



DK
DEKHEILA

IRON & STEEL

عز-الدخيلة
الحديد والصلب

EZDK SUSTAINABILITY HIGHLIGHTS

*Driven by Responsibility,
Building a Better Tomorrow*



ENVIRONMENT
(ISO 14001)



SUSTAINABILITY
(CARES SCS)



**SOCIAL
RESPONSIBILITY**



SAFETY
(ISO 45001)



GOVERNANCE
(ISO 9001)



STRONGER STEEL. CLEANER FUTURE. SHARED PROGRESS.



Al Ezz Dekheila Steel Co. – Alexandria

▪ **Ezz Steel At the Heart of Egypt's Development:** Supporting Egypt's Growth Through Steel.

Egypt is building for the future, and steel remains central to that progress. As part of the Ezz Steel Group, EZDK supports national development through high-quality long and flat steel products serving construction, transportation, energy, manufacturing, and infrastructure sectors.

From roads, bridges, railways, and ports to power plants, factories, and housing developments, EZDK contributes to projects that support everyday life and economic growth. Through innovation, quality, sustainability, and operational excellence, EZDK continues to strengthen Egypt's industrial capabilities while serving regional and international markets.

Ezz Steel is not only participating in Egypt's development story-it is helping shape it.



■ **ESG Strategy and Pillars:**

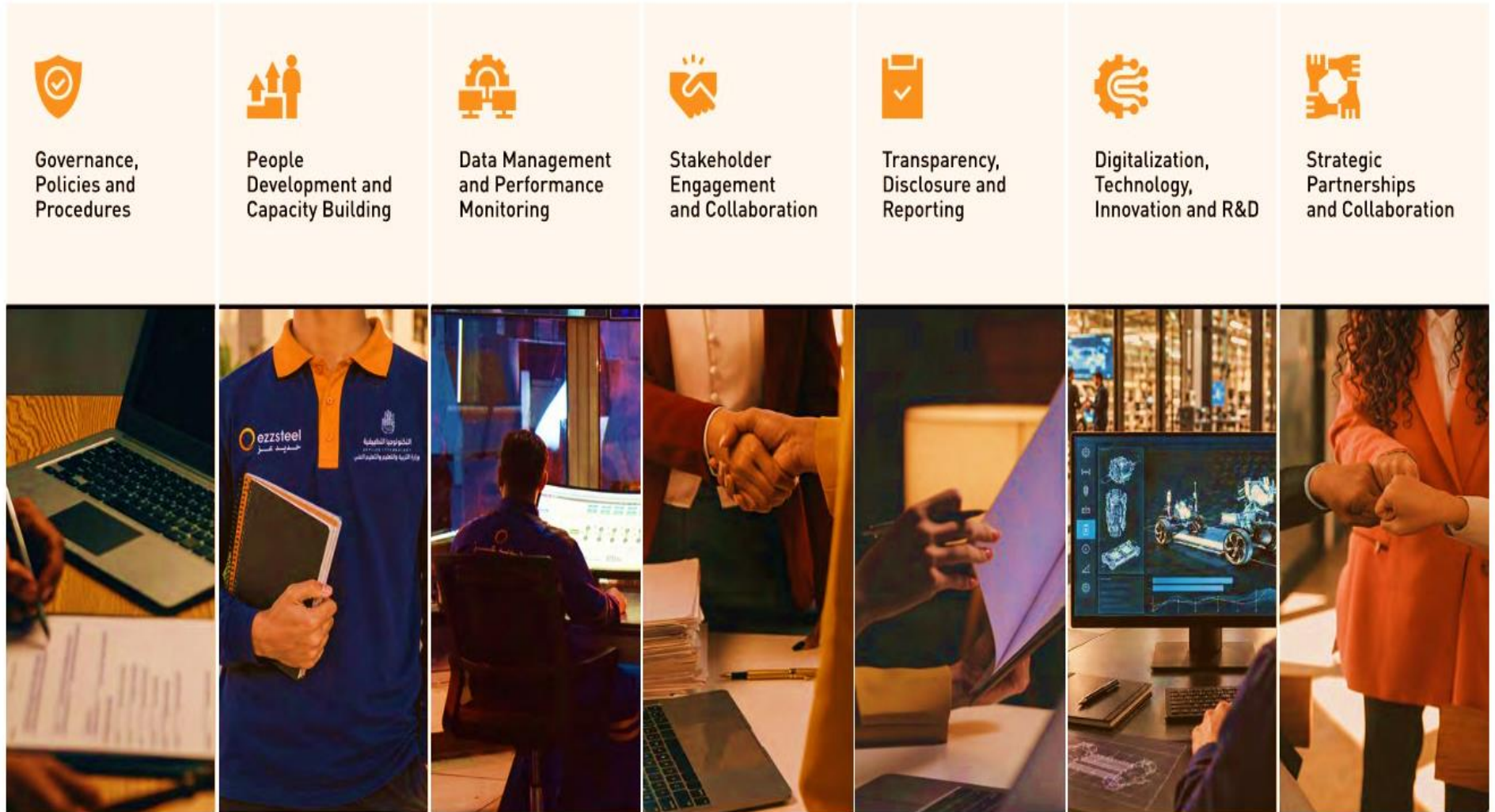
Embedding Sustainability in Steel, Creating Value for Generations.

As part of the Ezz Steel Group, EZDK is committed to creating long-term sustainable value by integrating Environmental, Social, and Governance (ESG) considerations into its operations and decision-making processes. Through its sustainability initiatives, environmental objectives, and continual improvement efforts, EZDK strengthens operational resilience, supports responsible growth, enhances stakeholder value, and contributes to the transition toward a lower-carbon future.

Guided by its ESG pillars, EZDK seeks to create positive impacts for employees, customers, communities, and the wider value chain while supporting Ezz Steel's vision for sustainable long-term success.

