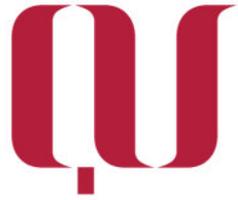


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QATAR STEEL

SUSTAINABILITY REPORT 2016

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H.H. Sheikh Hamad Bin Khalifa Al-Thani
The Father of Emir



H.H. Sheikh Tamim Bin Hamad Al-Thani
Emir of the State of Qatar

About the Report

Welcome to Qatar Steel's 6th annual sustainability report. This report is guided by Qatar Steel's commitment to sustainability, accountability, and transparency. Within these pages, you will find a comprehensive review of the company's achievements and sustainability progress for 2016 in alignment with Qatar National Vision 2030 and the GRI Standards published in 2016. This report has been prepared in accordance with the GRI Standards: Core option. Furthermore, since Qatar Steel is among regional sustainability leader, the report also integrates the GRI's sector specific guidelines known as Metals and Mining Sector Supplement (MMSS).

This report provides both performance benchmarks and guidance for stakeholders with respect to the material indicators that are relevant to Qatar Steel's stakeholders and business operations. These indicators are highlighted throughout this report.

We encourage you to share your ideas and comments by contacting:
sustainability@qatarsteel.com.qa

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Message from the Managing Director and General Manager

It is my pleasure to welcome you to our sixth annual sustainability report; evidence of our achievements and milestones. We are committed to making a positive contribution to Qatar's economy, environment, and society. We hope to continue to play an active role in Qatar's sustainable development over the years to come.

Our corporate strategy is aligned with Qatar National Vision 2030. We take pride in our role and capacity to deliver economic growth and diversification of the national economy in non-oil sectors. We play a critical role in Qatar's infrastructure development, reflected by the year over year increase of rebar demand of 18%, 29% and 18% respectively between 2014-2016. Qatar's economic progress and the success of Qatar Steel are inextricably connected.

Qatar Steel has an 85% market share domestically as of 2016. Nevertheless, we are consistently meeting the challenges of competition and cheap imports from China and Turkey in GCC, which have driven product prices down 22% since 2012. We shall retain our position as the supplier of choice by building on our successful efforts to develop the strategic relations with our customers, provide timely deliveries, and focusing on customer service. We also aim to significantly expand our export business by introducing more value-added products to the market.

Our corporate sustainability requires on-going efforts to improve our performance. We continue to optimize operations by ensuring effective and efficient deployment of our resources. This includes re-configuring some processes, upgrading technology, improving labour scheduling, innovation, simplifying and clarifying departmental hierarchies and workforce communications, as well as setting team/departmental goals and governance targets. These efforts should result in expanding the scope of our ethical practices, increasing our operating income, and delivering even higher cost reductions.

Despite headwinds in the global steel industry, Qatar Steel's efforts over the past two years have begun to bear fruit for a better tomorrow. Qatar Steel is leaner, and more efficient than ever, which makes us well-positioned for sustainable growth in the years ahead. We will accelerate our efforts to evolve our operations and strengthen our corporate structure.

2017 promises to be another year of progress for Qatar Steel and our stakeholders. We are committed to our role as a national leader, driving a more sustainable future for Qatar.

Ali Bin Hassan Al-Muraikhi
Managing Director and General Manager

ABOUT QATAR STEEL

Established as the first integrated iron and steel plant in the Arabian Gulf Area in 1974, Qatar Steel has played an instrumental role in the national economy over its four decades of history.

Qatar Steel's proud past represents more than decades of steelmaking: it demonstrates success in maintaining a sustainable business that has adapted to years of technological, regulatory, and economic developments. Since it was founded, Qatar Steel has given back to the community by providing jobs, pensions, and benefits to many Qataris and generations of retirees.

Qatar Steel owns a subsidiary, Qatar Steel FZE, in Jebel Ali free zone – Dubai, UAE, to meet the growing demand for rebar in the GCC market. This subsidiary operates two facilities at the Jebel Ali Free Zone to produce wire rod and rebar.

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





Vision

We endeavour to be universally recognised as a leading and a constantly growing force in the steel industry of the region, to be admired for our business culture, to build value for our shareholders and customers, and to bring inspiration to the people of Qatar.

Mission

We will continue to be the first name in the region's steel industry as a sustainable producer, safeguarding Health, Safety & Environment, maximizing stakeholder value and contributing to Qatar National Vision 2030.

Values

The drivers of our ambition:

- Trustworthy
- Reliable
- Dynamic
- Creative
- Perceptive

Purpose

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

Qatar Steel 2016 Highlights

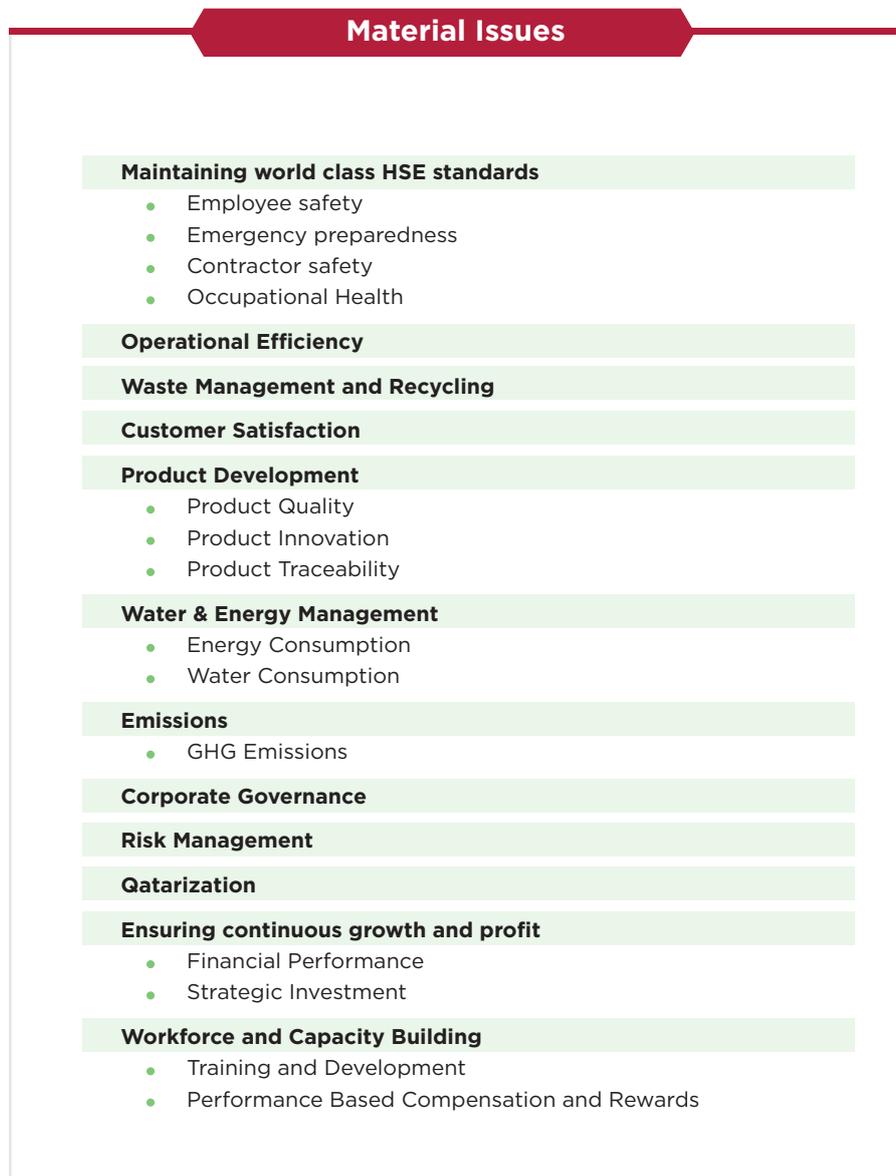
- 15.32 GJ/tonne energy intensity rate
- 81.42% material efficiency rate
- 2.52 million tonnes of steel produced
- 3% reduction in water use intensity
- 76% decrease in wastes directed to landfills intensity
- 119% increase in waste recycling intensity
- Employee turnover rate had declined from 15.8% in 2015 to 5.27% in 2016
- Lost Time Injury Frequency Rate (LTIFR) had decreased from 2.3 in 2015 to 0.51 in 2016
- 9 average hours of training provided to employees
- 108% increase in innovation and investment expenditure

SUSTAINABILITY MANAGEMENT APPROACH

Qatar Steel's sustainability management approach aims to monitor, measure and improve upon performance in the issues of greatest importance to stakeholders, in a balanced and sustained manner.

Material Sustainability Issues

Qatar Steel reports on its identified material issues, as part of its sustainability management program. Qatar Steel revised its material issues in 2016 as part of its biennial review, in consideration of improvements and feedback from stakeholders. The materiality assessment identifies issues of common interest and high potential impact to both the company's business operations and stakeholders.



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Strategy Map

Sustainability is integral to Qatar Steel's business strategy, as it both derives from and influences the sustainability management program. This is demonstrated through the wider stakeholder input in development of our Corporate Strategy Map as well as the key operational priorities which are crucial for Qatar Steel's sustainability. These include Qatar Steel's record of developing new products and achievement of operational excellence. The Strategy Map translates stakeholder expectations into corporate objectives, which are then tracked and managed through a set of key performance indicators (KPIs). These indicators are then integrated into a Balanced Scorecard at personal, departmental, division, and corporate levels, allowing the entire organisation to align with the Corporate Strategy.



Sustainability Roadmap 2020

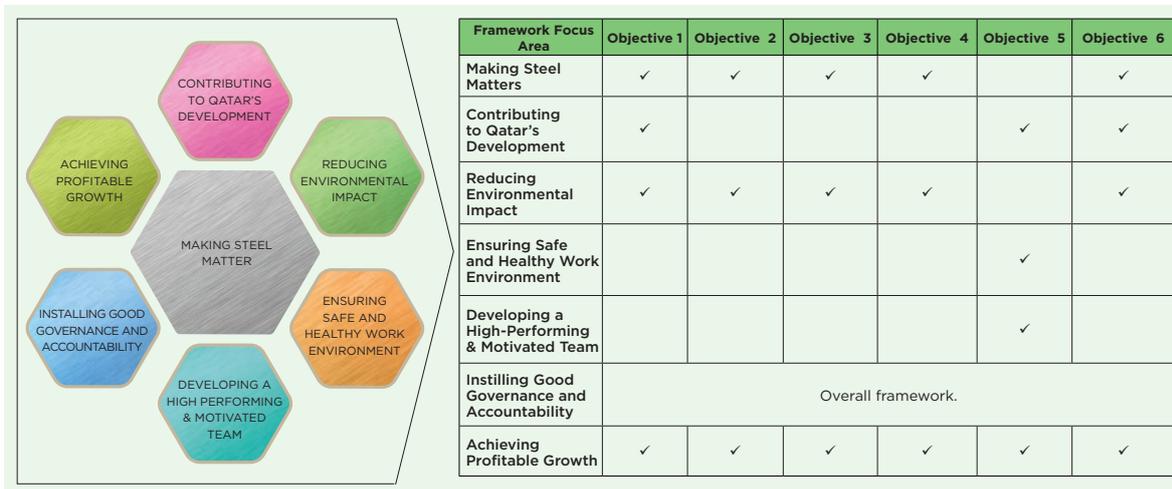
In 2015, we implemented the Sustainability Roadmap 2020; a transformative document created to present key objectives with targets and timelines that will fulfill Qatar Steel's corporate strategy, sustainability management programme and support the company's leadership position in sustainability. The Roadmap is an important milestone in Qatar Steel's sustainability journey; one that sets a clear and sustainable path forward for the corporation.

In order to achieve sustainability priorities, the Roadmap specifies a five-year plan, from 2016 to 2020, across 6 thematic objectives. These are:

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

The Roadmap builds on the foundation of Qatar Steel's Sustainability Framework. The six Roadmap objectives align with the elements of the Sustainability Framework as follows:

QS Sustainability Management Framework



Each of the six objectives of the Roadmap carries specific targets with implementation timelines and action items that are assigned to their commensurate departments. These targets are measured against a previous year's baseline and prioritized according to impact and resources required. By setting targets, timelines, and implementation plans, the Roadmap is a strategy for operational success in sustainability and it is updated on a quarterly basis and reviewed during the Balance Score card meeting.

This ecosystem of programs (Corporate Strategy Map, Sustainability Framework, Sustainability Roadmap 2020), comprise Qatar Steel's Sustainability Management System. This system is designed to enable Qatar Steel to achieve its sustainability objectives and optimize the value generated for its stakeholders. These provide the foundation of the 2016 Sustainability Report.

As part of this process, we will benchmark Qatar Steel's sustainability performance against that of other relevant companies in the region and internationally. Additionally, the company had established its Stakeholder Advisory Group comprised of representatives from key stakeholder groups to act as an advisory body during the journey towards sustainability. In 2016, Qatar Steel had developed a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on the company's approach to sustainability.

The Sustainability Report is organized in sections according to the seven pillars of the sustainability framework. Within each section, pertinent material issues are discussed and the company's progress and initiative towards sustainability is evaluated.



ENSURING A SAFE AND HEALTHY WORK ENVIRONMENT

Despite the technological advances in the industry, the steelmaking process carries inherent risks. Nonetheless, Qatar Steel is deeply convinced that every area, process and type of work can and should be accident-free. Health and safety requires persistence and a total 100% commitment from everyone at Qatar Steel. In the effort to enhance safety culture, and in line with the objective to effectively address key risks in day-to-day activities and create a “Zero Harm Culture”, Qatar Steel embarked on a Safety Transformation Program “AMAN” in April 2016 to position Qatar Steel as a world class leader in safety among the global steel industry.

