

## EFS' Sustainability Highlights

- **Stakeholders Identification and communication methods:**

	Investors	Board of Directors	Employees
Communication Channel	<ul style="list-style-type: none"> <li>• Investor and analyst meetings</li> <li>• Periodic meetings including one-on-one</li> <li>• Group meetings</li> <li>• Integrated Report</li> <li>• Media updates</li> <li>• Earnings call on Company's performance</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Various reports</li> </ul>	<ul style="list-style-type: none"> <li>• Direct meetings</li> <li>• HR surveys</li> <li>• Employees' conferences special purpose meetings or interviews</li> <li>• Direct phone calls</li> <li>• Intranet</li> <li>• Emails</li> </ul>
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"> <li>• Safe working environment</li> <li>• Attractive benefits package</li> <li>• Career path development</li> <li>• Training and development</li> <li>• Recognition and reward</li> <li>• Employee and family well-being</li> <li>• Transparency</li> <li>• Effective strategy</li> <li>• Policy communication</li> </ul>
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"> <li>• Daily operational contacts</li> <li>• Scheduled meetings</li> <li>• Regular operating reports</li> <li>• Direct phone calls</li> <li>• Emails</li> <li>• Customer e-meetings</li> <li>• Multi-stakeholder platforms</li> <li>• Webinars</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Tenders</li> <li>• Regular contacts</li> <li>• Vendors registration and inspection process</li> <li>• Emails</li> <li>• Phone calls</li> <li>• Direct meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Financial reports</li> <li>• Annual audit reports</li> <li>• Feasibility studies</li> </ul>
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"> <li>• Market research surveys</li> <li>• Participation in biddings</li> <li>• Emails</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Reports to/from gov. agencies</li> <li>• Direct meetings</li> <li>• Inspections</li> <li>• Auditors' reports</li> <li>• Focal points</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Public events</li> <li>• Direct meetings</li> <li>• Arrangements</li> </ul>
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
<b>Business Growth</b>	<ul style="list-style-type: none"> <li>Focus on organic and inorganic growth</li> <li>Scaling of adjacent businesses</li> <li>Entering new market segments</li> </ul>	<ul style="list-style-type: none"> <li>Crude steel production capacity</li> <li>Revenue from the New Material Business, Service and Solutions, Commercial Mining Business</li> <li>Revenue from High End and Downstream products and solutions</li> </ul>
<b>Long Term Profitability</b>	<ul style="list-style-type: none"> <li>Attain and retain leadership in chosen segments</li> <li>Raw material security</li> <li>Enhance operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Market share in chosen segments</li> <li>Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)</li> </ul>
<b>Product Quality</b>	<ul style="list-style-type: none"> <li>Product and process innovation</li> <li>Effective and updated quality management system</li> <li>Value engineering and customer service teams</li> <li>Quality Standards and certifications</li> <li>Innovative routes to market</li> <li>Modern and well-calibrated laboratories</li> </ul>	<ul style="list-style-type: none"> <li>Quality Yield and Quality Index</li> <li>Number of new products and services</li> <li>Customer satisfaction index</li> <li>Quality complaints</li> </ul>
<b>Technology, Product and Process Innovation</b>	<ul style="list-style-type: none"> <li>Focus on technology, digital and disruptive innovation overlaid on a culture of continuous improvement</li> <li>Addressing environmental concerns by developing and implementing breakthrough technologies progressively at larger scale</li> <li>Building a sustainable business portfolio, which is resilient against steel business cyclicality</li> </ul>	<ul style="list-style-type: none"> <li>Number of patents received</li> <li>Number of new products developed</li> <li>Number of start-ups engaged</li> <li>Number of alliances created</li> <li>Number of breakthrough projects</li> </ul>