Responsible Governance and Business Conduct 	Climate, Environment, and Decarbonization 	People and Communities 
We believe that responsible governance is fundamental to sustaining trust, creating long-term value, and maintaining our position as a leading steel producer. By embedding integrity, accountability, and transparency across our operations, we strive to uphold the highest standards of ethical business conduct and corporate governance. Through robust oversight mechanisms, effective risk management practices, and active stakeholder engagement, we are strengthening our resilience and fostering a culture of responsible decision-making that supports sustainable growth.	We recognize our responsibility to manage environmental impacts and contribute to the transition toward a lower-carbon future. Through continual improvements in resource efficiency, environmental performance, and operational excellence, we seek to minimize our footprint while supporting sustainable industrial development. As we advance the development of our Decarbonization Roadmap, we are committed to identifying opportunities to reduce emissions, optimize resource use, and enhance environmental stewardship across our operations and value chain, creating lasting value for both society and the environment.	We believe that our success is intrinsically linked to the well-being of our people and the communities in which we operate. By fostering a safe, inclusive, and empowering workplace, we aim to support the growth, development, and engagement of our employees while creating meaningful social impact beyond our operations. Through investments in health and safety, talent development, community engagement, and social development initiatives, we strive to build strong relationships, enhance livelihoods, and contribute to the sustainable prosperity of our communities.
 Quality and Compliance  ESG Governance and Disclosures  Ethical and Transparent Operations  Development and Innovation (R&D)  Supply Chain Management	 CO₂ Emissions and Climate Change  Air Pollution  Water Consumption & Effluent Discharge  Energy Efficiency  Renewable and Clean Energy  Waste Management  Circular Economy and Material Efficiency	 Occupational Health and Safety  Labor Working Conditions and Human Rights  Employee Development and Talent Retention  Community Investments and Impact  Employee Diversity and Inclusion
   	    	   

Key Enablers of our ESG Strategy



■ Stakeholders:

Collaborating today to build a sustainable tomorrow.

Ezz Steel creates value through continuous engagement with our stakeholders. Their trust, feedback and collaboration guide our decisions, shape our strategy and drive our commitment to sustainable growth.



■ **Materiality Assessment:**

Understanding what matters, shaping what's next.

EZDK periodically assesses and prioritizes the sustainability topics most relevant to its stakeholders and business, considering ESG impacts, risks, opportunities, and strategic objectives. The results support sustainability planning, performance improvement, and long-term value creation.

Double Materiality Assessment Approach



The assessment began with a comprehensive review of Ezz Steel's business model, value chain, operating footprint, strategic priorities, and stakeholder ecosystem. This phase also considered key sustainability trends and challenges affecting the steel industry, emerging regulatory requirements, peer and sector practices, ESG reporting frameworks, and stakeholder expectations to establish a robust foundation for the assessment.

Building on the contextual analysis, a broad universe of sustainability topics was identified and screened to determine their relevance to Ezz Steel's operations and value chain. The long list was refined into a manageable shortlist by considering stakeholder concerns, industry-specific risks and opportunities, regulatory developments, business strategy alignment, and actual and potential impacts across the upstream, operational, and downstream stages of the value chain.

Each shortlisted topic was assessed from both an impact materiality and financial materiality perspective. Impact materiality was evaluated based on the scale, scope, likelihood, and severity of actual and potential impacts on the environment, society, and stakeholders. Financial materiality was assessed by considering the potential magnitude and likelihood of sustainability-related risks and opportunities affecting Ezz Steel's financial performance, operational resilience, market position, and long-term value creation. The assessment incorporated stakeholder feedback, management input, sector expertise, and benchmarking insights.

The assessment results were consolidated and mapped onto a double materiality matrix, enabling the prioritization of topics based on their relative significance from both impact and financial perspectives. Topics exceeding the defined materiality threshold were classified as material and prioritized for management, reporting, and strategic action. Additional enabling topics that support the management of material issues and long-term business resilience were retained as managed topics. The final results provide a key input into Ezz Steel's ESC Strategy, Decarbonization Roadmap, risk management processes, and sustainability reporting.

Materiality Matrix – Prioritizing the Most Significant Topics



Responsible Governance
and Business Conduct



Climate, Environment,
and Decarbonization



People and
Communities

Further Stakeholder Insights Shaping our Priorities

Stakeholder group	Primary concern areas	Effect on scoring
Employees and contractors 	Safety, working conditions, training, fair treatment, grievance handling	Raised impact scores for Occupational Health and Safety and Labor Working Conditions and Human Rights
Customers and distributors 	Product quality, certification, reliability, carbon footprint, delivery performance	Raised financial scores for Quality and Compliance, Climate and Supply Chain Management
Suppliers and service providers 	Procurement fairness, payment discipline, technical requirements, ESG expectations	Raised impact and financial scores for Supply Chain Management and Ethical and Transparent Operations
Investors, lenders and analysts 	Governance quality, climate exposure, disclosure credibility, resilience of strategy	Raised financial scores for Climate, Energy Efficiency, Quality and Ethical and Transparent Operations
Local communities and regulators 	Air quality, water, emergency preparedness, legal compliance, community contribution	Raised impact scores for Air Pollution, Water and Community Impact, and financial scores for Compliance
Board and senior management 	Cost, continuity, market access, reputation, exports, regulatory exposure	Raised financial scores for Energy Efficiency, Climate, Supply Chain and Quality

Impacts, Risks, and Opportunities Assessment per Material Topic

The table summarizes the key sustainability impacts, risks, and opportunities associated with Ezz Steel's material topics across the value chain, considering stakeholder expectations, regulatory requirements, market conditions, and industry challenges. Each topic is evaluated based on its environmental and social impact, business risk, and value creation potential.

Material Topic	Impact Materiality			Financial Materiality	Time Horizon and Value Chain Focus
	Directly Affected Stakeholder(s)	Actual/ Potential; Positive/Negative	Impact Description and Rationale	Impact Description and Rationale	
CO ₂ Emissions and Climate Change		Actual -	Steel production generates significant greenhouse gas emissions across the value chain, particularly through raw material processing, direct reduction, steelmaking, energy consumption, and transportation activities. As a major steel producer, Ezz Steel's emissions profile contributes to climate change and may influence the environmental footprint of downstream construction and industrial projects. Conversely, efforts to reduce emissions and improve process efficiency can contribute positively to climate mitigation and support national and global decarbonization objectives.	Risks: Increased operating costs resulting from future carbon pricing mechanisms (mainly CBAM), climate-related regulations, higher energy costs, and customer requirements for lower-carbon products. Physical climate risks may also affect operations, infrastructure, supply chains, and resource availability. Opportunities: Improved operational efficiency, access to sustainable finance, enhanced market access, strengthened customer relationships, and development of lower-carbon steel products that support green building and infrastructure projects.	
Occupational Health and Safety		Actual and Potential + -	Steel manufacturing involves exposure to high-temperature processes, heavy machinery, molten metal, material handling operations, and industrial traffic, creating inherent occupational health and safety risks. Failure to effectively manage these risks may result in injuries, illnesses, fatalities, and adverse impacts on employee well-being and productivity. A strong safety culture contributes positively to workforce welfare and operational reliability.	Risks: Costs associated with workplace incidents, medical treatment, compensation claims, regulatory penalties, operational disruptions, insurance costs, and reputational impacts. Opportunities: Improved workforce productivity, reduced downtime, enhanced employee engagement and retention, and strengthened operational resilience through proactive safety management.	
Energy Efficiency		Actual -	Steel production is highly energy-intensive and relies on significant electricity and fuel consumption throughout manufacturing processes. Improving energy efficiency reduces resource consumption, operating costs, and associated environmental impacts, while contributing to climate objectives and resource conservation.	Risks: Exposure to energy price volatility, energy supply disruptions, and increasing regulatory requirements related to energy performance and emissions. Opportunities: Reduced production costs, improved operational efficiency, lower emissions intensity, enhanced competitiveness and market access, and greater resilience to future energy market and regulatory developments.	