Health and safety performance requires excellence in all aspects of operation. Qatar Steel is committed to eliminating accidents and injuries from the organization and significant improvements have been made over recent years. Safety data collected from 2012 to 2016 show that Qatar Steel has seen a steady and notable reduction in the Lost Time Injury Frequency Rate (LTIFR) over the past years, decreasing from 2.3 in 2015 to 0.51 in 2016, a reduction of 77%.

Fostering a safety culture requires comprehensive effort. Many tactics are employed in order to embed safety in the workplace, such as public recognition of outstanding Health, Safety and Environment (HSE) behaviours and practices with awards, including quarterly and yearly near-miss reporting awards, yearly ‘No Lost-Time Accident (LTA)’ awards, Safety and Environment poster competition awards and Safety Committee and Representatives appreciation awards.

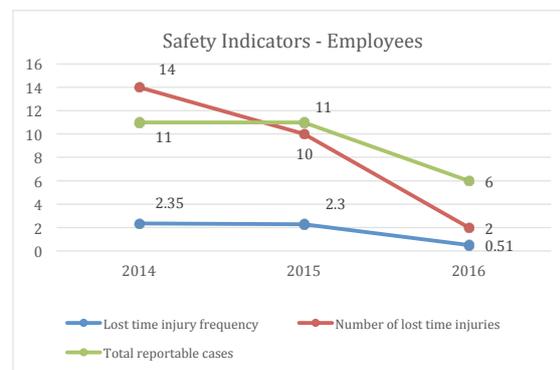
EMPLOYEE SAFETY

Qatar Steel has set out to assess every possible opportunity to increase the safety of employees and contractors. Given the high temperatures and heavy machinery involved in the steel industry, injuries and fatalities present significant risks to workers at all steel plants globally, including Qatar Steel.

Despite consistent improvements in employee safety, Qatar Steel is keenly aware that worker injury can lead to low worker morale, and increased healthcare and injury compensation costs.

Qatar Steel’s HSE committee is accountable for company-wide safety issues, as per OSHAS 18001 standards. The HSE committee is responsible for promoting and communicating safety issues, reviewing workplace safety inspections, reviewing accident and injury reports, providing training on specific business activities, identifying workplace hazards, and reviewing safety proposals with top management.

Over the past year, the company’s transformational efforts in nurturing a safety culture resulted in a significant improvement in Lost Time Injury Frequency Rate (LTIFR) from 2.3 in 2015 to around 0.5 for 2016. Also, the total reportable injuries dropped by half from about 50 to 23, and Total Reportable Cases Frequency (TRCF) in 2016 decreased from 11 to 6.

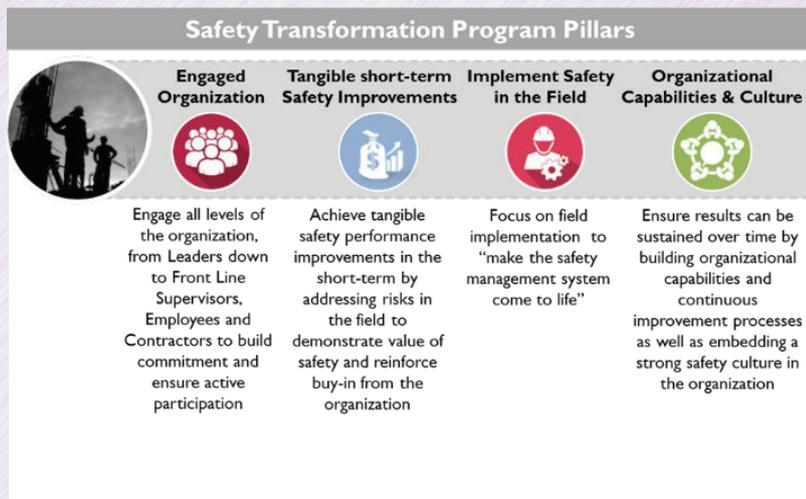


Safety Performance - Employees			
	2014	2015	2016
Fatalities	1	0	0
Lost time injury frequency (LTIFR)	2.35	2.3	0.51
Employee total reportable injuries	55	49	23
Total reportable cases (TRCF)	11	11	6
Man-hour worked, employees	5,055,907	4,340,327	3,943,960
Number of lost time injuries	14	10	2
Number of minor injury reported	44	39	21
Number of near missed reported	557	326	811
Number of first aid cases	0	25	7

Safety Culture Transformation Program (AMAN)

In an effort to enhance the safety culture at Qatar Steel consistent with the objective to effectively address key risk activities on a daily basis and create a “Zero Harm Culture”.

Qatar Steel embarked on a Safety Transformation Program (AMAN) in April 2016 to transform Qatar Steel as one of the safest steel making companies in the world, and ensure a world-class safety environment for employees.





Program Governance

Engage all levels of the organization in a structured way with clear roles and responsibilities



Field Risk Mitigation

Identify and mitigate key risks in a joint effort among operations, maintenance, and safety teams



Safety Leadership Development

Drive the cultural transformation through the leadership team by "Role Modeling in Safety"



Communication

Increase risk awareness and employee engagement through visual and live communication channels



Safety Culture Transformation Program (AMAN)

This safety transformation program is based on five pillars and has had a remarkable impact on the company's culture. It addresses two main priorities, namely:

Phase 1: Contain risks in day-to-day operations.

Phase 2: Build the system, and enhance organizational capabilities and safety culture.

Phase 1 has started in April 2016, where the focus of the program has been on the following main areas: Since the start of the program, Qatar Steel has implemented quick wins that sent a strong message across the organization to raise safety awareness and to improve risk control within a short period of time. An example is the reinforcement of key safety rules like mobile phone, driving and smoking policies, applicable to all areas within the Qatar Steel premises. This has increased compliance by employees and contractors, generated engagement, and satisfied insurance requests. Qatar Steel's executives also gathered the Leadership of top Contractors to communicate and reinforce HSE standards and requirements to align expectations across all people working within Qatar Steel premises.

Processes and corresponding training programs are being put in place to create improvements

over time. Qatar Steel is setting up an integrated safety governance that engages all layers of the organization in a systematic way. This is done by clarifying the roles and responsibilities of operations and maintenance staff to ensure safety is driven by the line organization. The company is also upgrading procedures by embedding safety through a proper risk assessment methodology. Furthermore, to learn from incidents and prevent them from happening again, Qatar Steel is revamping the incident investigation process to systematically embed learnings in organizational practices. And in order to ensure contractors abide by the same standards, Qatar Steel is adopting an integrated contractor safety management approach starting from pre-qualification to execution and post-work feedback. Last but not least, Qatar Steel is putting controls in place including audit and performance management processes to keep track of the progress and act upon recommendations as needed.

Qatar Steel management is fully committed to providing the required time and resources to make this change a success. No doubt, this transformation cannot be possible without the full support of Qatar Steel employees to accelerate the transformation and sustain it in future.

Safety Training

Qatar Steel also ensures that its employees and contractors receive regular training and updates on the latest safety policies. Employee attend safety training programs and weekly safety meetings where they are encouraged to raise safety concerns and propose solutions. This training ensures that workers are well equipped to manage any safety hazards they may encounter.

The following safety trainings are conducted regularly:

- Induction training for VIPs and visitors
- Refresher training for existing Qatar Steel employees
- Safety Induction for all new employees
- Safety Induction and refresh training for all new Contractors.
- Conducted Tool Box Talk Trainings attended frequently by departments

EMERGENCY RESPONSE PREPAREDNESS

Qatar Steel maintains plans for preventing, reducing, controlling, and otherwise mitigating emergencies. We also promote fire preparedness by improving training and introducing new, improvised fire-fighting equipment.

We maintain a tight focus on fire safety, and we constantly search for ways to strengthen our safety procedures. To ensure the best emergency Preparedness, we:

- Completed the consultancy study of Fire Water Network for entire Qatar steel and execution will start in 2017-18.
- Increased familiarization visits and Emergency exercises with MIC Emergency Response Team.
- Increased Fire Safety and Emergency preparedness and Building Marshal training.

In 2016, to reduce our overall risk of fire, we conducted several training exercises and awareness sessions for our employees and contractors. These include: induction training, do's and don'ts during emergencies, and job related contractor safety training. Training priority was given to areas which are crucial to the safety of our employees and the protection of their livelihood, including prevention, detection, and quick response to potential fires. In 2016, we performed 12 drills covering emergencies such as: rescue, fire, electrical shock, confined space, gas leak, chemical leak, and evacuations, across multiple operations and scenarios.

CONTRACTOR SAFETY

Qatar Steel holds itself accountable for the safety of contractors, who are hired for many support services, including shut down activities, construction, cleaning, catering, security, and maintenance. The company's goal is to provide a safe working facility and be proactive in mitigating health risks posed to contractors. The focus areas is to increase training requirements, and provide an HSE Reviewed Hazard Identification and Risk Assessment register. Qatar Steel aims to improve contractor safety, beginning by limiting hires to only contractors who exhibit good safety performance and have strict safety management systems in place; which we ensure at the pre-qualification stage of contractor screening.

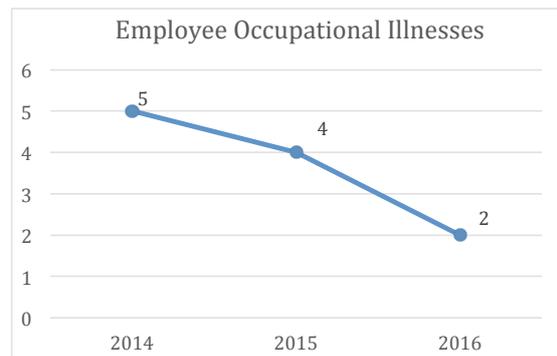
Qatar Steel also implemented a contractor Safety Forum in 2016 to enhance contractor safety performance, by identifying the root causes as a lack of communication and inadequate training. Qatar Steel has redoubled efforts by extending employee safety training programs to contractors, and creating weekly safety meetings where workers (employees and contractors) are encouraged to raise safety concerns and propose solutions.



Safety Performance - Contractors			
	2014	2015	2016
Fatalities	0	2	0
Lost Time Injury Case (LTIF) -	5	5.8	1.96
Contractors' Total Reportable Injuries	50	37	37
Total Reportable Cases (TRCF)	N/A	N/A	15.58
Man-hour Worked	2,175,176	2,059,200	2,374,959
Number of Lost Time Injuries	10	12	5
Number of Minor Injury Reported	40	25	32
Number of Near Missed Reported	0	0	384
Number of First Aid Cases	0	20	21

OCCUPATIONAL HEALTH

Safety extends beyond worker safety and incident prevention. Qatar Steel values the well-being employees, many of whom have been with the company for many long years. As a reflection of the company's respect for its employees, Qatar Steel makes every effort to protect employees' health and to create a positive working environment. Efforts have been implemented to mitigate occupational health risks such as exposure to chemicals, airborne pollutants, dust, and noise, as well as to reduce the physical stresses from improper usage of equipment. We also provide services that support the mental health Qatar Steel employees.



At Qatar Steel, occupational health risks are identified, evaluated, monitored, and analyzed. Solutions such as protective equipment, process re-design, and training are implemented to minimize occupational health concerns. These efforts have successfully reduced employees' occupational illnesses from 33 cases in 2011 to only 2 cases in 2016, a greater than 93% drop over the past five years.

Onsite facilities offer immediate treatment for minor injuries. The onsite clinic also conducts pre-employment and periodic medical exams for employees. To better serve employees, Qatar Steel is also working on a future initiative to expand the clinic to handle more medical responsibilities.

Occupational health indicators			
	2014	2015	2016
Employee occupational illnesses	5	4	2
Occupational risk monitoring assessment (completed vs. planned)	87.7%	80%	0%
Health screening (completed vs. planned)	82.7%	77%	106.2%

MAKING STEEL MATTER

Steel and steel-based products have significant applications in modern life. Steel also has the potential to be one of the most sustainable materials. Driven by the Sustainability Roadmap, Qatar Steel's goal is to be the sustainable steel supplier of choice in the region.

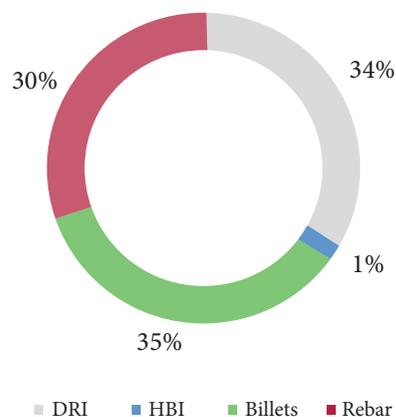
Qatar Steel's MIDREX facilities produce both high-quality Hot Briquetted Iron (HBI) and Direct Reduced Iron (DRI) from iron ore pellets. HBI is charged to electric arc furnaces, converters or blast furnaces, producing some of the highest-quality steel grades. DRI products use only natural gas as the reducing agent, a much more environmentally sound process than traditional coal-based blast furnaces. This reduces the carbon footprint of Qatar Steel's operations and is an important step in improving energy efficiency as well as achieving climate protection objectives.

PRODUCTS

Qatar Steel's production capacity is divided mainly between the four products; DRI, HBI, Billets and Rebar.

