

EZDK Sustainability Highlights - 2025

• Stakeholders:

| | Investors | Board of Directors | Employees |
|--------------------------|---|--|--|
| Communication Channel | <ul style="list-style-type: none"> Investor and analyst meetings Periodic meetings including one-on-one Group meetings Integrated Report Media updates Earnings call on Company's performance | <ul style="list-style-type: none"> Board meetings Various reports | <ul style="list-style-type: none"> Direct meetings HR surveys Employees' conferences special purpose meetings or interviews Direct phone calls Intranet Emails |
| Issues and Expectations | Financial profitability sustainable business growth. | Financial efficiency, corporate governance, compliance with laws and regulations, risk management, safe and efficient operations, and sustainable business growth. | <ul style="list-style-type: none"> Safe working environment Attractive benefits package Career path development Training and development Recognition and reward Employee and family well-being Transparency Effective strategy Policy communication |
| Response to expectations | Ezz Group Management follows effective planning and budgeting, an efficient management system, continuous performance monitoring, and maximizing resource utilization. | Effective planning and budgeting, efficient management system, performance monitoring and reporting system, solutions to reduce costs, and maximizing resources utilization. | New health plans, updating HR policy, training and career development programs, key-positions retention plan, internal and abroad training programs, and HR data analysis system. |

| | Clients | Suppliers and Vendors | Financial Institutions |
|--------------------------|--|--|---|
| Communication Channel | <ul style="list-style-type: none"> Daily operational contacts Scheduled meetings Regular operating reports Direct phone calls Emails Customer e-meetings Multi-stakeholder platforms Webinars Site visits | <ul style="list-style-type: none"> Tenders Regular contacts Vendors registration and inspection process Emails Phone calls Direct meetings | <ul style="list-style-type: none"> Regular meetings Financial reports Annual audit reports Feasibility studies |
| Issues and Expectations | Company profile, operating costs, quality of products, and availability. | Transparency in bidding evaluation process, input prices, operation efficiency, times required to provide service, long-term relationship, on-time deliveries, on-time payment, compliance with rules and regulations, compliance with safety procedures and commitment to the environment and human rights. | Transparency of management system, professional financial management system, long-term planning, liquidity, risk management, exchange rate, interest rate, and overdraft facility availability of foreign exchange. |
| Response to Expectations | Apply international standards in management and operations. Preventive maintenance plans to ensure continuous production, improving operation and sustain the quality of products, 24/7 follow-up, and monitoring system. | Developing suppliers, manual and code of ethics, tendering process that assures transparency and fairness, clear payment policy, professional and dedicated employees, and strict policy toward human and labor rights. | Effective financial management policy, diversification of sources of funds, compliance with bank rules, medium and long-term plans, and monitoring financial performance and liquidity. |

| | Peers | Regulator and Relevant Governmental Entities | Local Community, Academia, and NGOs |
|--------------------------|---|--|--|
| Communication Channel | <ul style="list-style-type: none"> Market research surveys Participation in biddings Emails Phone calls | <ul style="list-style-type: none"> Reports to/from gov. agencies Direct meetings Inspections Auditors' reports Focal points | <ul style="list-style-type: none"> Press releases Public events Direct meetings Arrangements |
| Issues and Expectations | Responsible competition, fairness and equal opportunities, transparency and headhunting. | Compliance with laws and regulations, certifications, licenses, contribution to national priorities, and support community development. | Job opportunities, training for relevant university students, socially responsible, and environmentally friendly. |
| Response to Expectations | <p>Transparent disclosure to boost the brand name, and responsible competition principles.</p> <p>Cooperation and support when needed.</p> | Direct environmental monitoring from the Ministry of Environment. HSE laws and regulations compliance, third-party quality inspections and certification (ISO 9001-14001, 45001, 50001, 17025 accountability state authority and CE mark). | Corporate Social Responsibility (CSR) activities, university students training programs. Various local community projects and contributions. |