IMPACT MATERIALITY	TIME HORIZON	VALUE CHAIN IMPACT	STAKEHOLDER GROUP
 Negative impact on the environment and society  Positive impact on the environment and society	 Short (< 1 year)  Medium [1-3 years]  Long (> 10 years)	 Upstream: Procurement of raw materials, energy, equipment and services  Own operations: Integrated steel production and supporting business activities.  Downstream: Distribution of steel products and customer engagement across local and export markets.	 Employees and contractors  Investors, lenders and analysts  Board and senior management  Customers and distributors  Suppliers and service providers  Local communities and regulators

EZDK Sustainability Highlights

Material Topic	Impact Materiality			Financial Materiality	Time Horizon and Value Chain Focus
	Directly Affected Stakeholder(s)	Actual/ Potential; Positive/Negative	Impact Description and Rationale	Impact Description and Rationale	
Supply Chain Management		Actual and Potential  	Ezz Steel's operations depend on a diverse network of suppliers and service providers for raw materials, consumables, logistics, equipment and services. Environmental, social, and governance shortcomings within the supply chain may contribute to adverse impacts on workers, communities, and the environment, while disruptions may affect business continuity and product delivery.	Risks: Supply shortages, logistics disruptions, geopolitical developments, supplier non-compliance, quality issues, and cost increases that may affect production and customer commitments. Opportunities: Stronger supplier partnerships, improved supply chain resilience, responsible sourcing practices, enhanced quality performance, and increased stakeholder confidence in Ezz Steel's value chain.	  
Quality and Compliance		Actual and Potential 	Steel products are used in critical infrastructure, buildings, transportation systems, and industrial applications where product quality and compliance directly influence safety, durability, and performance. Maintaining high quality standards contributes positively to customer trust, public safety, and infrastructure reliability.	Risks: Product defects, certification failures, non-compliance with technical specifications or regulatory requirements, customer claims, and loss of market access. Opportunities: Enhanced reputation, stronger customer loyalty, expanded export opportunities, support for major infrastructure projects, and increased demand for innovative and higher-performance steel products.	   
Air Pollution		Actual 	Steel production processes, including direct reduction, steelmaking, rolling, material handling, and transportation activities, can generate air emissions such as particulate matter, dust, and other pollutants. If not effectively controlled, these emissions may adversely affect local air quality, employee health, surrounding communities, and ecosystems. Effective emissions management contributes positively to environmental protection, public health, and responsible industrial operations.	Risks: Non-compliance with air emission regulations may result in penalties, operational restrictions, increased compliance costs, remediation requirements, and reputational impacts. Community concerns regarding air quality may also affect the Company's social license to operate. Opportunities: Investments in emission control technologies and process optimization can improve environmental performance, strengthen regulatory compliance, reduce operational risks, and enhance stakeholder trust and reputation.	  
Water Consumption and Effluent Discharge		Actual 	Steel manufacturing requires substantial water resources for cooling, processing, and operational activities. Excessive water consumption or inadequate management of wastewater and effluent discharges may place pressure on local water resources and negatively affect surrounding ecosystems and communities. Efficient water management and recycling practices contribute to resource conservation, environmental protection, and long-term water security.	Risks: Water scarcity, increasingly stringent regulations, rising treatment costs, and operational disruptions resulting from water availability constraints may affect business continuity and production efficiency. Opportunities: Improved water efficiency, recycling systems, and closed-loop water management can reduce operating costs, strengthen resilience to water-related risks, improve environmental performance, and support compliance with evolving regulatory requirements.	  

IMPACT MATERIALITY

-  Negative impact on the environment and society
-  Positive impact on the environment and society

TIME HORIZON

-  Short (< 1 year)
-  Medium [1-3 years]
-  Long (> 10 years)

VALUE CHAIN IMPACT

-  **Upstream:** Procurement of raw materials, energy, equipment and services
-  **Own operations:** Integrated steel production and supporting business activities.
-  **Downstream:** Distribution of steel products and customer engagement across local and export markets.

STAKEHOLDER GROUP

-  Employees and contractors
-  Investors, lenders and analysts
-  Board and senior management
-  Customers and distributors
-  Suppliers and service providers
-  Local communities and regulators

EZDK Sustainability Highlights

Material Topic	Impact Materiality			Financial Materiality	Time Horizon and Value Chain Focus
	Directly Affected Stakeholder(s)	Actual/ Potential; Positive/Negative	Impact Description and Rationale	Impact Description and Rationale	
Labor Working Conditions and Human Rights		Actual and Potential  	Ezz Steel's operations rely on a large workforce across multiple manufacturing sites, as well as contractors and suppliers throughout its value chain. The Company is committed to upholding fair labour practices, respecting human rights, promoting equal opportunity, and maintaining safe, healthy, and respectful working environments across its operations and business relationships. By embedding these principles throughout its value chain, Ezz Steel seeks to create positive impacts on employees, contractors, and supply chain workers, supporting their well-being, protecting their rights, strengthening workforce stability and productivity, and contributing to sustainable social and economic development.	Risks: Poor labor practices may result in workforce dissatisfaction, higher turnover, labor disputes, legal liabilities, reduced productivity, and reputational damage. Human rights concerns within the supply chain may also create operational and stakeholder-related risks. Opportunities: Maintaining fair working conditions and strong human rights standards supports employee attraction and retention, enhances workforce engagement and productivity, strengthens employer reputation, and reinforces stakeholder confidence across the value chain.	  
Circular Economy and Material Efficiency		Actual and Potential 	Steel is inherently recyclable, creating opportunities to reduce waste generation, optimize resource utilization, and recover valuable by-products. Efficient use of raw materials and increased circularity can reduce environmental impacts associated with resource extraction, waste disposal, and production processes while supporting sustainable industrial development.	Risks: Inefficient material utilization and waste management practices may increase raw material consumption, disposal costs, environmental impacts, and exposure to future resource constraints. Opportunities: Enhanced recycling, by-product recovery, material optimization, and circular economy initiatives can reduce production costs, improve resource efficiency, lower environmental impacts, create additional revenue streams (such as through Contrasteel, EZDK's slag-recycling subsidiary), and strengthen Ezz Steel's sustainability performance and competitiveness.	   
Ethical and Transparent Operations		Actual and Potential 	Ethical conduct, regulatory compliance, anti-corruption practices, and transparent decision-making are fundamental to maintaining stakeholder trust and responsible business operations. Failures in governance or business ethics may negatively affect investors, customers, employees, regulators, and other stakeholders, while strong governance supports accountability, transparency, and long-term value creation.	Risks: Breaches of business ethics, corruption incidents, regulatory non-compliance, or inadequate disclosures may result in legal penalties, financial losses, reputational damage, and reduced stakeholder confidence. Opportunities: Strong governance frameworks, transparent reporting, and ethical business practices enhance investor confidence, strengthen stakeholder relationships, improve decision-making, support access to capital, and reinforce Ezz Steel's reputation as a trusted and responsible industry leader.	   