Qatar Steel's Production (Metric tons)			
	2014	2015	2016
Qatar Steel's Production- Qatar:			
DRI (Direct Reduced Iron)	2,484,722	2,573,973	2,478,481
HBI (Hot Briquetted Iron)	62,632	57,342	27,457
Steel Billets	2,866,744	2,593,662	2,520,751
Rebar (Reinforcement Steel Bars)-Mesaieed,	1,753,190	1,784,350	1,893,052
Others-Byproducts	718,898	210,703	219,139
Qatar Steel's Production-UAE:			
Rebar (Reinforcement Steel Bars)-Dubai FZE, UAE	369,540	377,602	379,365
Wire rod and re-bar in coil	149,841	162,932	172,780

Products (2016)



OPERATIONAL EFFICIENCY

Social and environmental responsibility are core to the vision and values of the company. The lasting economic success of any enterprise requires a social license to operate. Qatar Steel aims to achieve a clear competitive advantage with efficient, environmentally friendly, and state-of-the-art production processes delivering sustainable steel solutions for its customers.

Highlights of operational efficiency case studies:

Process innovation

CC3 casting sequence in Tundish increased from 40 in 2015 to 59 and aiming to reach 64 by applying Ladle shroud from Ladle to Tundish.

Energy Intensity:

The energy intensity was 541 kwh/ton of molten steel in 2015 and is reduced to 534 kwh/Ton (saving 17'800 kWh for the total production in 2016). This is achieved by a combination of reducing the power-off time, higher plant availability and using better DRI quality.

Emission Reduction

In the EAF3 Dust collection system (DCS), the fumes filtration process was inefficient due to excessive heat generated. Therefore, the emissions of SO_x, NO_x and Particulate matter were exceeding the threshold set by the Qatar Environmental law. After revamping the DCS in 2016, there has been a significant drop in emissions.

EF3 DCS data before and after revamping

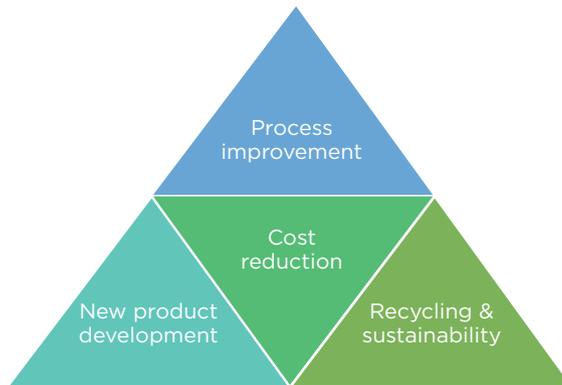
Density (mg/m ³)	SO _x	NO _x	PM
Before	818	5.25	1050
After	22	4.5	2.58
Limit by law	35	300	50



PRODUCT INNOVATION

As a company that is attuned to the market, Qatar Steel strives to introduce innovative products and solutions for customers, without compromising on environmental impact. The company's focus on innovation is demonstrated through the Sustainability Roadmap. We monitor research and sustainability targets on a quarterly basis in four major areas:

1. New product development
2. Recycling and sustainability
3. Process improvement
4. Cost reduction



The Research and Sustainability Department has been restructured to prioritize evaluation of existing feed materials as well as developing new sources including reuse, where applicable. The department oversees product stewardship, innovation, product development and sustainability.

One of the goals of the Sustainability Roadmap is to help Qatar Steel develop 10 new products by 2020. To date, Qatar Steel has developed two new high strength steel products and has more in the product pipeline. The company's commitment to innovation is reflected by an investment expenditure of 2.6 million Qatari Riyals in 2016.

Qatar Steel's New Product Development Structure

Qatar Steel continuously develops more sustainable steel solutions to meet market demand, such as the need for High Strength Rebar (QS 600) with better deformation properties and wire rod grades for different applications.

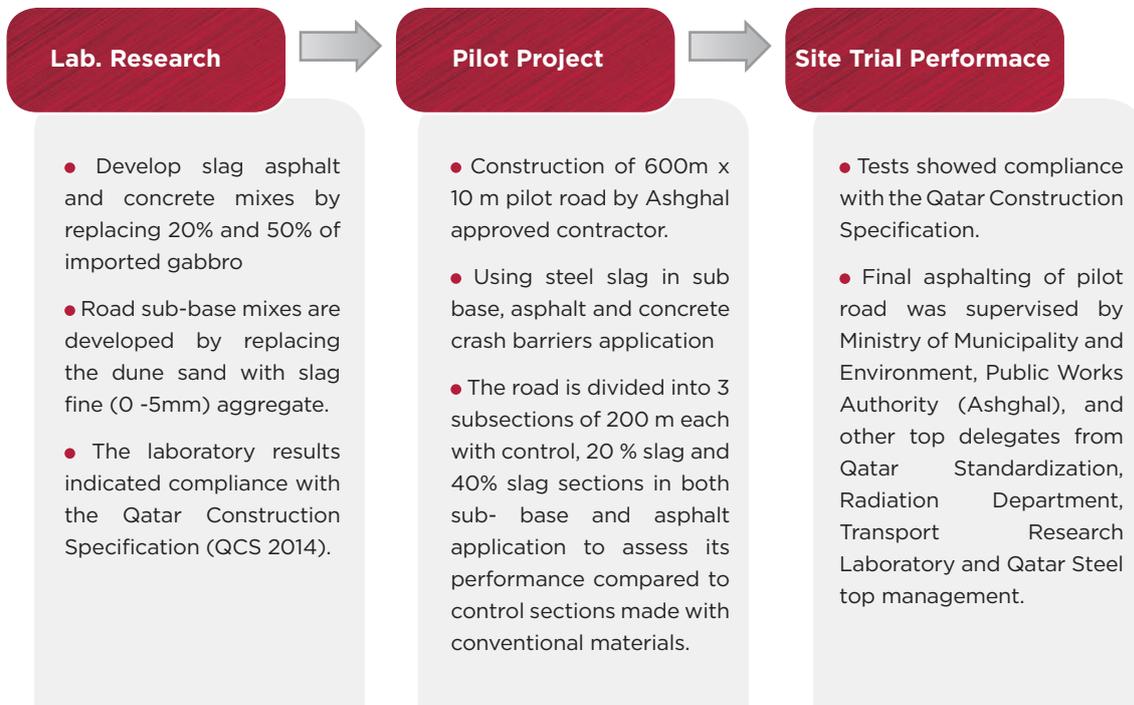
RESEARCH ON SLAG RECYCLING IN COLLABORATION WITH GOVERNMENT ENTITIES

The Challenge:

Qatar Steel's production generates around 10% of total 2.5 million ton produced annually as a slag. In addition, there is around 1.5 million tons of slag stockpiled at the slag yard.

The Solution:

As a solution to this problem, a wide range of stakeholders were engaged in a research project aimed at studying the basic properties of slag and its potential use as an aggregate to replace imported gabbro used in asphalt, concrete, bound and unbound sub-bases.



The Result:

The Pilot road is open to public traffic now and its performance is being monitored by the Ministry of Municipality and Environment, Radiation Department and Qatar Standardization on a regular basis. The goal is to reuse EAF Slag as one of the aggregate materials with approval from QCS Standard for use in road construction as an environmentally friendly material by partial replacement of imported gabbro.

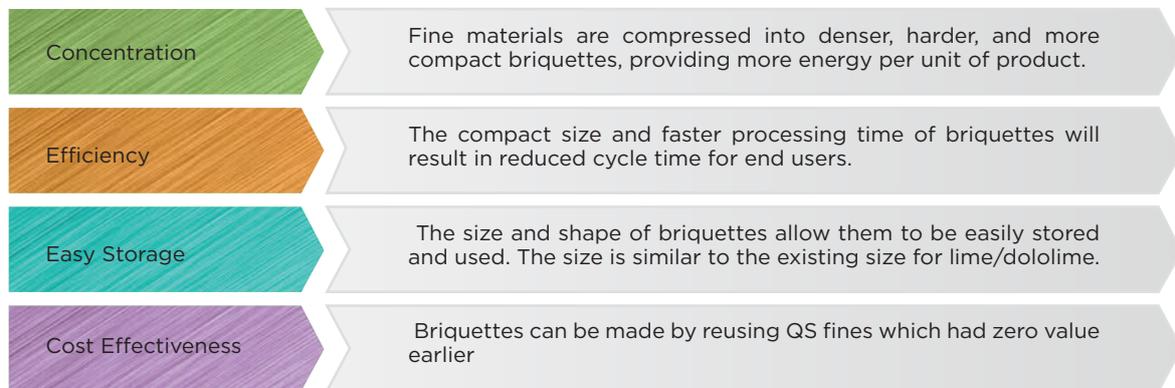


Waste Recycling Innovation

The Challenge:

The Qatar Steel Lime Calcination Plant (LCP) generates around 100 T/day of undersize (<10mm) lime and dolomite fines. These have not been utilized for many years, resulting in a stockpile of ~ 15,000 T, largely regarded as a waste by-product with no further application.

A lab scale and pilot plant study was conducted to convert this waste material into a briquetting product. After successful trial, currently around 350 - 400 T/month of lime briquettes are produced on a regular basis at the Qatar Steel Briquetting Plant for use by the Steel Making department.



PRODUCT QUALITY

Qatar Steel meets or exceeds various national and international quality control standards like ASTM and BSI. These quality control standards guide laboratories and their respective chemists and engineers in the careful planning and design of experiments and test procedures.

Qatar Steel works closely with different research centers and academic institutions both within Qatar and internationally to develop new steel grades and coatings. The product development life cycle ensures that customer needs are met while assessing risks and embedding sustainability as products are developed. The Environmental Product Declaration (EPD) quantifies the “cradle-to-grave” lifecycle environmental impacts of products, which can be used by architects and engineers to submit competitive bids on projects. The EPD, based on a peer-reviewed Life Cycle Assessment (LCA), helps customers achieve the credits required for building certification with LEED® and other green building rating programs like the sustainability and green buildings standards developed by GORD and the Global Sustainability Assessment System (GSAS).



PRODUCT TRACEABILITY

Qatar Steel takes pride in its quality as we provide full traceability by adding a charge number to each billet and bar that is produced.

The charge number is allocated at EAF (molten steel stage) during the production process, it begins with a prefix for the year of production followed by an alphabet i.e. C, D, or E along with a five-digit serial number ranging from 00001 to 99999. Charge number mentioned on the material test certificate supplied along with our products facilitates in tracking the history of the complete process. This ensures that our customers have 100% confidence in the quality of the steel as well as its provenance.

CUSTOMER SATISFACTION

Qatar Steel is committed to providing high quality products and services that meet or exceed customer expectations. The focus on customer satisfaction is a key differentiator in a competitive market, and as such, a core element of Qatar Steel's business strategy. Various aspects of sustainability – product life cycle, materials, energy-efficient processes, and a responsible value chain are increasingly important parameters that impact customer satisfaction.

Also, as part of its efforts to assure customer satisfaction, Qatar Steel's Sales & Marketing team closely monitors the market through regular visits to understand the changes in market requirements and to determine the potentials for developing new steel products in coordination with Research & Sustainability team as well as to introduce the new steel product range.

Qatar Steel takes great pride in product quality. Only about 1/10th of one percent (0.01%) of billets are scrapped due to quality issues. Product quality is driven by the company's values, processes, and sustainability aspirations. These high standards facilitate a more sustainable product, which improves the company's bottom line and financial sustainability. Unique identifiers are introduced at the rolling stage, including the grade, applicable standards, batch number and the Qatar Steel name. This ensures that customers have 100% confidence in the product quality and provenance of the company's steel.

Efforts to ensure that customers are satisfied are reflected in Qatar Steel's enviable market share and customer satisfaction ratings. In 2016, customer satisfaction feedback survey showed an overall Qatar Steel performance rating of 4.22 out of 5-point scale (84%) which is well above the target and highest compared to last 10 years result. In addition, the company was able to maintain a remarkable market share of 83% in Qatar, and 16% of the total GCC for rebar. Although Qatar Steel serves both domestic and international markets, the priority has always been to meet the strong domestic demand for steel with superior customer service.

Qatar Steel's customer service efforts go beyond the conventional interactions with customers and distributors. The Customer Portal System enables customers to more easily place their orders and track their shipments to ensure on-time delivery of products.

Qatar Steel Sales Application

In 2016, Customer Relationship Management (CRM) in co-ordination with IT Department developed new mobile App named "Qatar Steel Sales App" intended to keep the customers updated with current and historical order details.

The Qatar Steel Sales App allows customers to view data through a user-friendly interface and it offers online/offline working, allowing the program to operate even if users are not connected to the internet. This new mobile application will be launched to customers in 2017.

CONTRIBUTING TO QATAR'S DEVELOPMENT

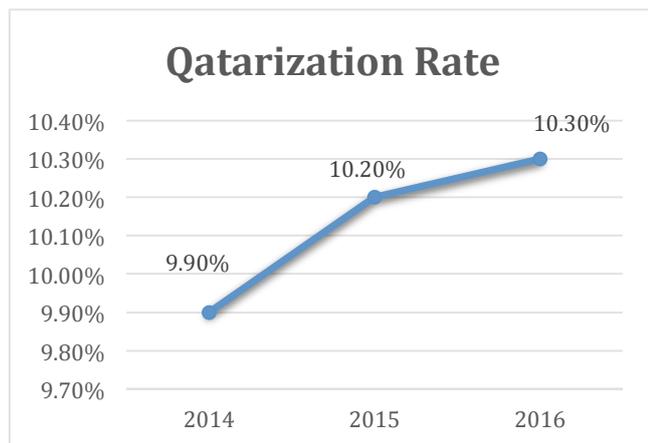
Qatar is one of the world's fastest-growing economies. The steel industry plays a strategic role and forms the backbone of economic development of Qatar. Qatar Steel is fully owned by Industries Qatar (IQ) and continues to satisfy high domestic steel demand that Qatar's infrastructure relies upon.