• **Materiality Assessment:**

ECONOMIC AND TECHNICAL MATERIAL ISSUES

| Material Issue | Measures | Linked Key Performance Indicators |
|---|--|---|
| Business Growth | <ul style="list-style-type: none"> Focus on organic and inorganic growth Scaling of adjacent businesses Entering new market segments | <ul style="list-style-type: none"> Crude steel production capacity Revenue from the New Material Business, Service and Solutions, Commercial Mining Business Revenue from High End and Downstream products and solutions |
| Long Term Profitability | <ul style="list-style-type: none"> Attain and retain leadership in chosen segments Raw material security Enhance operational efficiency | <ul style="list-style-type: none"> Market share in chosen segments Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) |
| Product Quality | <ul style="list-style-type: none"> Product and process innovation Effective and updated quality management system Value engineering and customer service teams Quality Standards and certifications Innovative routes to market Modern and well-calibrated laboratories | <ul style="list-style-type: none"> Quality Yield and Quality Index Number of new products and services Customer satisfaction index Quality complaints |
| Technology, Product and Process Innovation | <ul style="list-style-type: none"> Focus on technology, digital and disruptive innovation overlaid on a culture of continuous improvement Addressing environmental concerns by developing and implementing breakthrough technologies progressively at larger scale Building a sustainable business portfolio, which is resilient against steel business cyclicity | <ul style="list-style-type: none"> Number of patents received Number of new products developed Number of start-ups engaged Number of alliances created Number of breakthrough projects |

