoring and reporting emissions.

##### Energy Consumption

EMSTEEL is committed to improving energy performance by implementing energy-efficient technologies, adopting renewable energy sources, and adhering to ISO 50001 standards for energy management, which includes continuous monitoring, reporting, and optimizing energy consumption.

##### Water Consumption

EMSTEEL is committed to reducing water consumption by implementing water-efficient technologies, promoting the use of recycled water, and continuously monitoring and reporting water consumption.

#### Waste Management

EMSTEEL is committed to minimizing waste generation and implementing a comprehensive waste management program that focuses on waste reduction, reuse, and recycling across all our operations.

#### Prevention of Pollution

EMSTEEL is committed to preventing and minimizing pollution by assessing and evaluating our environmental impact including transportation and ecological assessment to develop sustainable initiatives that deliver near-term efficiencies.

#### Biodiversity Management

EMSTEEL is committed to managing its operations in a manner that protects and preserves biodiversity. This includes identifying and mitigating impacts on biodiversity, promoting sustainable land use practices, and supporting conservation efforts.

### **Social Responsibility**

#### Prevention of Human Rights Violations

EMSTEEL is committed to taking active measures to ensure that our value chain does not contribute to any violations of human and labor rights, respects the rights of all individuals, and implements effective human and labor rights policies and procedures.

#### Equal Opportunity

EMSTEEL is committed to providing equal opportunities for all employees, whilst fostering a high-value work environment that embraces diversity and promotes equity whilst empowering our female workforce. This includes promoting diversity and inclusion, providing equal pay for equal work, and implementing effective policies to prevent discrimination.

#### Emiratization

EMSTEEL is committed to supporting the nationalization agenda by providing employment opportunities for UAE Nationals, promoting skills development and career advancement, and partnering with local educational institutions to support economic/individual growth.

#### Employee Training and Development

EMSTEEL is committed to providing its employees with the training and development they need to succeed in their roles. This includes promoting a culture of continuous learning, providing access to training programs and resources, and supporting career development opportunities.

#### Health & Safety

EMSTEEL is dedicated to upholding ISO 45001 standards, aiming to eliminate hazards and prevent injuries, illnesses, and environmental damage, thereby ensuring the well-being of individuals and the preservation of property.

#### Supply Chain Management

EMSTEEL is committed to ensuring that our suppliers and contractors uphold responsible sourcing practices, ethical behavior, a code of conduct, and high standards for environmental, health, and safety considerations.

#### Community Initiatives

EMSTEEL is committed to actively engaging with the local communities, and supporting initiatives that contribute to their well-being, education, and sustainable development.

#### Products and Services Impact on the Community

EMSTEEL is committed to striving to understand and minimize the potential negative impacts of its products and services on the community by innovating and providing sustainable solutions.

#### Responsible Relationships with Customers

EMSTEEL is committed to maintaining the highest standards of integrity, ensuring that accurate information is provided while delivering high-quality products and services.

#### Privacy and Data Security

EMSTEEL is committed to supporting the privacy rights of our stakeholders and adhering to ISO 27001 standard by implementing rigorous data security measures to safeguard their personal and sensitive information.

#### Product Quality and Innovation

EMSTEEL is committed to prioritizing product quality in line with ISO 9001 standards and fostering innovation in our product development endeavors. EMSTEEL is dedicated to the creation of environmentally responsible and sustainable products that mitigate environmental impact and align with the ever-evolving needs of our valued customers and stakeholders.

## **Governance**

#### Prevention of Corruption

EMSTEEL is committed to implementing a strict zero-tolerance policy towards corruption, fraud, and bribery and preventing corruption by adhering to the highest standards of ethical conduct, promoting transparency and accountability, and implementing effective anti-corruption measures.

#### Prevention of Anti-Competitive Practices

EMSTEEL is committed to preventing anti-competitive practices by adhering to fair competition principles, promoting transparency and accountability, and complying with all applicable laws and regulations.

#### Audit and Internal Control

EMSTEEL is committed to implementing and maintaining effective internal controls, including regular audits, to monitor and assess ESG, climate change, energy, health and safety, well-being, mental health performance, and risks, and continually improve management systems to achieve its objectives and targets.

#### Tax Transparency



EMSTEEL commits to full compliance with local tax laws, transparent reporting, and robust internal controls to minimize tax-related risks.

### 3.2. Implementation

The Group will establish a sustainability and ESG implementation plan covering all ESG key issues, and material topics as per the materiality assessment exercise, and other sustainability standards and requirements such as CARES Sustainability Construction Scheme (applicable to steel business only), Responsible Sourcing BES 6001 (applicable to steel business only) and Responsible steel (applicable to steel business only), Carbon disclosure project (CDP), and Task Force on Climate-related Financial Disclosures (TCFD), Guidelines for social responsibility (ISO 26000).

The implementation plan will set the group baseline, objectives, and targets, and establish the action plan to improve the Group's performance.

#### 1. SUPPORTING DOCUMENTS

- Sustainability Implementation plan
- Corporate BSC – ESG KPIs

#### 2. ISSUE HISTORY

Issue No.	Date	Page / s	Description
0	03. 10. 2023	All	New document
1			