Qatar Steel's has demonstrated a commitment to maintaining the company's leadership position in the steel industry within the GCC region. From the iconic towers of West Bay to the rigorous technical demands of the FIFA 2022 stadiums, Qatar Steel products deliver the innovation, quality, and reliability that sustain the ambitions of Qatar and the Qatar National Vision 2030. Qatar Steel can support Qatar's development in a manner that sustains the aspirations of the nation as well as the expectations of future generations



QATARIZATION

Qatar Steel is committed to implementing national strategies, highlighted in the Qatar National Vision 2030, which aims at building a progressive society, capable to sustain growth and to provide high living standards for all members in the society. As a significant employer in the State, Qatar Steel has a role in improving the social welfare of Qataris. This responsibility is taken seriously by ensuring there are employment opportunities for Qataris that offer competitive wages and benefits. Qatar Steel actively engage in and initiate activities including: career fairs and educational outreach opportunities such as scholarships, training and internships.



Qatarization			
	2014	2015	2016
Number of Qatari Employees	210	191	187
Qatarization	9.9%	10.2%	10.27%
Qatari Senior Management	0	0	2
Number of Qatari new hires	8	-	5

Qatar Steel has participated in several career events at Qatar Technical Independent School, and Al Wakrah Independent School. The objective of these activities is to build strong ties with future leaders at the educational institutions.



“The career open day helps students to interact face to face with the employers, and enquire about the jobs required and to check the career path suitable for them.” - Mr. Mohamed Saleh Al-Mahdi, Administration Division Manager.

Qatar Steel's goal is to maintain the proportion of Qatari employees at around 10%. This target is an ambitious one; therefore, Qatar Steel is carefully designing programs to recruit, develop and retain Qatari talents. This goal has been consistently achieved or closely matched since 2013.

Qatar Steel adopts a threefold approach towards Qatarization:

1. Developing HC programs targeted at Qataris:

The Human Capital team has developed a schedule of incentives for Qatari nationals, such as competitive pay packages, highly specialized training, and on-going career development opportunities, following industry best practices.

Engaging Qatari Women :

Qatar Steel understands the importance of engaging women in the workplace, especially Qatari women. According to Qatar University, nearly two-thirds of all graduates are women; this as an opportunity to attract and provide an engaging career for these highly skilled university graduates. Moving forward, the company will be developing strategies to increase programs for Qatari women.

Success Story

Ms. Hanan Jawad Al-Sulaiman joined Qatar Steel on March 20, 2010, as Senior Supervisor in Quality Assurance Department. She holds a Bachelor's degree in Biotechnology and Genetic Engineering from Qatar University. Her responsibilities include supporting Qatar Steel's Sustainability activities and writing reports.

In March 2015 Ms. Hanan received a scholarship from Ministry of Education, Culture, Sports, Science and Technology of Japan through the Embassy of Japan to fulfill a Master's Degree at Nagaoka University of Technology. Qatar Steel has supported this employee's initiative to further develop her career. She is now pursuing this degree with a major in Electrical, Electronics and Information Engineering.

2. Investing in enriching and engaging practices:

Qatar Steel offers an excellent salary and benefits package to employees to support employee engagement and satisfaction. These benefits include group insurance, retirement benefits, tuition reimbursement, sick leave, paid vacation, funding of education through scholarship and sponsorship programs, and alternative work arrangements for newly hired Qatari trainees.

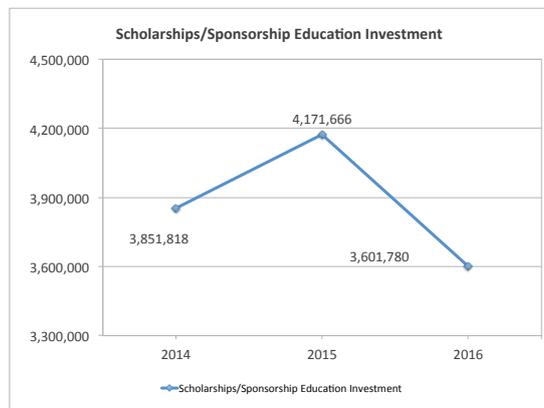
320
Number of employees who served QS for more than 10 years

Moreover, we recognize special contributions by employees and celebrate milestones of continuous service through long term service awards. As a result of the review, 320 employees who have completed 10, 15, 20, 25, 30 and 35 years of service received awards in recognition and appreciation of their efforts and dedication. The ceremony was held on 26th April 2016, at Al-Reem's Club in the Mesaieed Industrial City



3. Focusing on education:

Qatar Steel focuses on the education of Qatari students in universities and colleges both inside and outside of Qatar. Despite the challenging economic climate, the company has continued to provide sponsorships, scholarships and other education programs. As needed, administrative and financial support is provided to all sponsored students, in order to both develop their careers and contribute successfully to Qatar Steel's growth. Qatar Steel has also designed an Internship Training Program to provide Qatari students with the opportunity to learn about work in technical and non-technical departments at the company.

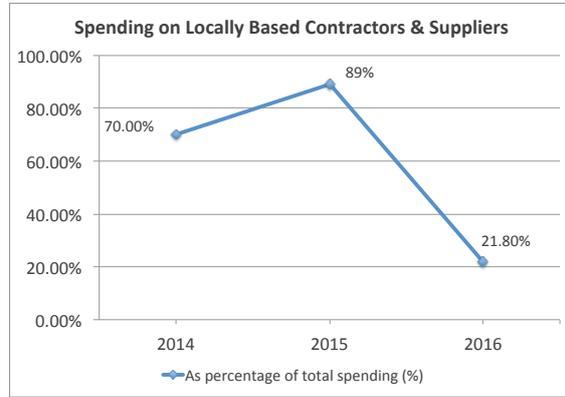


Investment in Education (Unit: QR)			
	2014	2015	2016
Scholarships/Sponsorship Education Investment	3,851,818	4,171,666	3,601,780

LOCAL PROCUREMENT

Local procurement is of strategic priority to Qatar Steel as it reduces supply costs and delivery times. Local procurement contributes to spin-off economies and businesses in Qatar by distributing the economic benefits of steelmaking in a more sustainable manner locally. The benefits of local procurement are:

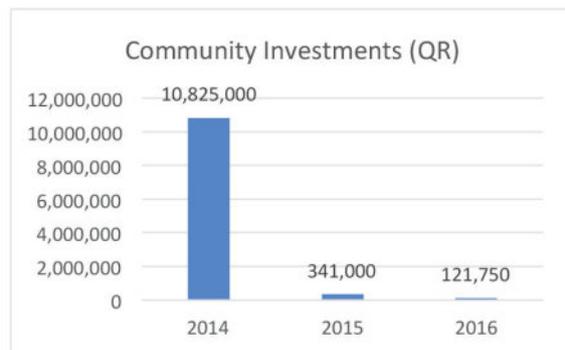
- Increasing the business skills and capacity of local firms
- Transferring technology and skills to local businesses
- Helping create vital domestic business networks and industrial clusters
- Increasing revenue and employment where suppliers operate



Spending on locally based contractors and suppliers			
	2014	2015	2016
Total spending ('000 QR)	312,622	772,340	538,571
As percentage of total spending (%)	70.0%	89%	21.8%

COMMUNITY INVESTMENTS

Qatar Steel aims to make a constructive difference in Qatar, one that improves the welfare of our society and citizens. One measure of this is the company's continued contributions to community projects and recognizing employees who volunteer their time and energy to local causes. Through charitable efforts, Qatar Steel aims to play a relevant and responsive role in addressing the needs of local communities at the grassroots level. Qatar Steel is particularly interested in partnering with non-profit and charitable organizations that empower people with the skills, tools and information to improve their standards of living. Community investments focus primarily on thematic causes that concern society.



Community Investments			
	2014	2015	2016
Community Investments (QR)	10,825,000	341,000	121,750

Supporting Sports Activities

Qatar Steel Annual Sports was organized at QS dormitory and Al Maha Club between Sunday, 27th of March to 15th of April 2016 to keep the sports lovers motivated and inspired. Overwhelming responses from different departments prompted to register over 275 members in different sports including; badminton, table tennis, tennis, chess, volleyball, football, basketball and cricket. QS Annual Sports Day will go a long way to keep the employees motivated and loyal to the brand. Also, as part of National Sports Day Qatar Steel participated in the celebration organized at Islamic Museum Park.



Supporting Waste Free Environment Drive at Al-Wakra Beach

In support of the environmental awareness drive, "Waste Free Environment" (WFE) - launched by Gulf Petrochemicals and Chemicals Association (GPCA)- Qatar Steel proactively took part in the environmental activity organized by Qatar Petrochemical Co. (QAPCO) at Al-Wakra Beach. Qatar Steel's participation in the event emerges from the importance it attaches to environmental protection, and in line with its efforts to boost this environmental drive and make it a success.



WFE aims at spreading environmental awareness; educating the community about best practices in preserving the environment and efficient waste management in general, as well as changing behaviors of throwing wastes in land or sea, which have been causing adverse effects on marine wildlife.



Committed to Blood Donation Campaigns

In continuation of its commitment to blood donation with the blood donor Centre at Hamad Medical Corporation, Qatar Steel organized a blood donation campaign at its plant site in Mesaieed. Employees from various departments and sections took part in the drive which integrates benevolent and moral values, in addition to health and social benefits.

"Blood donation is a humanitarian act, which improves the individuals' relations in the community and strengthens the social ties between them, through extending a helping hand to the patients who need blood instantly for survival"

Qatar Steel Volunteer .



REDUCING ENVIRONMENTAL IMPACT

As part of the company's environmental management policies, Qatar Steel is committed to reducing the environmental impacts of its operations on the atmosphere and water. This commitment is pursued on several fronts, including improvements to sustainable manufacturing processes, introduction of efficient state-of-the-art equipment, and introduction of pollution control equipment.

Efforts to improve performance are monitored and evaluated by the Environmental Management System, which is compliant with ISO 14001, OHSAS 18001, and all local regulations and regulatory bodies such as the Ministry of Municipalities and Environment. Qatar Steel has also achieved 3rd party accreditation during 2016 for the company's Health and Safety Management System.

RESPONSIBLE SOURCING AND MATERIAL CONSUMPTION

Social, environmental and ethical considerations are taken into account when sourcing Qatar Steel's raw material, in addition to cost and delivery time. Through responsible sourcing in the supply chain, the company seeks to minimize any negative impacts while making a positive contribution to the business, company employees, and the local community.

Qatar Steel mainly uses three materials: Iron Ore, Coke and Scrap Steel. The company accurately monitors the usage of these different materials in various production stages, and attempts to use these as by-products or as raw materials in other production processes. One example is the internal recycling of substances with a high iron content (e.g. dust collected in de-dusting facilities). Since Qatar Steel uses natural gas procured from Qatar Petroleum, the production processes are relatively more green and efficient than other steel plants around the world which rely on coal. The investments in the MIDREX production facilities have also helped manage Qatar Steel's by-products significantly.

The importance of the responsible sourcing defined as the sourcing of raw materials in compliance with the international responsible sourcing guidelines stems from the fact that both the end users and the stakeholders are increasingly interested to know where the raw materials which used to produce our products are coming from. With the aim of achieving transparency and traceability throughout the supply chains we gave special attention for this issue and achieved highest recognition from CARES UK. Because we believe it an essential part of ensuring a sustainable future for our business.

The iron ore that is used by Qatar Steel was originally procured from foreign entities such as Samarco, Luossavaara-Kiirunavaara Aktiebolag (LKAB), Bahrain Steel and Vale. In 2015, Qatar Steel terminated procurement from Samarco due to shutdown of their operations and iron ore is now sourced from geographically closer sources like Bahrain steel (over 1 million tons annually to Qatar Steel). Both Bahrain Steel and Vale (in Oman) provide iron ore of the highest standards to meet Qatar Steel's requirements, while reducing the need for long shipping lines. Which results in lesser emission rates per ton of purchase.

The quality of the received pellets is ensured to meet stringent standards, according to two basic parameters: a high iron content and physical properties (cold compression strength, size consistency and fines).

CERTIFICATE OF APPROVAL



Responsible sourcing of construction products



Rating
VERY GOOD

This is to certify that
Qatar Steel Company (QSC)
at its establishment at
Mesaieed, Qatar

has been approved by the Authority to the requirements of BES 6001 Issue 3.0 using the processes and procedures registered with the Authority. This responsible Sourcing certification has been carried out under license using BRE's Responsible Sourcing scheme methodology, scheme documentation and underpinning processes. The scoring table is shown in a separate appendix to this certificate.

BRE BES 6001 Issue 3.0

Scope of certification:

Production of continuously cast steel billets. Production of hot rolled steel bar for the reinforcement of concrete.

This certificate remains the property of the Authority and is issued subject to the Regulations of the Authority. This certificate is uncontrolled when printed. To check the validity of this certificate please visit www.ukcares.com or contact us on +44 1732 450000.