ENVIRONMENTAL MATERIAL ISSUES

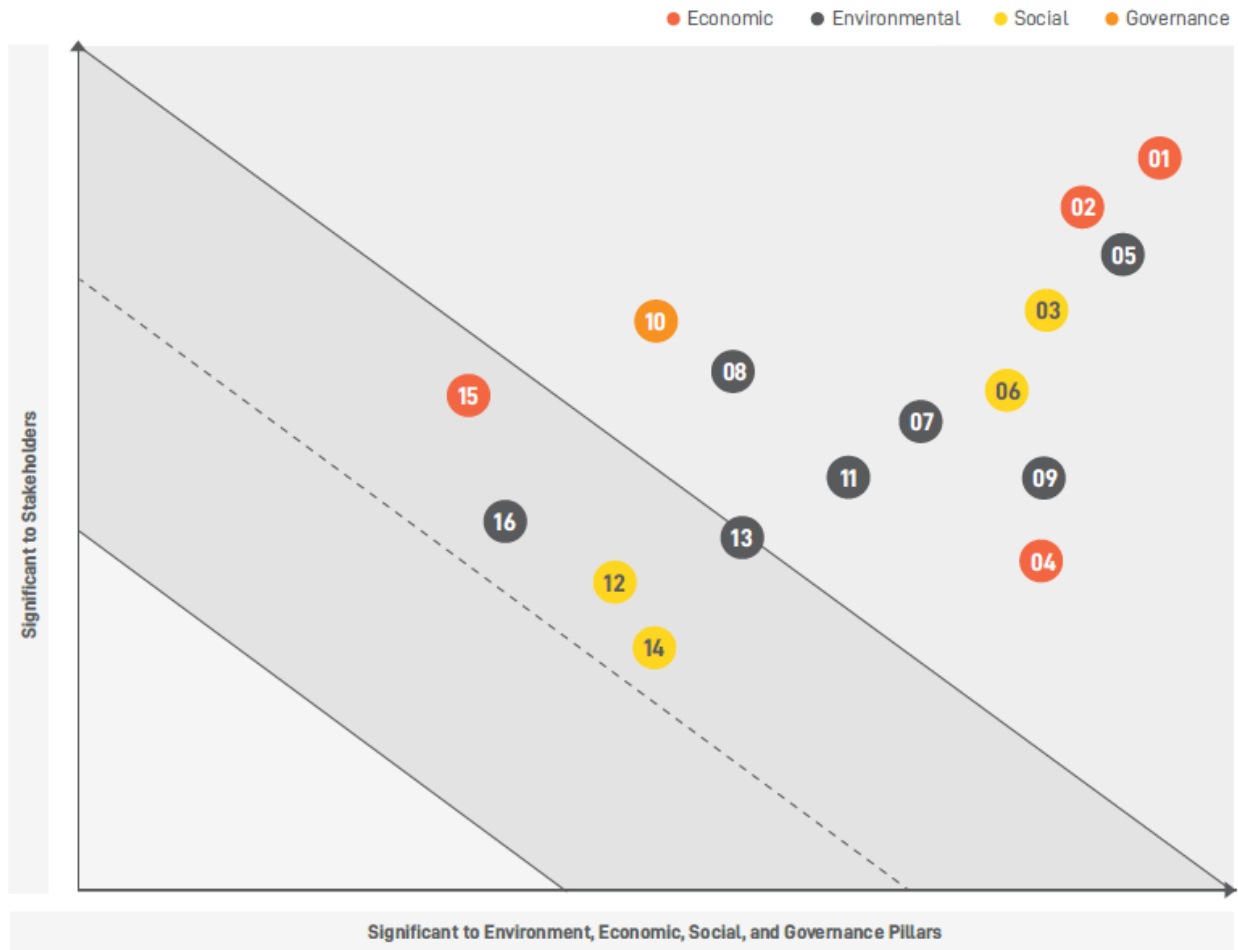
| Material Issue | Measures | Linked Key Performance Indicators |
|--|---|--|
| CO₂ Emissions and Climate Change | <ul style="list-style-type: none"> Process optimization initiatives to reduce the energy and emission Monitoring the emission scope 1, 2 and 3 Optimization of NG consumption Marketing the Captured CO₂ Neutralize by utilization of wastewater to plant trees | <ul style="list-style-type: none"> GHG emission intensity Total GHG emissions from steel making sites |
| Air Pollution | <ul style="list-style-type: none"> Upgradation of existing air pollution control equipment Installation of state-of-the-art dust control technology Online monitoring system | <ul style="list-style-type: none"> Dust emission intensity |
| Water Consumption and Effluent Discharge | <ul style="list-style-type: none"> Minimizing freshwater consumption by upgradation of existing water treatment and cooling tower systems to increase efficiency Reusing treated wastewater in slag cooling activities and irrigation purposes | <ul style="list-style-type: none"> Specific freshwater consumption Discharge intensity |
| Energy Efficiency | <ul style="list-style-type: none"> Process optimization initiatives | <ul style="list-style-type: none"> Energy intensity |
| Renewable and Clean Energy | <ul style="list-style-type: none"> Feasibility analysis for projects completed and projects initiated | <ul style="list-style-type: none"> Power generated through renewable sources |
| Waste Management | <ul style="list-style-type: none"> 100% solid waste utilization Enhance value from by-products | <ul style="list-style-type: none"> Slag utilization Solid waste utilization Revenue from by-products Material Efficiency vs world's benchmark |
| Supply Chain Sustainability | <ul style="list-style-type: none"> Identification of critical supply chain partners and engagement with them on Ezz Steel Responsible Supply Chain Policy | <ul style="list-style-type: none"> Number of partners made aware of Ezz Steel Responsible Supply Chain Policy Number of partners assessed according to Ezz Steel Responsible Supply Chain Policy |
| Circular Economy | <ul style="list-style-type: none"> Steel scrap processing unit Advocacy with various government and industry bodies to build scrap utilization networks | <ul style="list-style-type: none"> Capacity of steel recycling business |