IMPACT MATERIALITY

-  Negative impact on the environment and society
-  Positive impact on the environment and society

TIME HORIZON

-  Short (< 1 year)
-  Medium [1-3 years]
-  Long (> 10 years)

VALUE CHAIN IMPACT

-  **Upstream:** Procurement of raw materials, energy, equipment and services
-  **Own operations:** Integrated steel production and supporting business activities.
-  **Downstream:** Distribution of steel products and customer engagement across local and export markets.

STAKEHOLDER GROUP

-  Employees and contractors
-  Investors, lenders and analysts
-  Board and senior management
-  Customers and distributors
-  Suppliers and service providers
-  Local communities and regulators

▪ Sustainability Objectives

Turning Sustainability Commitments into Measurable Results

Climate Action and Decarbonization

- Lower EZDK's greenhouse gas emission intensity and product carbon footprint.
- Implement the decarbonization roadmap and invest in solutions capable of reducing GHG emissions by at least **25% within 5 to 10 years**, compared with the audited business-as-usual baseline.
- Reduce product Global Warming Potential from the 2023 EPD values of **2,270 kg CO₂e/t for long products** and **2,380 kg CO₂e/t for flat products**.

Energy Efficiency and Renewable Energy

- Reduce energy intensity below the 2025 level of **14.63 GJ/t of steel**.
- Increase renewable energy above the 2025 level of **2.63% of total energy use**.
- Progress renewable electricity initiatives, including the proposed allocation of renewable electricity for up to **30% of EZDK's electricity consumption** and development of an approximately **3 MWp rooftop solar project**.

Material Efficiency and Circular Economy

- Increase primary material efficiency above the 2025 level of **78.32%**.
- Increase total recycled content above the 2025 level of **22.18%**.
- Reduce by-product generation below **277.59 kg/t of steel** while maximizing beneficial reuse and recovery.
- Maintain waste recycling above the 2025 level of **32.80 kg/t of steel** and minimize waste sent to landfill from the 2025 level of **0.010 kg/t**.

Water Stewardship

- Reduce water-use intensity below the 2025 level of **2.44 m³/t of steel**.
- Increase the reuse of treated wastewater for landscape irrigation, slag cooling, and other suitable applications.

- Continue monitoring water quality and reducing the environmental impacts associated with water use and discharge.

Air Emissions and Environmental Compliance

- Maintain air emissions and wastewater discharges within applicable legal limits.
- Expand the use of continuous emissions measurement systems for furnace stacks, EAF fume-treatment systems, and wastewater discharge.
- Maintain full compliance with applicable environmental laws, permits, and other compliance obligations.

Occupational Health and Safety

- Sustain the fatality incidence rate at **zero**.
- Sustain the occupational illness incidence rate at **zero**.
- Reduce the LTIFR below the 2025 level of **0.81 injuries per million working hours**.
- Continue improving contractor safety, incident prevention, workplace hygiene, employee wellbeing, and safety awareness.

Employee Development and Wellbeing

- Increase average training above the 2025 level of **30.11 hours per employee and contractor**.
- Maintain the employee grievance resolution rate at **100%**.
- Maintain employee turnover at a controlled level and seek to reduce it below the 2025 rate of **1.04%**.

Community Investment and CSR

- Continue investing in targeted community initiatives supporting local social and economic development.
- Maintain or increase community investment above the 2025 expenditure of **EGP 32.70 million**.

Innovation and Sustainable Investment

- Increase investment in innovations that improve environmental, social, operational, and economic performance.
- Maintain or increase innovation and investment expenditure above the 2025 level of approximately **EGP 234.43 million**.
- Prioritize innovation projects that deliver measurable improvements across product life-cycle stages and the wider value chain.

Responsible Sourcing

- Increase the proportion of purchased raw materials evaluated for sustainability impacts above the 2025 level of **79.47% by mass**.
- Maintain supplier complaints at **zero**.
- Improve the proportion of materials supplied by organizations certified to ISO 9001, ISO 14001, and ISO 45001.
- Maintain **100% ISO 9001, ISO 14001, and ISO 45001 certification coverage for pellet suppliers by purchased mass**, as achieved in 2025.

Local Economic Contribution

- Increase local purchasing above the 2025 level of **10.54% of total purchasing expenditure**.

Governance, Transparency, and Product Stewardship

- Maintain independently verified EPDs for long and flat steel products.
- Maintain product traceability across raw materials, production, and finished-product dispatch.
- Continue public reporting of material sustainability objectives, KPIs, performance, and improvement plans.
- Maintain externally audited annual financial statements and strengthen ESG-related governance and disclosures.

▪ **Ethics & Integrity**

Integrity in Every Decision, Responsibility in Every Action.

EZDK is committed to conducting its business with integrity, transparency, accountability, and ethical behavior. The Company maintains a comprehensive **Code of Conduct and Business Ethics** that establishes the values, principles, and standards governing employee conduct, business relationships, compliance, anti-corruption practices, conflict-of-interest management, and responsible decision-making across all operations.

The Code of Conduct has been approved by Ezz Steel's senior leadership and Top Management and is communicated to employees through orientation programs, awareness sessions, annual acknowledgments, and internal communication platforms. All new employees receive ethics and compliance awareness as part of their induction process.

The Company adopts a **zero-tolerance approach to bribery, corruption, fraud, and unethical business practices**, supported by internal controls, risk assessments, whistleblowing mechanisms, confidential reporting channels, and regular compliance monitoring.

EZDK also promotes ethical conduct throughout its value chain through responsible sourcing practices, supplier engagement, human rights due diligence, and supplier codes of conduct integrated into procurement processes.

A designated Human Resources representative is available to address employee inquiries related to ethics, workplace conduct, labor rights, and company policies. Employee concerns and grievances are managed through formal grievance mechanisms to ensure fair and timely resolution.

Our values form the foundation of how we operate. Responsibility for upholding these values begins with Top Management and extends to every employee, contractor, and business partner, ensuring that ethics, integrity, accountability, and responsible business conduct remain embedded in EZDK's culture and decision-making processes.