CERTIFICATE NUMBER	FIRST APPROVAL	ISSUE DATE	EXPIRY DATE
1451	July 2016	20 July 2016	20 July 2019

SIGNED FOR UK CERTIFICATION AUTHORITY FOR REINFORCING STEELS


Leo Brambley
Chief Executive Officer

The use of the Accreditation Mark indicates accreditation in respect of those activities covered by the accreditation certificate number 002.
UK Certification Authority for Reinforcing Steels, Parkside House, 21 Parkside Road, Sevenoaks, Kent, TN13 1JL, UK.
A Company Limited by Guarantee. Registered in England No. 1762485.
Gen. Ref. AR112010 43401 002



Biodiversity

In general, Qatar Steel's area of operation is not considered to have high biodiversity value. No species from the international union for conservation of nature (IUCN) Red List have habitats in the area. In addition, the species' biological taxonomy and conservation states plan is inapplicable.

Nevertheless, we are committed to preserving the natural environment as outlined in the National Biodiversity Strategy and Action Plan 2015-2025. QS had hired consultants and conducted studies to examine the impact of the operation on the ground water pollution. Qatar Steel is pleased to affirm that the operations are not resulting in any harmful impact on the biodiversity in the region.

Raw Materials

The total carbon injection in metric tons which had increased by about 19.5% in 2015 relative to the previous year has since declined in 2016 by more than 9%, from 45,198 to 41,057 mt. As a responsible corporate citizen of Qatar, Qatar Steel is aware of its environmental impacts. Efforts aimed at reducing waste enabled the company to increase the percentage of scrap used as a steel input from 10.9% in 2014 to around 14.9% in 2016.

Materials used			
(Unit: mt)	2014	2015	2016
Total Iron Ore Pellets	3,723,697	3,807,685	3,554,668
Total DRI	2,712,914	2,442,848	2,297,613
Total HBI	208,262	115,909	73,648
Total RBQ (Reduced Briquettes)	--	8431	73,438
Scrap (i.e. Purchased and Internal Generated Scrap)	358,475	391,394	429,382
Total Alloys	43,470	36,515	33,225
Total Additives (i.e. Lime and Dolomite)	150,781	137,300	132,441
Total Recarburizer	4,989	5,676	4,900
Total Carbon Injection	37,811	45,198	41,057
Total Lump Coke	21,745	19,055	13,339

EFFICIENT ENERGY USAGE

Energy is a major part of Qatar Steel's production costs and the company's aspiration is to greatly improve energy efficiency, given that it operates in an energy intensive industry. This decision also makes business sense as electricity is a major element in the unit cost of steel. Worldwide, about 90% of the energy used to make steel comes from burning coal. Qatar Steel uses the fuel of the future, natural gas, which is the greenest fuel source available.

Not only does Qatar Steel use a cleaner fuel source, it also invested in much more energy efficient electric arc furnaces (EAF) which use dramatically less energy than traditional blast furnaces that are standard in other regions of the globe. Although the indirect energy consumption (measured in kWh) declined only slightly, Qatar Steel did achieve success in reducing total Direct Energy Consumption by more than 9% compared to 2015.

Indirect and Direct Energy Consumption			
	2014	2015	2016
Total Electricity Consumption (kWh)	2,408,501,262	2,151,850,894	2,069,256,278
Vehicle and Equipment Fuel Consumption (ltr)	4,635,898	3,087,397	2,806,444
Energy Intensity Ratio (GJ/tonnes of Molten Steel)	14.9	15.6	15.32

The net total result of the company's energy conservation efforts is a reduction of the energy intensity to 15.32 in 2016, comparing to 15.6 in 2015.

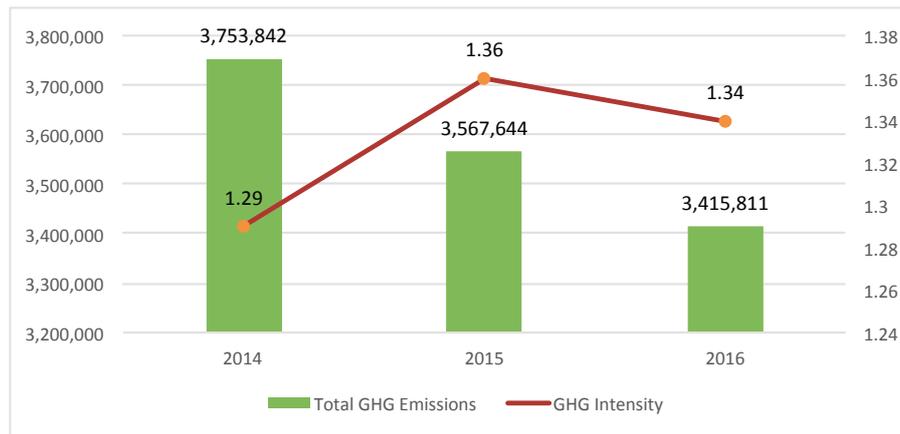
Qatar Steel owes it to future generations to produce steel in the most energy-efficient way possible. To stay competitive and manage escalating costs, Qatar Steel continuously invests in its facilities and processes, which reduces energy consumption and expenditures.

REDUCING GHG AND AIR EMISSIONS

GHG emissions

CO₂ emissions resulting from the production of steel remain as one of the central challenges facing the steel industry. The International Energy Agency (IEA) estimates that about 7% of the total world CO₂ emission is associated with the global steel industry.

Qatar Steel takes this challenge seriously and is exerting all possible efforts to improve GHG and air emissions. The company's performance in reducing the emission intensity is better than the industry average according to a recent benchmark study. Qatar Steel has been successful in reducing direct CO₂ emission intensity over the years to reach about 1 ton of CO_{2eq} for each ton of steel sold, which compares favourably to the industry average of about 2 ton of CO_{2eq}.



GHG Emissions (Mt CO ₂)			
	2014	2015	2016
Direct GHG emissions (Tonnes CO ₂)	1,676,186	1,711,383	1,630,798
Indirect GHG emissions (Tonnes CO ₂)	2,077,657	1,856,261	1,785,012
Total emission (Tonnes CO ₂)	3,753,843	3,567,644	3,415,810
GHG emission intensity (Tonnes CO _{2eq} /tonne of molten steel)	1.29	1.36	1.34

Air emissions

Qatar Steel has reduced energy consumption and the production of SO_x (sulfur oxide) during the manufacturing process, with efforts such as: reductions to fuel consumption, use of low-sulfur fuels, switching to municipal gas, as well as exhaust-related measures such as desulfurization. Likewise, to reduce NO_x (nitrogen oxide) emissions, Qatar Steel has implemented efforts such as the use of low NO_x combustion technology and energy saving measures. Despite recent increases in air emissions, Qatar Steel's average emission intensity is still below the industry average for both NO_x emission intensities which is 1.3 and SO_x emission intensity which is 0.94.

Air Emissions (average mg/Nm ³ per year)			
	2014	2015	2016
NOx	903	839	42
Sox	46	737	111
Particular Matter	153	1940	1041

WATER CONSUMPTION AND EFFLUENTS

Qatar Steel's Sustainability Roadmap Objectives have prioritized water management as a material issue and subsequently set a target to implement leading water management practices for both Qatar, and the international Steel Industry. The water used for the company's operations is comprised of both freshwater and seawater. The first is primarily used as circulating cooling water for the process and machineries of DR, EF, CC and RM Plants, while the latter is used as a non-contact secondary once-through cooling agent of the primary circulating process and machineries cooling water systems of the Plants.

The Water Management approach focuses on three objectives;

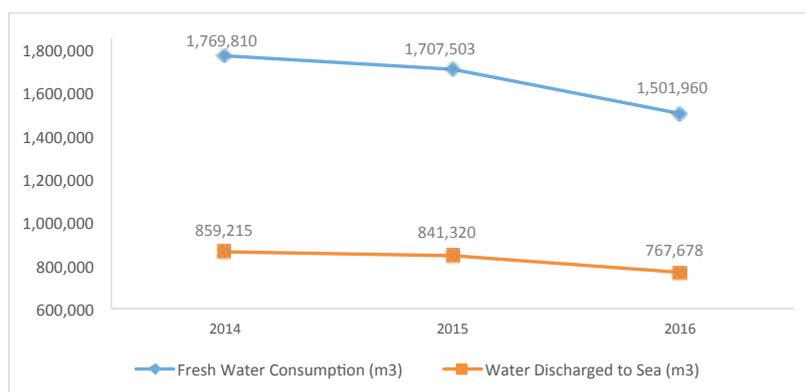
1. Decrease freshwater consumption
2. Reducing wastewater discharge
3. Increase recycling rate of processed water.

The company has set challenging targets and is closely monitoring performance. As a result of the increase in consumption of freshwater in 2014, Qatar Steel has implemented stringent measures to address water usage.

The second target, to decrease the discharge of wastewater, aligns with the Ministry of Municipalities and Environment's "Zero Liquid Discharge" goal. Qatar Steel hired a consultant in early 2015 to determine how this target can be achieved. The company's current technology can recycle only 88% of blow down water, and Qatar Steel is collaborating with industry partners and regulatory agencies to chart a feasible path forward with respect to the 'Near Zero Liquid Discharge' goal. The target is to have a system implemented by 2018 that will improve the quality of the discharged water and increase capacity to recycle water.

Qatar Steel has dramatically increased the use of recycled or reused water over the past five years, from less than 30,000 m³ in 2012 to more than 150,000 m³ in 2016. The target for 2017 is to stretch this number to an ambitious but achievable 270,000 m³.

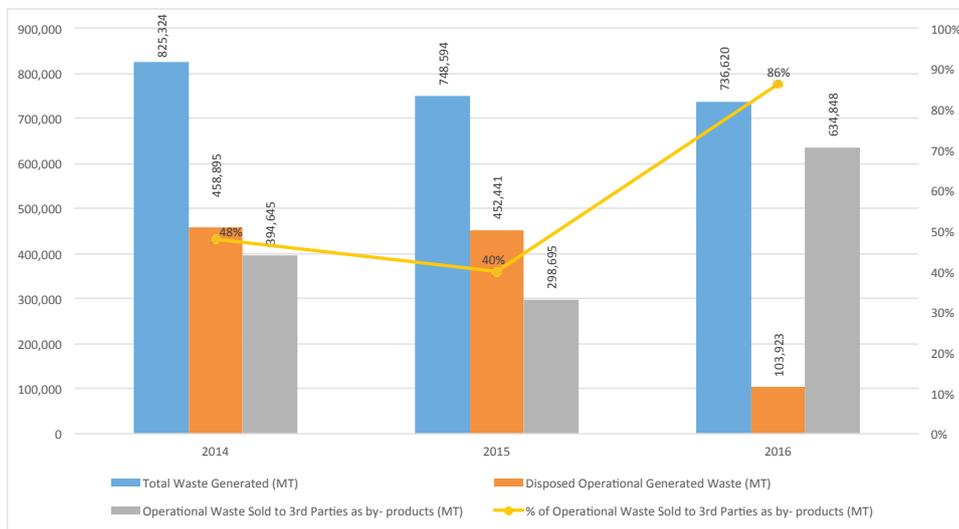
Water Management (m ³)			
	2014	2015	2016
Fresh water used (purchased)	1,769,810	1,707,503	1,501,960
Water discharged (to sea)	859,215	841,320	767,678
Water recycled or reused	112,078	163,792	151,565



WASTE MANAGEMENT AND RECYCLING

Qatar Steel's operation is based on a central principle that by-products should be reused where possible. Extra steps have been taken to be faithful to this. For example, one of the major byproducts by volume is the slag formed during the steelmaking process. Qatar Steel produces around 10% of 2.5 million tons of slag annually. This slag byproduct is reused as an alternative to clinker in roadfill. This concept will be initiated after completing research with Ashghal and the Ministry of Environment.

Qatar Steel's production successfully reuses some of the scrap as an input in the production process. Additionally, scrap is collected from local markets. Both the internally recycled and the externally purchased scrap is used in the steel making process. The goal is to reduce the overall volume of scrap generated as an output as well as to increase the use of local scrap as an input. This directly contributes to Qatar's initiatives to reduce material going to landfills, and chemical leaching into groundwater.



Waste Management			
	2014	2015	2016
Total waste generated (mt)	825,324	748,594	736,620
Operational waste generated and disposed of (mt)	458,895	452,441	103,923
Operational waste generated and sold to third parties as by-products for reuse or recycling (mt)	394,645	298,695	634,848
% of waste generated and sold as by-product	48%	40%	86%

Residue waste is inevitably generated during the production process; however, by recycling this residue, Qatar Steel can reduce both raw material expenditures and volumes going to the landfill. Qatar Steel also works with other industries to find sustainable end uses for waste, as part of wider synergy initiatives.

The preventative maintenance program and policies have resulted in zero oil or chemical spills over the past six years. Qatar Steel takes pride in this achievement and makes every effort to maintain this record. Chemical waste is neutralized by adding caustic soda and processing it at the MIC waste treatment facility. Qatar Steel's commitment to waste management amounted to about QAR 10 million over the past 5 years. Further to this, the total investment in environmental management measures over the same period has reached more than QAR 47 million.