SOCIAL MATERIAL ISSUES

| Material Issue | Measures | Linked Key Performance Indicators |
|--|--|---|
| Occupational Health and Safety | <ul style="list-style-type: none"> • Build Safety Leadership capability at all levels to achieve zero harm. • Improve competency and capability for hazard identification and risk management. • Achieve zero harm to contract employees by strengthening deployment of Contractor Safety Management Standard. • Excellence in Process Safety Management (PSM) • Establishment of industrial hygiene and improvement in occupational health | <ul style="list-style-type: none"> • Fatalities • Health Index |
| Labor Relations and Local Sourcing of Labor | <ul style="list-style-type: none"> • Recruiting indigenous people in the workforce • Vendors' share of business from local communities • Training them to match our requirements for various products and services | <ul style="list-style-type: none"> • Number of local suppliers • Business volume of local suppliers |
| Talent Retention | <ul style="list-style-type: none"> • Provide flexibility to employees through agile working policy • Creating an inclusive workspace to attract and retain diverse talent including Persons with Disabilities (PWDs) • Development of workforce capability through various programs. | <ul style="list-style-type: none"> • Attrition rate (overall) • Investment in employee training and development |

GOVERNANCE MATERIAL ISSUES

| Material Issue | Measures | Linked Key Performance Indicators |
|--|--|---|
| Going Beyond Compliance and Setting Trends for Future Regulations | <ul style="list-style-type: none"> • Adoption of best available technologies and implementing projects for resource efficiency and reducing carbon footprint • Strengthened collaborations with technical institutes, technology start-ups, and academia for technology leadership, climate change, and other environmental issues • Diversity and Inclusion. | <ul style="list-style-type: none"> • Performance on various environmental parameters – air, water, waste. • Number of collaborations with external partners. • Workforce diversity indicators. |
| Greater Sustainability Disclosures | <ul style="list-style-type: none"> • Consistent improvement in our disclosures. • Engagement with ESG rating agencies for improving disclosure practices and enhance access to sustainable finance | |
| Greater Stakeholder Engagement | <ul style="list-style-type: none"> • Enhancement of specialized channels such as public meetings, vendor-focused committees, and similar events | <ul style="list-style-type: none"> • Performance in various surveys conducted periodically for Stakeholders categories, including: Customer Satisfaction Survey |



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|---------------------------------------|---|---|
| 01 Business Growth and Sustainability | 07 CO ₂ Emissions and Climate Change | 13 Waste Management |
| 02 Product Quality | 08 Air Pollution | 14 Local Community |
| 03 Occupational Health and Safety | 09 Supply Chain Sustainability | 15 Technology, Product and Process Innovation |
| 04 Long Term Profitability | 10 Beyond Compliance | 16 Circular Economy |
| 05 Water Management | 11 Energy Efficiency | |
| 06 Learning and Development | 12 Talent Retention | |

• **Sustainability Objectives:**

- Lowering EZDK's Greenhouse Gas (GHG) emission intensity.
- Lowering EZDK's carbon footprint.
 - EZDK now meets the World steel Association's criteria for the steel industry's Greenhouse Gas (GHG) emission intensity, we are dedicated to lowering our carbon footprint even further and improving our environmental performance as a result.
- Increase EZDK's material efficiency.
 - EZDK contributes to a resource recycling society by recycling by-products generated by steelworks as much as possible. We manage our "by-product recycling rate" or "material efficiency rate" as KPIs material efficiency rate indicates the percentage of utilized product, by-products, and waste to total output material.
- Using treated wastewater in landscape irrigation and slag cooling.
 - EZDK aims to reduce its water footprint and improving our environmental performance as a result.
- Increase EZDK's energy efficiency.
 - EZDK aims to increase its energy efficiency as this directly impacts our carbon footprint & Greenhouse Gas (GHG) emission intensity.
- Sustaining the fatality incidence rate at Zero.
- Sustaining the occupational illness incidence rate at Zero.
 - To ensure the safety of personnel, equipment, and the work environment.
- Ensuring EZDK reliability through the improvement of iron and steel making plants maintenance systems.
 - Improving maintenance systems directly impacts resource use and costs.

• **Ethics & Integrity:**

The Company has internal ethics and a professional code of conduct, which includes the set of values that control and regulate the rules of business conduct and ethics within the Company.

The values were developed and approved by Ezz Steel Senior Executives and Top Management. Ezz Steel Employee Handbook distributed to new employees as a part of their orientation program.