▪ **Ethical Business Conduct**

Integrity in Every Decision, Responsibility in Every Relationship.

Ezz Steel maintains a zero-tolerance approach to unethical practices.

- **Anti-Corruption:** Suppliers must refrain from all forms of fraud, corruption, extortion, and bribery.
- **Gifts and Hospitality (GHE):** Suppliers must not offer or receive gifts, entertainment, or hospitality intended to influence business decisions.
- **Conflict of Interest:** Suppliers must immediately disclose any financial or personal relationship an Ezz Steel employee may have in their business.
- **Anti-Trust & Competition:** Suppliers must adhere to all Anti-Trust, Anti-Money Laundering, and relevant competition laws.
- **Responsible Sourcing:** Ezz Steel will not entertain "conflict minerals" and requires raw materials to be of legal and sustainable origin.
- **Conflict-Affected and High-Risk Areas (CAHRA):** Suppliers must not, directly or indirectly, provide support to non-state armed groups or their affiliates, or contribute to armed conflict, serious human rights abuses, or the financing thereof, in conflict-affected or high-risk areas. Suppliers must exercise due diligence over the origin of the materials they supply and over their own supply chains, in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and take reasonable steps to ensure that their transactions, funding, and sourcing do not support non-state armed groups. Suppliers must, upon request, provide Ezz Steel with documentary evidence of compliance and promptly notify Ezz Steel of any circumstance that may give rise to a reasonable risk of non-compliance. Ezz Steel reserves the right to suspend or terminate its engagement with any Supplier where a reasonable risk of a breach of this provision is identified.

▪ **Gender Equality**

Equal Opportunities, Shared Success.

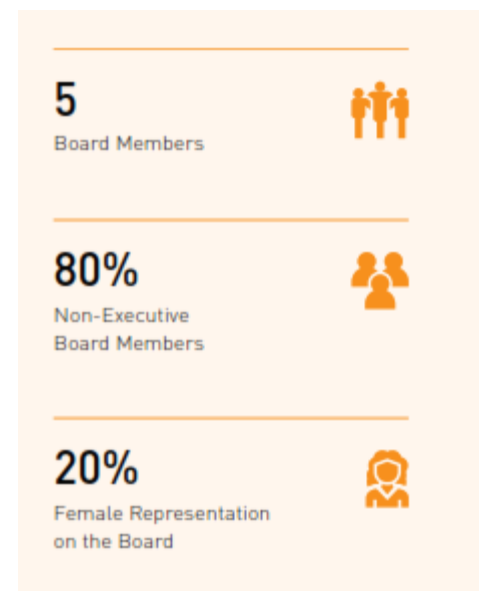
EZDK is committed to providing a fair, inclusive, and respectful workplace where employment decisions are based on merit, qualifications, competence, and equal opportunity. The Company promotes non-discrimination, supports workforce diversity, and encourages the development and advancement of women across suitable roles and leadership positions.

As part of the Ezz Steel Group's governance framework, women represented 20% of Board membership in 2025, reflecting the Company's commitment to diversity at the highest level of decision-making. The Group also reported 9% female representation in senior management positions.

At EZDK, the 2025 workforce comprised 3,376 employees, including 11 female employees, while the Group employed 396 persons with disabilities, of whom 13% were women, supporting broader inclusion and accessibility objectives.

Equal access to training, development, performance reviews, and career advancement opportunities is maintained through structured HR processes and workforce governance practices.

Through its Code of Conduct, employee affairs procedures, and inclusive workplace practices, EZDK continues to strengthen a culture where employees are respected, valued, and empowered to contribute to the Company's long-term success.



■ Environment:

Managing Today's Impact, Shaping Tomorrow's Environment.

As a leading integrated steel producer, EZDK is committed to reducing its environmental footprint through advanced technologies, resource efficiency, and continuous improvement. Through its electric arc furnace-based production route and robust environmental management practices, the Company enhances performance in energy, water, emissions, and waste management. EZDK was also the first steel producer in Egypt to achieve ISO 14067 verified Product Carbon Footprints for both long and flat steel products, reinforcing its commitment to transparent climate action and sustainable value creation.

 Focus areas	 KPIs	 Objectives
 Become a benchmark in CO ₂ emissions	CO ₂ emission intensity 1.34 t CO ₂ /t crude steel cast (2025)	 < 1 t CO₂/t CS by 2035
 Energy efficiency	Specific energy consumption 21.27 GJ/t crude steel cast (2025)	 Reduction in Direct Energy below 12 GJ/t CS
 Approaching zero landfill	Material Efficiency 98.20% (2025)	 Nearly 100% utilization of all by-products and waste
 Investment in Air Pollution Control & Monitoring Equipment	Dedusting System Project in SMP#1 implemented	 Reduce dust emissions intensity and maintain emissions within legal limits
 Legal Compliance	100% compliance with environmental laws and requirements	 Not less than 100%
 Customer Satisfaction	No. of environmental claims 0 (2025)	 Not more than zero
 Environmental Management System Planning and Performance Evaluation	No measured values exceeded 80% of legal limits	 < 90% of law limits

Our environmental management at a glance

HOW WE MANAGE

One Integrated Management System

Quality, environment, energy, and occupational health and safety run as a single certified system, reviewed by top management every year.

ISO 9001 · ISO 14001 ·

ISO 45001 · ISO 50001

**Audited Externally
Every Year**



Stay ahead of the law

Laws and decrees
tracked and updated
on change

Internal limits below
legal limits

Environmental registers
at each plant



Use energy and resources wisely

Annual energy savings
objectives

Energy-efficient
procurement and design

Wastewater reuse and
backup water supply



Prevent pollution, recycle by-products

Continuous emission
monitoring on key stacks

Waste minimisation

Slag, fume dust, scale
and DRI dust returned
to use

▪ **Decarbonization Strategy**

Advancing Steelmaking Towards a Lower-Carbon Future.

As part of the Ezz Steel Group, EZDK is contributing to the development of a **Group-wide Decarbonization and Climate Action Plan**, scheduled for implementation in 2027 alongside the ESG Strategy and Framework.

Meanwhile, EZDK continues to advance practical decarbonization measures, including improving energy efficiency, increasing recycled scrap use, and exploring renewable electricity to progressively reduce its carbon footprint.