DEVELOPING A HIGH PERFORMING AND MOTIVATED TEAM

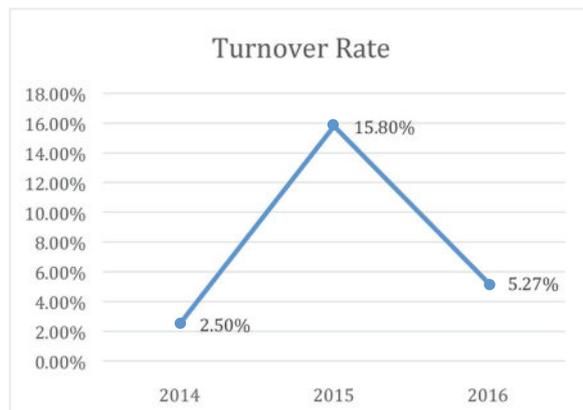
The career development program at Qatar Steel ensures that employees have the appropriate skills to execute the company's business strategy. It also enables talent attraction, retention, and employee motivation. These efforts are win-win for both employees and Qatar Steel, as they foster productivity and innovation. This intellectual capital is a deeply valued asset at Qatar Steel.

Over the years, Qatar Steel has developed a comprehensive approach to identify skill gaps, measure human capital, and develop systems to share knowledge throughout the organization. The recruitment team hires the best available talent, with no discrimination



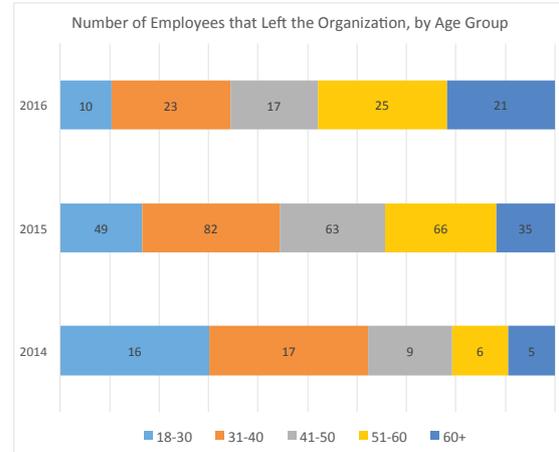
against race or gender. In line with the Qatar National Vision 2030 and NDS 2011-2016, qualified Qatari nationals and recent Qatari graduates are awarded priority.

Total Employees			
	2014	2015	2016
Full-time Employees	2,130	1,872	1,820
Full-time Contractors	389	484	467



Workforce

2015-16 were transitional years for Qatar Steel, where business operations were realigned as efficiently and effectively as possible. As a part of this realignment, Qatar Steel has right-sized the organization, been more selective with training and hiring programs, and eliminated many redundancies. These efforts reduced the total number of employees by nearly 15% compared to 2014.



New Hires			
	2014	2015	2016
Number of new hires - Total	73	30	44
Number of Qatari new hires	8	6	5
Number of female new hires	6	0	0
Number of male new hires	67	30	44

Turnover			
	2014	2015	2016
Turnover rate	2.5%	15.8%	5.27%
Total Number of employees who left the organization	53	295	96

Number of employees who left the organization, by level			
Number of Senior Management	2	9	7
Number of Middle Management	6	37	7
Number of Staff	45	249	82

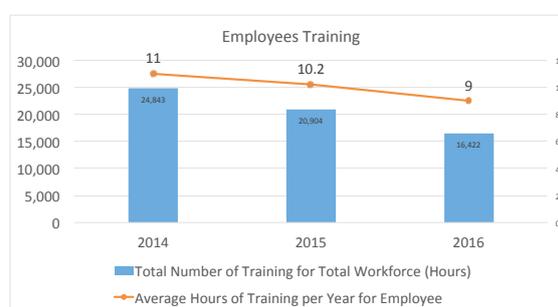
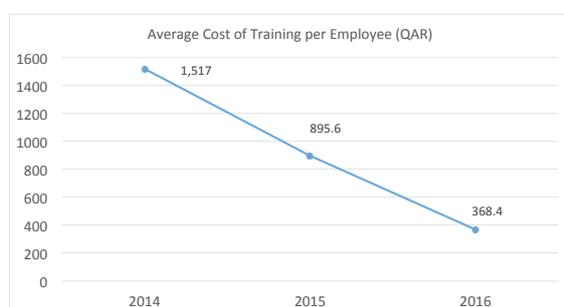
Number of employees who left the organization, by gender			
Number of Women	1	9	4
Number of Men	52	286	92

Number of employees who left the organization, by age group			
18-30	16	49	10
31-40	17	82	23
41-50	9	63	17
51-60	6	66	25
60+	5	35	21

TRAINING AND DEVELOPMENT

Qatar Steel is committed to its staff's personal and organizational learning and development. The company's training programs are outcome-oriented. This strategy is aimed at building individual and organizational capabilities to ensure that Qatar Steel outperforms its competitors. The company strives to attract, develop and engage the best leaders in the world; and create a winning culture that is fueled by a passion for excellence, a deep belief in the power of diversity, and Qatar Steel's corporate values.

A typical employee receives on average 9 hours of training per year, with some variance depending on his role. In 2016, priority was given to HSE-focused training, which resulted in deferring training for female employees in administration and other supporting departments. Qatar Steel also successfully managed to reduce the cost of training per hour per employee by more than 60%. This demonstrates that the company is doing more with less given that the total training hours declined only by 21% over the past year.



Training			
	2014	2015	2016
Total number of training for females (hours)	134	15	0
Total number of training for males (hours)	24,709	20,889	16,422
Total number of training for total workforce (hours)	24,843	20,904	16,422
Average hours of training per year for female employee	0.54	0.019	0
Average hours of training per year for male employee	10.5	10.2	9.0
Average hours of training per year for employee	11	10.20	9
Total cost of training (QR)	3,439,337	1,801,121	669,687
Average cost of training per employee (QR)	1,517.0	895.6	368.4

The HC department at Qatar Steel actively develops capacities in leadership and strategic development. The company has a successful leadership succession planning programs which provide top leaders an opportunity to understand the health of the business, and gain a deeper understanding of the enterprise goals. Leadership development opportunities are provided at all levels of the organization. As part of the succession planning program, all experienced and capable employees are prepared to assume key business positions.

PERFORMANCE BASED COMPENSATION AND REWARDS

Qatar Steel uses the Balanced Scorecard approach; this measures strategic performance along four dimensions: financial, internal business processes, customer satisfaction and learning and growth. Metrics have been developed in each of these areas to monitor progress towards strategic objectives. We help employees reach these targets by developing specific and informative job descriptions, which assist employees in understanding their duties, and guides managers in setting their team on the correct track. Additionally, the HC department conducts yearly performance appraisals and reward the best performers with merit increases and bonuses, and awards to incentivize employees to achieve better organizational performance. Qatar Steel rewards its best-performing employees with additional incentive mechanisms, including the QC-Circle reward for best-performing teams, an annual bonus, and HSE-related awards.

INSTILLING GOOD GOVERNANCE AND ACCOUNTABILITY

Governance and accountability underpin the entire organization at Qatar Steel. These values guide all internal policies, standards, and regulations. Providing a clear framework of governance is more than just values; it is good for business. As a responsible stakeholder and a leading corporation, governance and accountability are strategic values that mitigate risks, improve client relations, and ensure that Qatar Steel is operating sustainably.

CORPORATE GOVERNANCE

Good governance is a key priority for Qatar Steel, particularly in the current business climate. The company strives to improve management efficiency, expedite the decision-making processes, and ensure transparency in corporate actions. Qatar Steel is steadily improving its corporate governance structures based on the vision and principles of the Corporate Governance Charter which maintains the Board of Directors' (BoD) independence and protect shareholder's rights. The Board consists of seven highly qualified individuals who are appointed at a General Assembly by the corporation's principal shareholder, Industries Qatar (IQ).

The Board reviews Qatar Steel's performance during General Assembly meetings, where reports on the previous year's results and prospects are presented for discussion. The Board is mandated to meet at least four times per year.



Mr. Saad Rashid Mohd Al-Muhannadi
Chairman



Mr. Abdulla Ghaith Al-Kuwari
Vice Chairman



Mr. Ali Bin Hassan Al-Muraikhi
Managing Director & General Manager



Mr. Ibrahim Akber Ali Al-Mulla
Director



Mr. Abdulla Mohamed Al-Mahmoud
Director



Mr. Rashid Ali Al-Dosari
Director



Sh. Saoud Bin AbdulRahman Al-Thani
Director

ACCOUNTABILITY AND ETHICS

The company's leadership position in accountability and ethics starts at the Board and Executive level. Qatar Steel has processes in place throughout the organization to ensure these values are transmitted and embedded in every department and level of the company. This sustainability report is just one of many evidences to Qatar Steel's commitment to integrity and transparency in its operations.

In 2016, the company's progress on these fronts includes: a governance charter, a procurement policy that facilitates transparent and objective contract tendering, and requirements that suppliers work with integrity and meet Qatar Steel's ethical standards. The company's expectations extend beyond the minimum legal requirements and standard business practices; Qatar Steel's conduct is grounded in the moral values of honesty and fairness. This serves as the foundation of the superior organizational culture to which the organization aspires.

MANAGEMENT SYSTEMS

Qatar Steel's management system has achieved two ISO certifications: ISO 14001 for the company's Environmental Management System (EMS) in 1999 and ISO 9000 for the company's Quality Management System (QMS) in 1995. The continued excellence of the management systems is reflected in the company's certifications, and the on-going success of its Quality Management System.

Internal Audit

The Internal Audit team continues to play a prominent role in the company's governance and management systems. Its vigilance provides assurance that satisfactory systems, policies, and procedures are in place and being followed to ensure that the company's assets are safeguarded and the company objectives are being met. It ensures financial systems and procedures are in place and being followed to ensure timely and accurate financial reporting to the Directors, Management, and Stakeholders that help ensure the company's financial objectives are being met. Additionally, it assures that the policies and practices are in place to communicate and monitor the company's compliance with appropriate laws and regulations.

The Board Audit Committee also continues to support the Board in its oversight responsibilities, particularly those relating to: 1) the integrity of the company's financial statements and financial reporting process; 2) effectiveness of the company's internal accounting and financial controls systems; 3) the internal audit process for monitoring compliance with laws and regulations; and 4) business codes, ethics, and conduct.

RISK MANAGEMENT

Qatar Steel's vision of Risk Management holds that all significant obstacles to the achievement of the company's strategic objectives must be identified, assessed, and managed within acceptable levels. To achieve this vision, for the year 2015, the company adopted a comprehensive and integrated Enterprise Risk Management (ERM) framework for mitigating the various risks to which the businesses are exposed to in the course of their operations, as well as in their strategic actions.

Further to this in the year 2016, a comprehensive Group wide Bottom-up and Top Down risk assessment has been performed, wherein Internal and external factors affecting the company's ability to achieve set objectives are identified at various points in the business cycle. Such identified risks are captured in the department-wise Risk Register, to catalogue, rate, and flag the risks, which are being monitored and reported. This process will heavily support the management of sustainability risks and priorities, and will influence the deployment of Qatar Steel's Sustainability Roadmap.

ACHIEVING PROFITABLE GROWTH

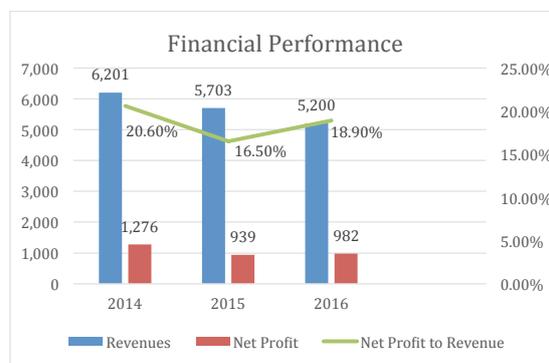
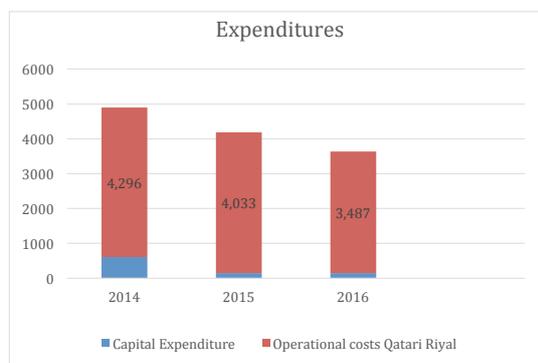
Qatar Steel has delivered solid performance in preserving its market share in 2016 despite navigating turbulence in the global steel industry including cheap imports, supply surpluses, as well as domestic challenges arising from government budget cuts, and deferred infrastructure investments.

Budget deficits, an oversupply of steel globally, and client cutbacks have posed challenges in growing the business. Qatar Steel has met these challenges head on by improving efficiencies across the board, innovating its way to success, and ensuring it is the supplier of choice for the domestic market. Sales volumes have been stable and high-quality steel has proven time and again to be the preferred product of choice. Qatar Steel continues to work with loyal clients, including the state of Qatar, which has shown commendable resolve to continue financing major projects in the lead up to FIFA World Cup 2022.

Although Qatar Steel has maintained sales volumes, low global steel prices have resulted in 2016 revenues being less than past performance. Despite these challenges, the company was still able to post a profit, something that cannot be said of other regional steelmakers. Qatar Steel posted a higher profit for the first half of 2016, totalling \$ 179 million (QAR 651 million), up 24.7% year over year. In 2016 Qatar Steel produced 1.8 million tons of rebar, which is actually 0.2 million tons more than the company's original design capacity, due to the second rolling mill which achieved a record production of more than 1 million tons. Operational and cost efficiencies were another factor which contributed to positive financial results. Operational efficiencies also contributed positively to financial results inspite of high increases in power tariff to the tune of 12.5-25% over the past year.