A representative of the Human Resources (HR) Department will be appointed to answer all frequent questions and inquiries thereof.

Our Values are the core that governs our performance. The responsibility of the ES Values is adherent to its Top Management and followed by all its employees.

- **Environment:**

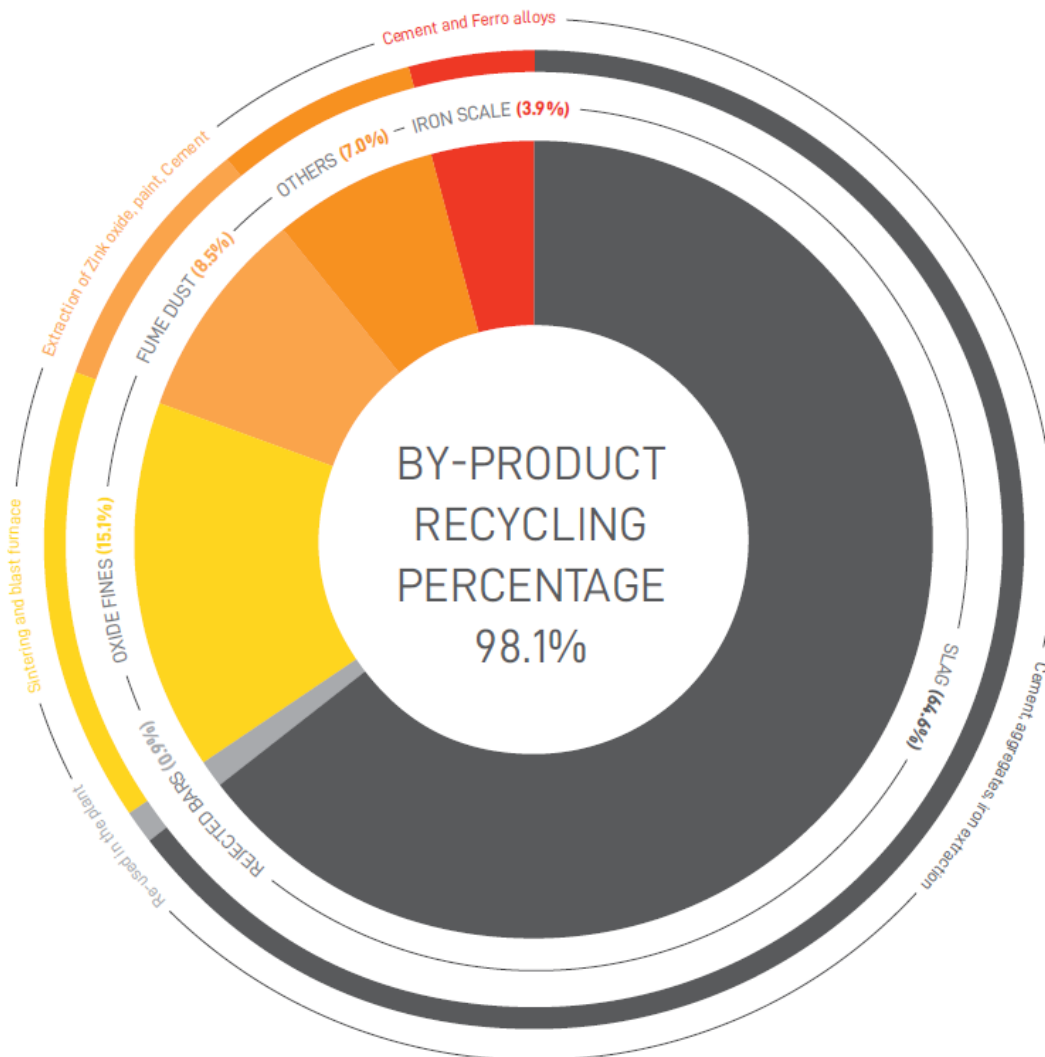
Ezz Steel follows strict control strategies emphasizing our environmental protection management process via various engineering, management, and technical means to ensure the compliance of the discharged pollutants and the continuous improvement of all the primary environmental protection indicators. We continually invest in technologies to achieve the highest environmental performance standards and have made significant strides in recent years to reduce our environmental impact. The following table illustrates our intensive management approach's most critical environmental aspects.