PRESENT (Today)

- 100% electric arc furnace route
- Natural-gas-based direct reduced iron and scrap
- No blast-furnace or basic-oxygen capacity
- ISO 14064-1 verified inventory



MID-TERM (from 2027 plan)⁴

- Decarbonisation and Climate Action Plan
- Energy efficiency gains
- Higher recycled-scrap share
- Introduce renewable electricity



LONG-TERM (exploratory)⁵

- Green hydrogen integration across Ezz Steel Group's direct reduction operations, subject to availability and technical and economic feasibility. Modelling indicates that replacing around 30% of natural gas with green hydrogen in MIDREX modules could reduce direct-reduction emissions by approximately one-third, from -0.60 to -0.40 tCO₂/t DRI, while lowering the Group's overall carbon intensity by around 15%, from -1.35 to -1.15 tCO₂/t crude steel.
- Group-wide CCUS deployment, building on the existing CO₂ capture capability at Ezz Steel – Suez, where the HYL module's chemical absorption plant can remove approximately 27,000 Nm³/hour of CO₂. The Group will continue exploring viable CO₂ utilization and storage solutions and the potential for wider application of CCUS across its operations.

■ **GHG Emissions and Climate Action**

Reducing Emissions, Advancing Lower-Carbon Steel.

EZDK manages climate action through its integrated environmental and energy management systems, supported by verified GHG inventories and product carbon footprints. In 2025, EZDK's CO₂ emission intensity reached **1.34 tCO₂/t of crude steel**, with verified product carbon footprints of **1.59 tCO₂e/t for flat steel** and **1.64 tCO₂e/t for long steel**.

EZDK targets reducing CO₂ intensity to **below 1 tCO₂/t of crude steel by 2035**. As part of the Ezz Steel Group's Decarbonization and Climate Action Plan, EZDK will focus on:

- Improving energy efficiency and reducing fossil-fuel consumption.
- Increasing recycled scrap use and material efficiency.
- Exploring renewable electricity allocation of up to **30%** at Group level.
- Assessing an approximately **3 MWp rooftop solar project**, potentially generating around **3,830 MWh annually**.
- Investing in lower-carbon technologies and operational improvements.
- Maintaining independent verification of GHG inventories and product carbon footprints.
- Monitoring progress through measurable targets and annual performance reviews.

■ **Environmental Management and Biodiversity**

Protecting Resources, Preserving the Future.

EZDK manages environmental performance through its **ISO 14001-certified Environmental Management System**, ensuring that environmental aspects, risks, and impacts are systematically identified, monitored, and controlled. The Company focuses on minimizing impacts related to energy use, emissions, water consumption, wastewater discharge, waste generation, and resource utilization.

Environmental performance is continuously monitored through compliance evaluations, environmental measurements, operational controls, and improvement programs. EZDK maintains environmental emissions and discharges within internal limits that are more stringent than legal requirements and continues to invest in pollution prevention, resource efficiency, by-product recycling, and climate action initiatives.

In 2025, EZDK achieved **98.20% material efficiency**, **1.34 tCO₂/t crude steel** carbon intensity, **21.27 GJ/t crude steel** energy intensity, and **2.34 m³/t crude steel** water consumption intensity while maintaining full environmental compliance.

Nature and biodiversity

Our impacts, dependencies, risks and opportunities

IMPACTS



- Air emissions (NOx, SOx, CO, dust) to the local airshed
- Greenhouse gas emissions from fuel and power use
- Withdrawal of scarce freshwater from municipal supply
- Treated water discharges to environments
- By-products and wastes to land
- Noise at our site boundaries
- Land we operate on

DEPENDENCIES



- Freshwater from municipal supply for cooling and process use
- Grid electricity for our electric furnaces (EAF, Ladle & Reheating Furnaces)
- Natural gas as our sole process fuel
- Iron ore and recycled scrap as primary raw materials
- A stable climate, as hotter weather raises water demand

RISKS

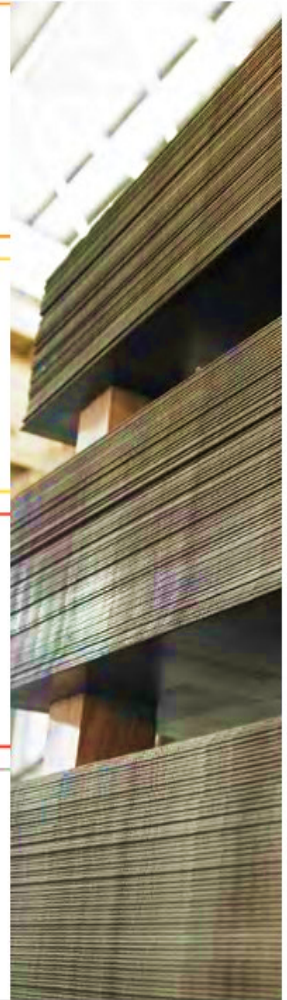


- Water supply shortage, with potential plant stoppage
- Rising water consumption as the climate warms
- Energy supply and cost, for both gas and electricity
- Tightening regulatory and community expectations on emissions and discharges
- Nature-related disclosure requirements (TNFD)

OPPORTUNITIES



- Circular by-products, with slag, scale and dusts processed and returned to use
- Water reuse, up to zero liquid discharge at our Suez DR operation
- On-site renewable generation, beginning with rooftop solar
- Green hydrogen and carbon capture in direct reduction, assessed and costed
- A lower-carbon EAF route as carbon rules tighten