FINANCIAL PERFORMANCE

Ensuring financial strength and resilience while maintaining profitable growth is a strategic imperative for Qatar Steel. This focus allows the company to invest in growth, which in turn powers innovation and product initiatives. Qatar Steels has a steadfast commitment to executing its financial goals within a balanced framework and in line with the requirements of IQ. The company's strategy and planning teams are committed to respond efficiently to the intense competition and fluctuating market demand.



Direct Economic Value Generated and Distributed (Million QAR)			
	2014	2015	2016
Revenues	6,201	5,703	5,200
Net Profit	1,276	939	982
Net Profit to Revenue	20.6%	16.5%	18.9%
Capital Expenditure	604	151	147
Other Incomes	234	128	142
Operational costs Qatari Riyal	4,296	4,033	3,487
Employees' wages and benefits	588	597	559
Community investment	10,825,000	341,000	121,750

STRATEGIC INVESTMENTS

Qatar Steel pursues its growth strategy of upgrades and new expansions in order to meet the growing steel demand in Qatar and to consolidate its competitive position in the regional markets within GCC.

We strive to grow by leveraging available and cheap natural resources, acquiring new technology and product diversification through partnerships and acquisitions. We look for strategic investments by way of acquisitions and joint ventures in iron ore and steel related production facilities to secure basic raw materials for production and to seize market opportunities for down-stream products.

During 2015 - 2016, the strategic priorities for the company had changed with focus on operational excellence (safety and cost). Global economy down with Chinese real GDP growth trending down to 6.9% on 2015 and 6.7% on 2016. Over supply of steel products had badly affected the global steel market resulting in price drop by around 35-40% in the last two years. Due to lower Brent crude prices and fiscal deficit among oil exporting countries, GCC economics in general are moving towards new revenue streams.

Qatar Steel's growth strategies are addressed in the company's five-year business plan, which is re-examined and updated annually. Under current circumstances, to stay competitive, we have gone ahead with full-fledged cost optimization program with committed reductions in Operations. The consolidated Business Plan 2017-21 covers our current business from the operating units in Qatar and Dubai as well as the strategic investments of Q-Coat, Foulath and SOLB Steel.

COST OPTIMIZATION

Profits are a matter of revenues minus expenses, and while Qatar Steel cannot influence global steel prices, it can exert its best efforts on cost optimization. This ensures effective and efficient deployment of existing resources for capability maximization. Some of the key avenues of internal resource optimization include process re-design for efficiency, technology upgrades, workforce planning, role clarification, skill alignment, cross functional/departmental communication, flattening organizational hierarchy, and stronger governance and accountability at the team level. The greatest opportunities for efficiency can be delivered by improving how the organization functions as a whole. Qatar Steel has identified 3 areas of focus: Operational Efficiency, Selling, General and Administrative Expenses (SG&A) and Manpower.

At Qatar Steel, implementing cost optimization strategies is a continuous process. Standard tasks, roles and procedures can translate valuable knowledge into cost reductions. Systems have been built to encourage feedback and iterate upon these processes.

A 3-Year Cost Optimization Program was initiated with full support from the MD&GM and the Senior Management Team. An implementation team comprised of multidisciplinary engineers and executives (Continuous Improvement Team – CI Team) have been tasked with driving the changes. A portfolio of prioritized initiatives is tracked, monitored and reported throughout the implementation cycle, resulting in cost reductions. Each employee has a role to play in this program and without their support this ambitious program would not be a success.

APPENDICES

APPENDIX A: SCOPE OF THE REPORT

Profile: This is Qatar Steel's follow-up sustainability report; it reflects the company's updated sustainability performance for 2016 and provides comparable data for 2014 and 2015 where available. The report covers a number of environmental, social, and economic aspects.

Scope and boundary of the report: Qatar Steel has analysed sustainability issues within Qatar, the industry, and the region, and has identified its sustainability material issues in all environmental, social, and economic areas, taking into consideration the QNV 2030, the National Development Strategy 2011–2016, and the SDI initiative. Qatar Steel has prioritised its key material and sustainability issues to develop its sustainability approach. This report covers Qatar Steel's performance in Qatar, and does not reflect subsidiaries' performance in their environmental, social, and economic aspects.

This report was developed based on the Global Reporting Initiative (GRI) sustainability framework and indicators. Qatar Steel has also added an index for the International Petroleum Industry Environmental Conservation Association (IPIECA).

Stakeholder inclusiveness: Based on Qatar Steel's understanding of the importance of stakeholder engagement, the company has developed its stakeholder map identifying key stakeholder groups, their priority issues, methods of stakeholder engagement, and Qatar Steel's response to stakeholder input. Qatar Steel believes that this report covers and communicates with all of the company's key stakeholders, and Qatar Steel believes that all identified stakeholders would be interested in reading the company's sustainability report. Qatar Steel also encourages stakeholders to provide feedback on the company's sustainability performance by contacting us via email: Sustainability@qatarsteel.com.qa.

Comparability and balance: This report provides data that covers Qatar Steel's performance in 2012, 2013, 2014, 2015 and 2016 presenting Qatar Steel's successes as well as main economic, environmental, and social challenges. This report uses the GRI Standards, which provide clear comparisons.

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

Clarity of information: Qatar Steel has tried to clearly communicate its sustainability information in this report, besides using the GRI framework, which helps ease report reading and understanding.

Assurance: The report was not externally assured.

APPENDIX B: MATERIALITY & MATURITY ASSESSMENT

A process of materiality determination is used to focus Qatar Steel's approach to sustainability, ensuring Qatar Steel is managing and reporting on the most important issues. Determining sustainability materiality is an ongoing process that continues to incorporate the input of stakeholders, as well as international and national initiatives and guidelines. For the 2016 report, this has included:

- Internal engagement with all departments of the organization
- Alignment with the Qatar National Vision (QNV) 2030
- Alignment National Development Strategy (NDS) 2011-2016
- Alignment Qatar Energy and Industry Sector Sustainability (QEISS) Program
- The GRI Standards material topics
- The IPIECA sustainability reporting guidelines

[102-40]

[102-42]

[102-43]

[102-46]

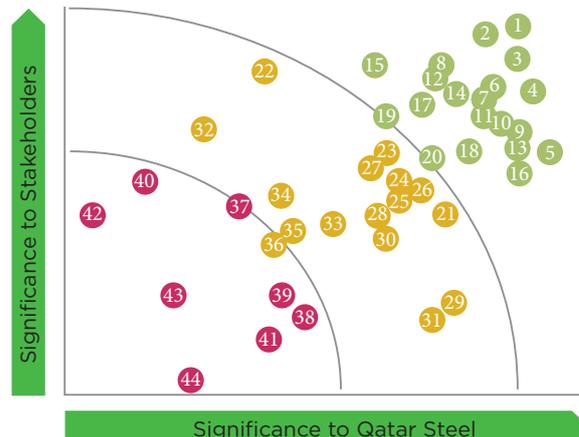
The material sustainability aspects selected through an internal assessment process reflect Qatar Steel's significant economic, environmental, and social impacts, or they influence substantively the assessments and decisions of stakeholders. All of the material aspects are material within all parts of the organization and Qatar. The materiality assessment was conducted in 2014 by surveying stakeholders and different departments in Qatar Steel asking them to evaluate the 44 material issues. The average scores from Qatar Steel and all stakeholder groups combined were used to generate a materiality matrix or 'map' plotting each issue on an X-Y axis where the X axis represents the significance of impacts to Qatar Steel. Furthermore management in 2016 reviewed the materiality matrix and priorities were revised.

Top Material Issues	
1	Employee Safety
2	Emergency preparedness
3	Contractor safety
4	Occupational Health
5	Operational Efficiency
6	Waste Management and Recycling
7	Customer Satisfaction
8	Product Quality
9	Product Innovation
10	Product Traceability
11	Energy Consumption
12	Water Consumption
13	GHG Emissions
14	Corporate Governance
15	Risk Management
16	Qatarization
17	Financial Performance
18	Strategic Investment
19	Training and Development
20	Performance Based Compensation and Rewards

Materiality Matrix

Qatar Steel (2016)

● Least Material ● Somewhat Material ● Very Material



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[102-44]
[102-47]

Sustainable development maturity matrix for continual improvement of Qatar Steel certification of their products:

Qatar Steel assesses its level of performance against CARES Sustainable Constructional Steel Scheme Principles using a maturity matrix.

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
INCLUSIVITY	Stakeholder engagement and issue identification	- No issue identification	- Issues that create a competitive advantage are addressed and used for publicity	- Relationships with stakeholders nurtured through continued engagement and issues are clearly addressed	<ol style="list-style-type: none"> 1. Meeting and discussion with Qatar Ministry of Environment through Qatar Steel's Environmental Monitoring Program to ensure compliance with all applicable external requirements and regulations and getting the Ministry Consent to Operate. 2. Continual engagement with Qatar Steel employees through satisfaction surveys that help the management in identifying main concerns to employees. Additionally, open door policy is followed in Qatar Steel. 3. Qatar Steel conduct an annual stakeholder mapping for its stakeholders, identifying channels of engagement, main concerns, and Qatar Steel response to them. 4. Qatar Steel is in the process of establishing its Stakeholder Advisory Group, comprising of representatives from our key stakeholders, to act as an advisory body during our journey toward sustainability. In 2014, Qatar Steel made progress in developing a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on our approach to sustainability. 5. Qatar Steel actively gather feedback from stakeholders on its sustainability reporting and performance through an online feedback form available to all stakeholders. 6. Qatar Steel maintain close links with certification bodies certifying ISO 9001, ISO 14001, OHSAS 18001, Sustainability Scheme Certification, Responsible Sourcing (BES 6001), ISO 17025, and Product certification.

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PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
INTEGRITY	Key Drivers	IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	<p>1. Qatar Steel is working in partnership with the Ministry of Environment in Qatar to ensure all targets agreed in the Consent to Operate are managed and reported correctly.</p> <p>2. Qatar Steel is an active participant in Qatar Energy and Industry Sector Sustainability (QEISS) Programme and report on key sustainability indicators to the program on annual bases.</p> <p>3. Qatar Steel's Environmental Monitoring Program to ensure compliance with all applicable regulations.</p> <p>4. Qatar Steel has integrated Sustainability in its corporate strategy and are in the process of implementing a sustainability roadmap that will identify opportunities/risks associated with sustainability.</p> <p>5. Identified risks are captured in the Department wise Risk Register, to catalogue, rate, and flag the risks, which are being monitored and reported. This process heavily support the management of our sustainability risks and priorities, and will influence the development of Qatar Steel's Sustainability Roadmap.</p>
		- Reactive: driven by regulatory, EA, shareholder and/or investor pressures and cost/return decisions	- Sustainable development part of reputation/risk management	- Proactive planning and seeking out opportunities	
		Leadership	- Adhere to at least one sustainable development standard	- Stay appraised of changes in practice, standards and legislation	
	- Compliance by the book	- Main risks identified and managed but possibly not integrated with sustainable development management system	- Sustainable development policies fully integrated with risk management system. - Seek to adhere to the principles of risk management rather than simply do the minimum for compliance		
Managing Risk	- Compliance by the book	- Main risks identified and managed but possibly not integrated with sustainable development management system	- Sustainable development policies fully integrated with risk management system. - Seek to adhere to the principles of risk management rather than simply do the minimum for compliance	<p>1. Qatar Steel has an EMS according ISO 14001, a HSMS according OHSAS 18001.</p> <p>2. Qatar Steel adopted a comprehensive and integrated Enterprise Risk Management (ERM) framework for mitigating the various risks to which the businesses are exposed to in the course of their operations, as well as in their strategic actions</p>	

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
STEWARDSHIP	Sustainable development culture	<ul style="list-style-type: none"> - See sustainable development as a PR issue only. - Only implement sustainable development initiatives with low cost/impact 	<ul style="list-style-type: none"> - See a business advantage in sustainable development but still PR/marketing focused. - Develop internal/external education program 	<ul style="list-style-type: none"> - Culture of sustainable development is embedded at all levels. - Share know-how outside the organisation 	<ol style="list-style-type: none"> 1. Culture of sustainable development and are fully integrated in all levels. Duties regarding sustainability programs are integrated in the department level, and performance measuring for sustainability is tracked through Qatar Steel Balanced scorecard. 2. Qatar Steel conducts annual sustainability training's for different levels of the organization. 3. Qatar Steel has a Sustainability Team in place that works as agents of change in their departments and linking departmental sustainability goals, with the organizational sustainability goals. 4. Qatar Steel has a dedicated budget for community investment.
	Building capability	<ul style="list-style-type: none"> - Grant employees statutory only 	<ul style="list-style-type: none"> - Stimulate innovative learning and empower employees 	<ul style="list-style-type: none"> - Continual reappraisal and training including training that builds capability for future expansion. - Recognise and reward innovation in sustainable development 	<p>Qatar Steel has a training plan including theoretical and practical training regarding quality, environment, H&S and Sustainability. However, this plan is not yet integrated in the whole organization and only cover partial number of employees. This will improve in the coming years.</p>
	Supply chain	<ul style="list-style-type: none"> - Lowest prices suppliers. - Latest possible payment 	<ul style="list-style-type: none"> - Supplier rating based on technical compliance, cost and delivery time, and possibly sustainable development factors 	<ul style="list-style-type: none"> - Recognise that the supply chain has common long-term interests and take those into account. - Assistance given to lower tiers where necessary 	<ol style="list-style-type: none"> 1. Suppliers are selected based on technical compliance, cost, delivery time, environmental, safety, and human rights performance and criteria. 2. Sustainability criteria are implemented in the selection of suppliers through screening them on environmental, health and safety, and human rights performance. Further developments on this are expected in the coming year.
	Environmental assessment	<ul style="list-style-type: none"> - Minimal awareness. - Defensive posture 	<ul style="list-style-type: none"> - Education and training. - Apply environmental policies and standards 	<ul style="list-style-type: none"> - Comprehensive environmental impact/risk, audit integrated in decision making and valued. - Prevention rather than cure approach 	<ol style="list-style-type: none"> 1. Qatar Steel has an EMS/OHSAS and it conducts a sustainability materiality assessment on an annual base to identify the key issues for stakeholders (including environmental issues). 2. Qatar Steel have a dedicated Risk Management functions that also investigate environmental risks in the organization and communicated to the board level through the Audit Committee.