| Focus areas | KPIs | Objectives |
|---|---|---|
| Become a benchmark in CO ₂ emissions | CO ₂ emission intensity | < 1t CO ₂ /t CS by 2035 |
| Energy efficiency | Specific energy consumption | Reduction in Direct Energy below 12 GJ/t CS |
| Approaching zero landfill | Material Efficiency | Nearly 100% utilization of all by-product and waste |
| Investment in Air pollution Control & monitoring equipment | Stack emission load | Reduce dust emissions intensity < 0.05 kg/t CS |
| Legal Compliance | Percentage of compliance with environmental laws and its executive decrees and other requirements | Not less than 100% |
| Customer Satisfaction | No. of environmental complaints | Not more than zero |
| Environmental Management System Planning and Performance Evaluation | No. of environmental complaints | < 90% of law limits |

Waste Management:

Ezz Steel contributes to a resource recycling society by recycling by-products generated by steelworks as much as possible. We manage our "by-product recycling rate" or "material efficiency rate" as KPIs material efficiency rate indicates the percentage of utilized product, by-products, and waste to total output material.

The following figures demonstrate the percentage of each by-product generated due to Ezz Steel Group and EZDK's normal operations and utilized application. By recycling all these by-products as raw materials for plants, Ezz Steel is significantly contributing to its high-value-added activities and improving the efficiency of resources.



- **Social Responsibility:**

Long-Term Societal Commitment:

EZDK is committed to helping and serving the communities where we operate and in areas where opportunities can be amplified to make an impact.

We deploy our capital and HR to foster economic growth and create a shared value for our people and society.

Our approach is to develop the surrounding areas and the community by ameliorating the living conditions. We also contribute to the development of remote areas in underserved regions such as Upper Egypt by donating to civil society organizations and charities, developing hospitals, and providing basic needs of food, blankets, and humanitarian aid.

Our Principles:

Our corporate shared values are guided by five overarching tenets. In line with Egypt's vision 2030, we aim to have a profound impact on the community. Invariably assess and analyze our performance to constantly learn and improve.

We constantly engage with reputed partners to have a significant influence on society by improving the health, safety, and quality of life of the citizens. Utilizing our firm's most valuable asset: our employees. our core business aims to foster economic growth for the society.

Serving the Community:

People are the most valuable resource. Therefore, we feel obliged to promote health and wellness among the people living in the community, as an active responsible business, and as part of the social and economic transformation within the society. In addition, the wellness and good health of our employees is a cornerstone, over 2021 and 2022, we spent more than EGP 4.0 M towards our initiative of promoting health and wellness.

Moreover, we pay meticulous attention to the construction material we supply. As of 2022, there were no health and safety violations regarding our construction contribution projects.

Over the reporting period, we have allocated a fund towards our programs and donations towards health, education, and housing to develop a sustainable community as part of commitment to the society. Our advocacy to health and safety extends beyond our employees.

The Company and employee's association have also contributed and provided medical equipment to underfunded medical institutions and have facilitated accessibility to free medication and medical treatments for under-resourced patients in Alexandria. Moreover, we cooperated with Legitimacy Association Agamy Branch to acquire

children's incubators and the Egyptian Red Crescent and Riyad El-Salhen foundation to buy filters for dialysis machines. EZDK donated computer devices to several public hospitals and charity associations, including Agami Central Hospital, Burg El Arab University Hospital Oncology Center, Ministry of Endowments, and El Margani and El Sorey Association.

Our humanitarian services expanded toward the provision of blankets and food supplies to cover the basic needs of families, providing more than 10k blankets. We do so via our charitable partners: Misr Spain for Blankets and Textiles and Fathala market for food supplies.