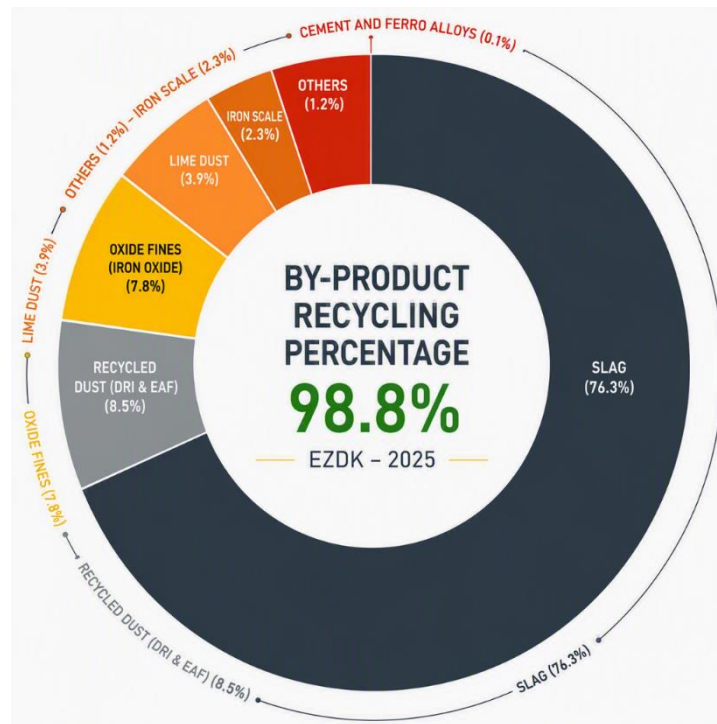


■ **Waste Management:**

Resource Efficiency Through Circularity

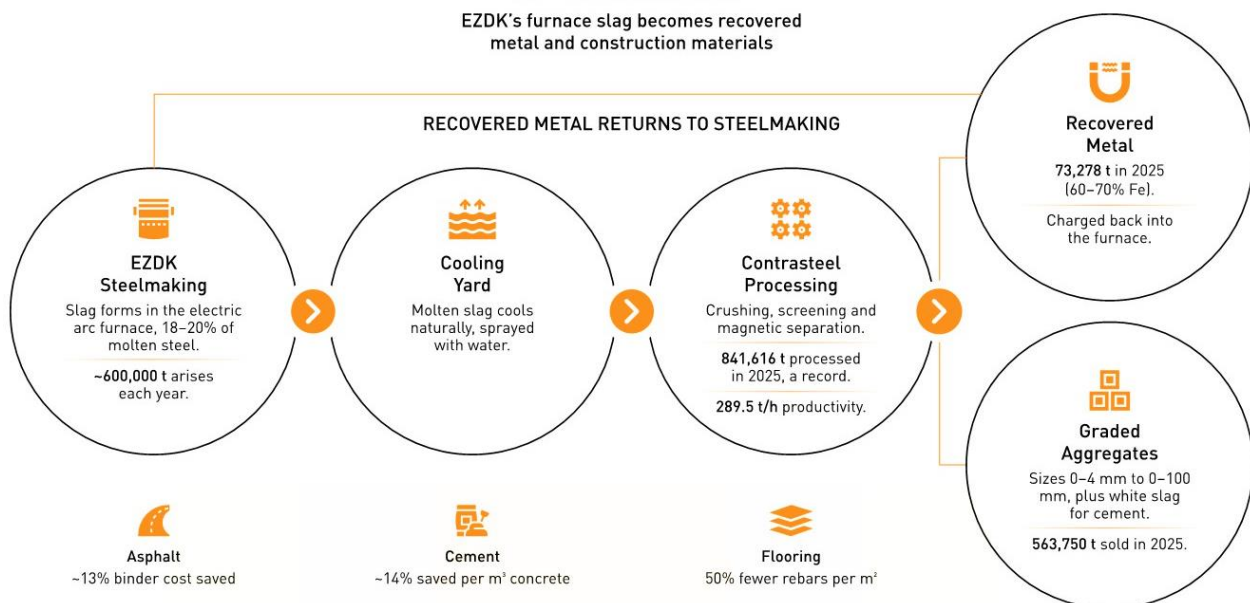
EZDK advances circularity by maximizing the recycling, recovery, and productive use of by-products and waste generated from its steelmaking operations. Material efficiency, representing the proportion of products and utilized by-products within total output materials, is monitored as a key environmental performance indicator.

In 2025, EZDK achieved a 98.20% material efficiency rate, exceeding the referenced World steel benchmark of 98.15%. The Company also utilized approximately 251,000 tons of iron-based co-products and 652,000 tons of EAF slag, recycled approximately 282 tons of used MgO-C refractory, and diverted 69 tons of spent catalyst from hazardous-waste disposal.



RESOURCE CIRCULARITY AT CONTRASTEEL

EZDK's furnace slag becomes recovered metal and construction materials



▪ **Social Responsibility**

Creating Shared Value, Supporting Communities, Improving Lives.

Long-Term Societal Commitment

As part of the Ezz Steel Group, EZDK is committed to supporting the communities in which it operates through financial and in-kind contributions. Its community initiatives focus on healthcare, humanitarian assistance, social welfare, youth development, and support for underserved communities in Alexandria and Upper Egypt.

In 2025, EZDK's total expenditure on community donations and services reached **EGP 32.7 million**.



Our principles

Our approach to social responsibility is guided by the following principles:

- Creating sustainable value for local communities.
- Supporting healthcare and social welfare initiatives.
- Providing humanitarian assistance to vulnerable families.
- Supporting youth development and employability.
- Encouraging employee participation in community activities.
- Continuously expanding the reach and impact of community programs.

Serving the Community

During 2025, EZDK implemented a wide range of community initiatives, including:

- Distribution of **20,000 Ramadan food boxes** across Alexandria.
- Distribution of **13,000 blankets** in Alexandria and Upper Egypt.
- Distribution of approximately **12,000 kg of meat** benefiting around **5,000 individuals** during religious occasions.
- Monthly support for approximately **1,200 underprivileged families and orphans** through the Employees' Services Association.
- Financial support to charitable organizations to assist vulnerable families and special cases.
- Support for training and rehabilitation programs for young people from care institutions, helping improve their employability and life skills.
- Financial assistance programs supporting vulnerable groups, including workers with disabilities and low-income families.

Supporting Healthcare

EZDK continued its long-standing commitment to healthcare through:

- Donation of **EGP 350,000** for medical monitoring equipment at the Medical Research Institute.
- Providing medical equipment and healthcare supplies to hospitals and charitable healthcare organizations.
- Supporting dialysis centers through the provision of **EGP 300,000** of dialysis filters and medical consumables.
- Contribution of **EGP 150,000** to support medical supplies, medicines, and general services at the hospital operated by the Legitimacy Association, Agamy Branch.

- Donation of **EGP 500,000** to support medicines and medical supplies for Borg El Arab Children's Cancer Hospital and El-Shatby Children's Hospital.
- Supporting under-resourced healthcare facilities through partnerships with charitable organizations and community institutions.

Supporting Local Communities

EZDK also contributed **EGP 100,000** toward the development and clearing of the Dekheila cemetery workshops, including an annual maintenance arrangement, and **EGP 100,000** toward mosque development through charitable organizations, and providing humanitarian assistance to families in need.

EZDK CSR IN ACTION

Building Stronger Communities, Creating Lasting Impact

At EZDK, we are committed to creating shared value and supporting the well-being and development of the communities where we operate.

OUR FOCUS AREAS

- 
HEALTHCARE
Supporting hospitals and medical institutions with equipment, supplies and life-saving treatments.
- 
HUMANITARIAN AID
Providing food, blankets and essential items to families in need in Alexandria and Upper Egypt.
- 
YOUTH & EDUCATION
Empowering youth through training, skills development and educational support.
- 
SOCIAL WELFARE
Supporting vulnerable families, orphans and community institutions.
- 
COMMUNITY DEVELOPMENT
Contributing to local development, social initiatives and places of worship.





STRONGER TOGETHER
BETTER TOMORROW

MAKING A DIFFERENCE

-  Supporting health and saving lives
-  Relieving hardship and spreading hope
-  Investing in youth and building skills
-  Caring for families and supporting those in need
-  Strengthening communities and creating shared value

OUR COMMITMENT

Through our people, partnerships and initiatives, EZDK continues to empower communities and contribute to a more sustainable and inclusive future.