PRINCIPLES AND PRACTICES		CHARACTERISTICS OF THE APPROACH TO SUSTAINABILITY IN DEVELOPING ORGANIZATIONS OBSERVATIONS			OBSERVATIONS
		MATURITY			
		IMMATURE	ADEQUATELY ENGAGED	FULL ENGAGEMENT	
TRANSPARENCY	Review	- Conventional reporting only	- Needs if stakeholders analysed	- Periodic review and adjustment	<p>1. Formal management reviews undertaken annually and objectives and targets set to reflect continual improvement as a part of EMS.</p> <p>2. Reporting on progress on sustainability is part of the corporate balanced scorecard. Each Department is integrating sustainability performance in its goals and targets and report back on them.</p> <p>3. Qatar Steel have been issuing sustainability reports since 2011, providing a transparent channel of its sustainability performance to its stakeholders.</p> <p>4. Quarterly review and updating of Sustainability Road Map and reporting it during Balance Score card meeting</p>
	Building confidence	- Minimal communication with stakeholders	- Selective reporting to predetermined ends	<p>- Stakeholders receiving regular and appropriate reporting.</p> <p>- Building understanding in the stakeholder community</p>	<p>1. Qatar Steel is in the process of establishing its Stakeholder Advisory Group, comprised of representatives from its key stakeholders, to act as an advisory body during our journey toward sustainability. In 2014, Qatar Steel made progress in developing a charter for the Group, by mapping the external and internal representatives of different stakeholder groups and by establishing internal governance structures for effective engagement with the Group. In 2017, Qatar Steel is planning to hold the first meeting of the Advisory Group to gather initial feedback on our approach to sustainability.</p> <p>2. Qatar Steel actively gathers feedback from stakeholders on its sustainability approach and reporting through an online feedback form available to all stakeholders.</p>

APPENDIX C: GRI CONTENT INDEX AND IPIECA INDEX



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organizational profile			
	102-1 Name of the organization	Qatar Steel		
	102-2 Activities, brands, products, and services	21		
	102-3 Location of headquarters	Doha		
	102-4 Location of operations	10, 21		
	102-5 Ownership and legal form	27		
	102-6 Markets served	21		
	102-7 Scale of the organization	21, 28, 43		
	102-8 Information on employees and other workers	38		
	102-9 Supply chain	30, 33		
	102-10 Significant changes to the organization and its supply chain	No significant changes		
	102-11 Precautionary Principle or approach	The precautionary approach is embedded in Qatar Steel's sustainability management		
	102-12 External initiatives	44		
	102-13 Membership of associations	44		
	Strategy			
	102-14 Statement from senior decision-maker	9		
	102-15 Key impacts, risks, and opportunities	41		
	Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	11, 40			
Governance				
102-18 Governance structure	40			

Stakeholder engagement		
102-40 List of stakeholder groups	44, 45, 56	
102-41 Collective bargaining agreements	Collective bargaining is illegal in Qatar.	
102-42 Identifying and selecting stakeholders	46	
102-43 Approach to stakeholder engagement	46	
102-44 Key topics and concerns raised	12, 45	
Reporting practice		
102-45 Entities included in the consolidated financial statements	Financial statements include the activities of Qatar Steel. No other entity is included.	
102-46 Defining report content and topic Boundaries	44	
102-47 List of material topics	45	
102-48 Restatements of information	No restatements	
102-49 Changes in reporting	There have been no significant changes to the report Scope and Aspect Boundaries	
102-50 Reporting period	44	
102-51 Date of most recent report	2015	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	sustainability@qatarsteel.com.qa	
102-54 Claims of reporting in accordance with the GRI Standards	6	
102-55 GRI content index	50-55	
102-56 External assurance	Qatar Steel does not seek external assurance for its sustainability report.	
Material Topics		
GRI 200 Economic Standard Series		

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42	
	103-2 The management approach and its components	43	
	103-3 Evaluation of the management approach	43	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	41	
	201-2 Financial implications and other risks and opportunities due to climate change	41	
	201-4 Financial assistance received from government	Qatar Steel is fully owned by the Government	
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	27	
	103-2 The management approach and its components	27	
	103-3 Evaluation of the management approach	27	
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	27	
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	30	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	41	
	205-3 Confirmed incidents of corruption and actions taken	0	
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32	
	103-2 The management approach and its components	32	
	103-3 Evaluation of the management approach	32	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	33	
	301-2 Recycled input materials used	33	
	301-3 Reclaimed products and their packaging materials	33	

Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34	
	103-2 The management approach and its components	34	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	34	
	302-2 Energy consumption outside of the organization	34	
	302-3 Energy intensity	34	
	302-4 Reduction of energy consumption	34	
	302-5 Reductions in energy requirements of products and services	34	
Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35, 36	
	103-2 The management approach and its components	35, 36	
	303-3 Water recycled and reused	35	
Biodiversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33	
	103-2 The management approach and its components	33	
	103-3 Evaluation of the management approach	33	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33	
	304-2 Significant impacts of activities, products, and services on biodiversity	33	
	304-3 Habitats protected or restored	33	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	33	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	34	
	103-2 The management approach and its components	34	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34	
	305-2 Energy indirect (Scope 2) GHG emissions	34	
	305-4 GHG emissions intensity	34	
	305-5 Reduction of GHG emissions	34	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	35	
Effluents and Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	36	
	306-2 Waste by type and disposal method	36	
	306-3 Significant spills	0	
	306-4 Transport of hazardous waste	36	

Environmental Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	We have not identified any non-compliance with environmental laws and/or regulations.	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37	
	103-2 The management approach and its components	37	
	103-3 Evaluation of the management approach	37	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	37, 38	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	37	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16	
	103-2 The management approach and its components	16-20	
	103-3 Evaluation of the management approach	16-20	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	17, 19	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	20	
	403-4 Health and safety topics covered in formal agreements with trade unions	Not Applicable	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39	
	103-2 The management approach and its components	39	
	103-3 Evaluation of the management approach	39	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39	
	404-2 Programs for upgrading employee skills and transition assistance programs	39	
	404-3 Percentage of employees receiving regular performance and career development reviews	39	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37	

Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	0	
Child Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Qatar Steel does not have operations where there is significant risk of child labor. Furthermore, the company does not hire anyone under the legal working ages in Qatar.	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	None	
Forced or Compulsory Labor			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Qatar Steel adheres to all laws relating to worker rights, and follows international guidelines. Overtime is duly compensated, and employee passports are not retained. The company also takes significant steps to help ensure that there are no violations of worker rights, including forced or compulsory labor, among contractors.	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30	
	103-2 The management approach and its components	30	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	30, 31	
	413-2 Operations with significant actual and potential negative impacts on local communities	30	
Marketing and Labeling			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	There have been no incidents of non-compliance registered	
	417-3 Incidents of non-compliance concerning marketing communications	There have been no incidents of non-compliance registered	

IPIECA Index

Chapter	IPIECA
About This Report	
Message from the Managing Director and General Manager	
Who We Are	
Qatar Steel's Approach to Sustainable Development	
Making Steel Matter	HS4
Contributing to Qatar's Development	SE1, SE4, SE5, SE6, SE7
Reducing Environmental Impact	E1, E2, E5, E6, E7, E8, E9, E10
Ensuring a Safe and Healthy Work Environment	HS1, HS2, HS3, HS5
Developing a High-Performing and Motivated Team	SE8, SE9, SE15, SE16, SE17, SE18
Instilling Good Governance and Accountability	SE95, SE95
Achieving Profitable Growth	

APPENDIX D: Material Issues and their Boundaries

S No	Qatar Steel Material Issue	Aspect Boundary
1	Employee Safety	Employees, Shareholders, Environment
2	Emergency Preparedness	Shareholders, Environment, Society, Employees
3	Contractor Safety	Employees, Shareholders, Environment
4	Occupational Health	Shareholders, Employees, Society
5	Operational Efficiency	Shareholders, Employees
6	Waste Management and Recycling	Shareholders, Environment, Society
7	Customer Satisfaction	Shareholders, Customers
8	Product Quality	Shareholders, Customers, Environment, Society
9	Product Innovation	Shareholders, Customers, Environment, Society
10	Product Traceability	Shareholders, Customers
11	Energy Consumption	Shareholders, Environment
12	Water Consumption	Shareholders, Environment, Society
13	GHG Emissions	Shareholders, Environment, Society
14	Risk Management	Shareholders, Employees
15	Qatarization	Shareholders, Employees, Society
16	Corporate Governance	Shareholders, Employees
17	Financial Performance	Shareholders, Customers, Environment, Society, Employees
18	Strategic Investments	Shareholders, Employees
19	Training and Development	Shareholders, Employees
20	Performance Based Compensation and Rewards	Shareholders, Employees
21	Responsible Sourcing and Material Consumption	Shareholders, Customers, Environment, Society

APPENDIX E: GLOSSARY

Climate Change	A significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years.
Corporate Governance	The system by which companies are directed and controlled. It involves regulatory and market mechanisms and the roles and relationships between a company's management, its board, its shareholders, and other stakeholders, and the goals toward which the corporation is governed.
Global Reporting Initiative (GRI)	A network-based organisation that produces a comprehensive sustainability reporting framework widely used around the world with the aim of mainstreaming disclosure on environmental, social, and governance performance. GRI is committed to the framework's continuous improvement and application worldwide.
Greenhouse Gas Emissions	Gas emissions, which contribute to the trapping of heat inside the atmosphere (resulting in the phenomenon of global warming).
Gulf Cooperation Council (GCC)	A political and economic union of the Arab states bordering the Persian Gulf and located on or near the Arabian Peninsula, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.
Qatarization	An initiative by the government of Qatar to increase the number of Qatari nationals in all joint-venture industries and government departments.
Qatar National Vision 2030	A long-term national vision built on the guiding principles of Qatar's Permanent Constitution. It reflects the aspirations of the Qatari people and the resolve of their political leadership, and envisages a vibrant and prosperous country with economic and social justice for all, in which nature and humans are in harmony.
Stakeholders	Groups or individuals who affect and/or could be affected by an organisation's activities, products, services, or associated performance.
Sustainability	A state where the current generation can meet their needs without compromising the ability of future generations to meet their own needs.
Sustainability Management	The integrated management of economic, social, and environmental issues in a way that maximises value for all stakeholders.

APPENDIX F: ACRONYMS

AAQMS	Ambient Air Quality Monitoring Systems	KILN	Calcined Limestone
AISU	Arab Iron and Steel Union	m ³	Cubic metre
ASTM	American Society for Testing and Materials	MAP	Mutual Aid Plan
CC	Continuous Casting	mg/Nm ³	Milligram per normal cubic metre
CEMS	Continuous Emissions Monitoring System	MIC	Mesaieed Industrial City
CRM	Customer Relations Management	mm	Millimetre
DCL	Dubai Central Laboratory	MoE	Ministry of the Environment
DG	Regulations and Enforcement Directorate	MoU	Memorandum of Understanding
DR	Direct Reduction	MPa	Megapascal
DRI	Direct Reduced Iron	MT	metric ton
EAF	Electric Arc Furnace	MWh	Megawatt-hour
EIA	Environmental Impact Assessment	NDS	National Development Strategy 2011-2016
EMS	Environmental Management System	NO _x	Nitrogen oxides
ERP	Enterprise Resource Planning	PHE	Process Hazard Evaluations
Foulath	Gulf United Holding Company	PLC	Programmable Logic Controller
FZE	Free Zone Establishment	ppm	Parts per million
GCC	Gulf Cooperation Council	Q-Coat	Qatar Metals Coating Company W.L.L.
GIIC	Bahrain, Gulf Industrial Investment Co.	QEISS	Qatar Energy and Industry Sector Sustainability Programme
GJ	Gigajoule	QMS	Quality Management System
GRI	Global Reporting Initiative	QNV	Qatar National Vision 2030
HBI	Hot Briquetted Iron	QR	Qatari Riyal
HMI	Human Machine Interface	RM	Rolling Mill
HSE	Health, Safety, and Environment	SASO	Saudi Arabian Standards Organisation
IFRS	International Financial Reporting Standards	SDI	Sustainable Development Industry
IQ	Industries Qatar	SEAISI	South East Asia Iron and Steel Institute
ISO	International Organisation for Standardisation	SMS	Steel Melting Shop
IUCN	the International Union for Conservation of Nature	SMS	Sustainability Management Systems
JIS	Japanese Industrial Standards	SO _x	Sulphur oxides
Kg	Kilogram	TRCF	Total Reportable Cases Frequency
kWh	Kilowatt-hour	UAE	United Arab Emirates
LF	Ladle Furnaces	Worldsteel	World Steel Association
LOC	Loss of Containment	XRF	X-Ray Fluorescence Spectrometer
LTIF	Lost-Time Injury Frequency	UKCARES	UK Certification Authority for Reinforcing Steels

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