These services are overseen by our employee association, whose main KPI with regard to this matter is to continuously expand the outreach of these services to as many families as possible. To foster the sustainability of the Alexandrian community, to elevate the quality of learning for disadvantaged students, we cooperated with the Ministry of Education, providing more than 20 public schools with classroom materials such as desks and whiteboards. We have also financially contributed towards the heightening cost of transportation and uniforms, as well as school fees for 2000 underfunded students. Honoring our contributions to society, we have received several accolades for our community services from the following associations.



RED CRESCENT ASSOCIATION

Certificate of Honor for Donation to
Dialysis Equipment (2021)

CHARITY ASSOCIATION OF THE MOSQUE OF EL SOYOF:

Certificate of Honor for Donation to
Food Provisions and Blankets (2016)



ALEXANDRIA LIBRARY:

Certificate of Honor for the
Support of a Series of
Lectures Supporting
Children Against Sexual
Harassment (2016)



AIN SHAMS UNI- VERSITY FACULTY OF MEDICINE

Certificate of
Honor for
Supporting the
University Hospital
(2017)

AL DEKHEILA HEALTH CENTER FOR FAMILY HEALTH

Certificate of Honor for the
Establishment of a Patient Waiting
Area (2017)

FAWZY MOAZ HOSPITAL

Certificate of Honor for the Provision
of Intensive Care Equipment (2017)



ALEXANDRIA UNIVERSITY FACULTY OF ENGINEERING

Certificate of Honor for
the Support of Innovative
Projects (2017)



AL HADRA UNIV- ERSITY HOSPITAL

Certificate of
Honor for
Establishing a
Waiting Area for
Patients (2017)

CHARITY ASSOCIATION OF TESER HAYAH

Certificate of Honor for Donating
Financial Aid (2018)

- **Product Traceability:**

Traceability is an important concern for customers to track all the components of product origin. For raw materials traceability, EZDK procures iron oxide pellets from globally reputed pellet producers and can be traced back to the history of the shipments received from suppliers. Similarly, steel scrap procured locally or globally can be traced up to the supplier/trader level. The raw material suppliers are globally known and they are committed to improve human rights, labor conditions and health & safety performance.

For Long Products, Semi-products (billets) that have passed the final inspection are identified by heat No., steel grade, and marked by grade mark, then, they are transferred to either Rolling Mills billet's racks for rolling, or to billet's dispatching yard for sales. The products (Rebars & Wire Rod Coils) that have passed the final inspection (Dimension, Unit Weight & Surface) are placed in the finished products specified racks and identified by graphyplast label with the product details (Heat No., Production date, Size, Length, Steel Grade ...etc.), and they have different colors according to steel grade, also all rebars bundles cross sections to be painted with colors according to size. Also, a material test certificate is supplied when the product is dispatched to the customer. This enables customers to track the history of the production.

For Flat Products, Hot Rolled Coils that have passed the final inspection are identified by a Coil No. The coils are placed in the Coil Yard specified racks and identified by a label that contains the coil data such as: coil No., heat No., steel grade, sales order, customer name, thickness, width, weight, and commodity. Also, a material test certificate is supplied when the product is dispatched to the customer. This enables customers to track the history of the production.

- **Renewable Energy Use:**

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

- **LTFIR:**

| KPI | Unit | Year 2023 | Year 2024 |
|---|------|---------------|---------------|
| Total number of lost time injuries of employees - LTI | - | 19.00 | 23.00 |
| Total number of work hours of employees - WH | - | 15,765,848.00 | 15,584,184.00 |
| LTIFR | - | 1.21 | 1.48 |
| Change | % | 22.46% | |

• **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 will be developed further |
| | Responsible/Sustainable Supply chain approach adopted | | X | | Purchasing Division has a purchasing system in place and is starting to consider a sustainable supply chain approach |
| | 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 Report |
| | 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. |
| | 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 |
| | Review performance | | | X | Annual Management Review Meetings are done |
| | Sustainability Report | | X | | Sustainability Report first issued for years 2021-2022 and sustainability highlights were updated & published on website |