 Our People
  Our Partners
  Our Responsibility
  Our Impact



EZDK
STEEL FOR A SUSTAINABLE FUTURE

▪ Product Traceability:

Tracking Quality from Source to Customer

Traceability is essential for customers to verify product origin and production history. EZDK procures iron oxide pellets from globally recognized suppliers and maintains traceability records for all shipments received. Steel scrap sourced locally or internationally is traceable to the supplier/trader level. Raw material suppliers are committed to improving human rights, labor practices, and occupational health and safety performance.



For **Long Products**, billets that pass final inspection are identified by heat number, steel grade, and grade marking before being transferred to rolling mills or dispatch yards. Finished products (rebars and wire rods) are identified by a Graphyplast label containing product details, including heat number, production date, size, length, and steel grade. Color coding is applied according to steel grade and rebar size. A Material Test Certificate (MTC) accompanies dispatched products, enabling full production traceability.

For **Flat Products**, hot rolled coils that pass final inspection are identified by a unique coil number. Coils are stored in designated yards and labeled with key information, including coil number, heat number, steel grade, sales order, customer name, dimensions, weight, and commodity. A Material Test Certificate (MTC) is provided upon dispatch, enabling customers to trace the product's production history.

■ Energy Management:

Managing Energy Efficiently, Reducing Carbon Responsibly.

Energy efficiency is central to EZDK’s operational competitiveness and carbon-reduction performance. As an integrated gas-based DRI–EAF steel producer, EZDK uses natural gas mainly in direct reduction and reheating processes and electricity in melting, casting, and rolling operations.

EZDK manages energy through its **ISO 50001-certified Energy Management System**, which establishes energy baselines and performance indicators, identifies significant energy users, sets annual improvement objectives, and monitors progress through regular management reviews. In 2025, EZDK achieved an energy intensity of **21.27 GJ per ton of crude steel** and total energy savings of **116.1 GWh**, including **21.7 GWh of electricity** and **94.4 GWh of natural gas**.



Continual improvement is supported through energy-efficiency projects, operational controls, performance monitoring, independent assessments, and renewable-energy initiatives, including plans to secure renewable electricity and develop an approximately **3 MWp rooftop solar project**.

▪ **Renewable Energy:**

Powering Steel with Cleaner Energy.

Renewable energy is a key opportunity for EZDK to reduce indirect emissions. EZDK is assessing an approximately 3 MWp rooftop solar project, expected to generate around 3,830 MWh annually. In parallel, the Ezz Steel Group is exploring the allocation of renewable electricity from the national grid to cover up to 30% of its electricity consumption, subject to regulatory approval and economic feasibility.

Renewable Energy use:

KPI	Unit	Year 2023	Year 2024	Year 2025
Total energy used	GJ (gigajoule)	51,069,363.81	49,372,738.17	49,241,671.20
Contribution of renewable energy purchased from national grid.	GJ (gigajoule)	1,410,929.89	1,297,410.57	1,295,090.35
Renewable energy as a proportion of total energy used	%	2.76	2.63	2.63

▪ **Occupational Health and Safety Management**

Safety First, Every Task, Every Day.

Occupational health and safety is a core priority at EZDK and is managed through a structured, risk-based approach focused on preventing injuries, protecting employee wellbeing, and maintaining safe working conditions. The Company operates an ISO 45001-certified Occupational Health and Safety Management System, supported by comprehensive policies, procedures, risk assessments, safety training, incident investigations, emergency preparedness, and contractor management programs.

Safety performance is continuously monitored through regular inspections, audits, management reviews, safety committees, and digital reporting systems to ensure hazards are identified and addressed proactively. This approach applies to employees, contractors, and visitors across all operations and supports continual improvement in safety culture and operational reliability.

In 2025, EZDK achieved a LTIFR of 0.83, recorded zero occupational illness cases, conducted 243 fire drills, and continued implementing safety improvement initiatives, contractor evaluation programs, digital incident reporting, and enhanced occupational health surveillance to strengthen workplace safety and reduce risks.

LTIFR:

KPI	Unit	Year 2023	Year 2024	Year 2025
Total number of lost time injuries of employees - LTI	-	19.00	23.00	12.00
Total number of work hours of employees - WH	-	15,765,848.00	15,584,184.00	14,818,944.00
LTIFR	-	1.21	1.48	0.81
Change	%	-32.81%		

■ Maturity Matrix:

Sustainability Principles	Practices	Characteristics of the approach to sustainability in developing organizations			Objectives & Plan(s)
		Maturity			
		Immature	Engaged	Proactive and Learning	
Inclusivity	Stakeholder identification and mapping			X	EZDK in general & each Subsection identifies its stakeholders & Sustainability Report identifies the stakeholders
	Open engagement in various formats for various stakeholders			X	EZDK in general & each Subsection communicate with its stakeholders in various formats according to the nature of the stakeholder according to the Communication Procedure
	Stakeholder issue identification			X	EZDK in general & each Subsection identifies its stakeholders needs & issues
	Communication of organization response to issues raised			X	All stakeholders’ needs and issues are met and solved
Integrity	Leadership shown - clear Accountabilities documented			X	Top Management is committed to sustainability, ex. IMS & Sustainability Policy in addition to Daily & Monthly follow up meetings
	Code of Conduct adopted			X	Ezz Steel Code of conduct & ethical business practices already applied and training is being done
	Integrity risks identified and managed			X	Risk Assessment was made concerning Human rights and due diligence
Stewardship	Sustainable development culture			X	SCS & BES 6001 management system is now being applied and ESG Task Team & Sustainability advisor were assigned to coordinate sustainability initiatives across Ezz Steel
	Responsible/Sustainable Supply chain approach adopted			X	Purchasing Division takes into account a sustainable supply chain approach & sustainability awareness is provided to suppliers & supplier evaluation considers sustainability criteria
	Systematic Environmental Management			X	Mature Environmental Management System is applied throughout the company
	Systematic Social Management			X	Company has a specific subsection for social responsibility
	Systematic Economic Management			X	Financial Division has a mature system for economic management
	Skills and training			X	Training Section has a mature training system in place and training was done for Sustainability topics
	Career development			X	HRD-Planning Section has a system in place for career development
Transparency	Identify appropriate metrics/KPIs			X	Identified in Annual Business Plan along with objectives for Quality, Environment & Safety along with sustainability objectives.
	Monitor performance			X	Performance is monitored daily, with daily, monthly & Annual reports
	Publicly report management practices and performance			X	Corporate Data is published on company website & through widely circulated newspapers
	Review performance			X	Monthly & Annual performance review meetings are done
	Sustainability Report			X	Sustainability Report is now issued for year 2025 and sustainability highlights were updated & published on website