**ENVIRONMENTAL MATERIAL ISSUES**

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

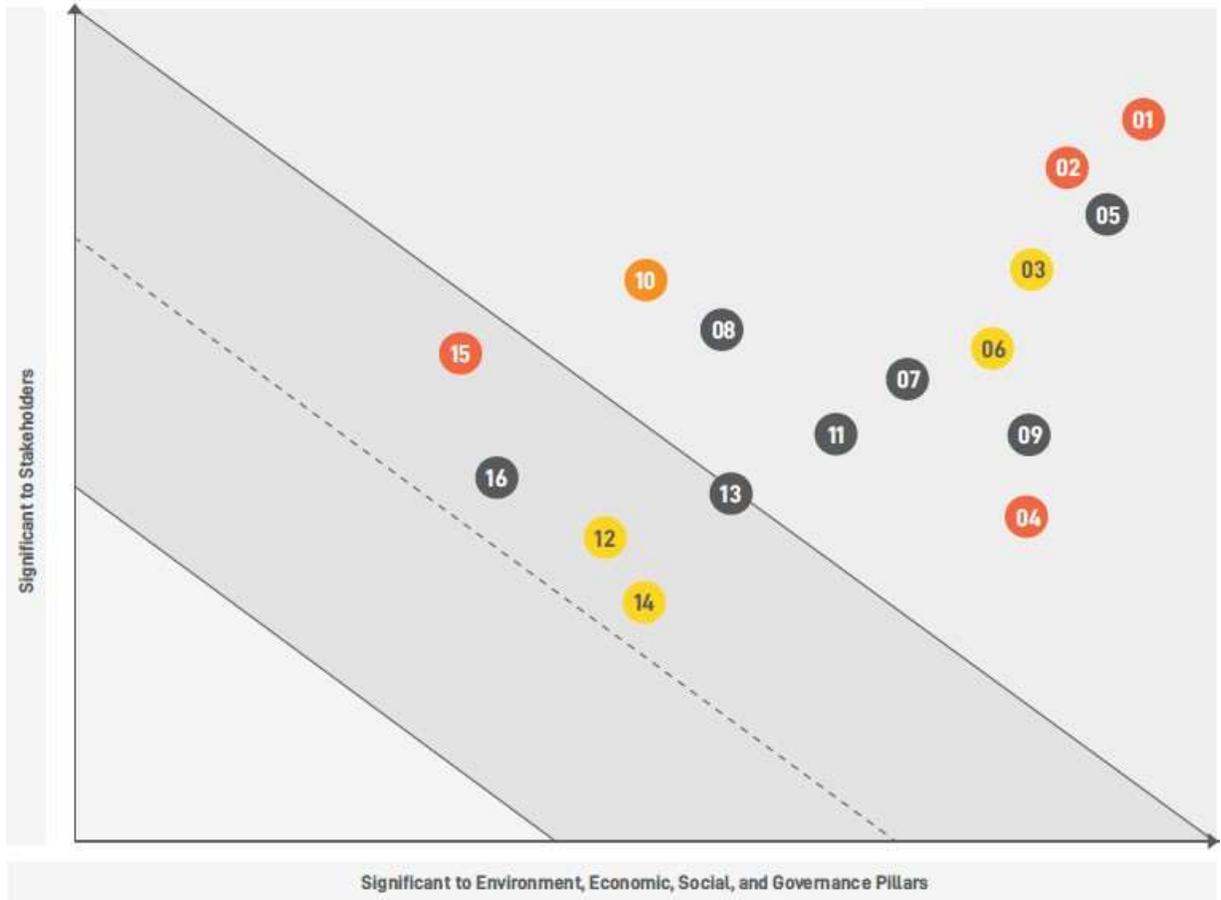
### SOCIAL MATERIAL ISSUES

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

### GOVERNANCE MATERIAL ISSUES

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

● Economic ● Environmental ● Social ● Governance



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|---------------------------------------|---|---|
| 01 Business Growth and Sustainability | 07 CO <sub>2</sub> 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                             |   |

• **Strategic Sustainability Objectives:**

Objective Type (Category)	What it Covers	Typical Metrics / Examples
<b>Environmental (Planet)</b>	Climate-energy, emissions (Scopes 1-3), resource efficiency, water, waste, biodiversity	t CO <sub>2</sub> / t product, % renewable electricity, m <sup>3</sup> water / t, % waste recycled, hectares restored
<b>Social &amp; Human Rights (People)</b>	Labor conditions, health & safety, diversity & inclusion, community impact, modern-slavery prevention	LTIFR, % suppliers audited for SMETA/SA8000, gender pay gap, volunteer hours
<b>Economic &amp; Operational (Prosperity)</b>	Cost efficiency, circular-economy value creation, innovation, local content, job creation	Cost / unit saved, % recycled content, R&D spend on low-carbon products, local-supplier spend
<b>Governance &amp; Ethics</b>	Policy compliance, anti-corruption, grievance mechanisms, data transparency, ESG reporting quality	Zero bribery cases, whistle-blower cases resolved ≤ 30 days, verified ESG report (GRI/SASB)
<b>Supply-Chain Traceability &amp; Risk</b>	Approved-supplier coverage, country-of-origin risk, material traceability, conflict-mineral & OECD alignment	% tier-1 suppliers' risk-rated, % batches 100 % traceable, risk mitigations closed
<b>Stakeholder Engagement &amp; Communication</b>	Investor ESG scores, customer scorecards, community dialogue, employee training & awareness	MSCI/Eco Vadis rating ≥ 75, stakeholder survey score, % staff trained in bespoken code
<b>Continuous-Improvement &amp; Innovation</b>	Science-based targets (SBTi), R&D for eco-design, digital tools for LCA / supplier data	Annual SBTi progress %, number of eco-design launches, LCA coverage (%)

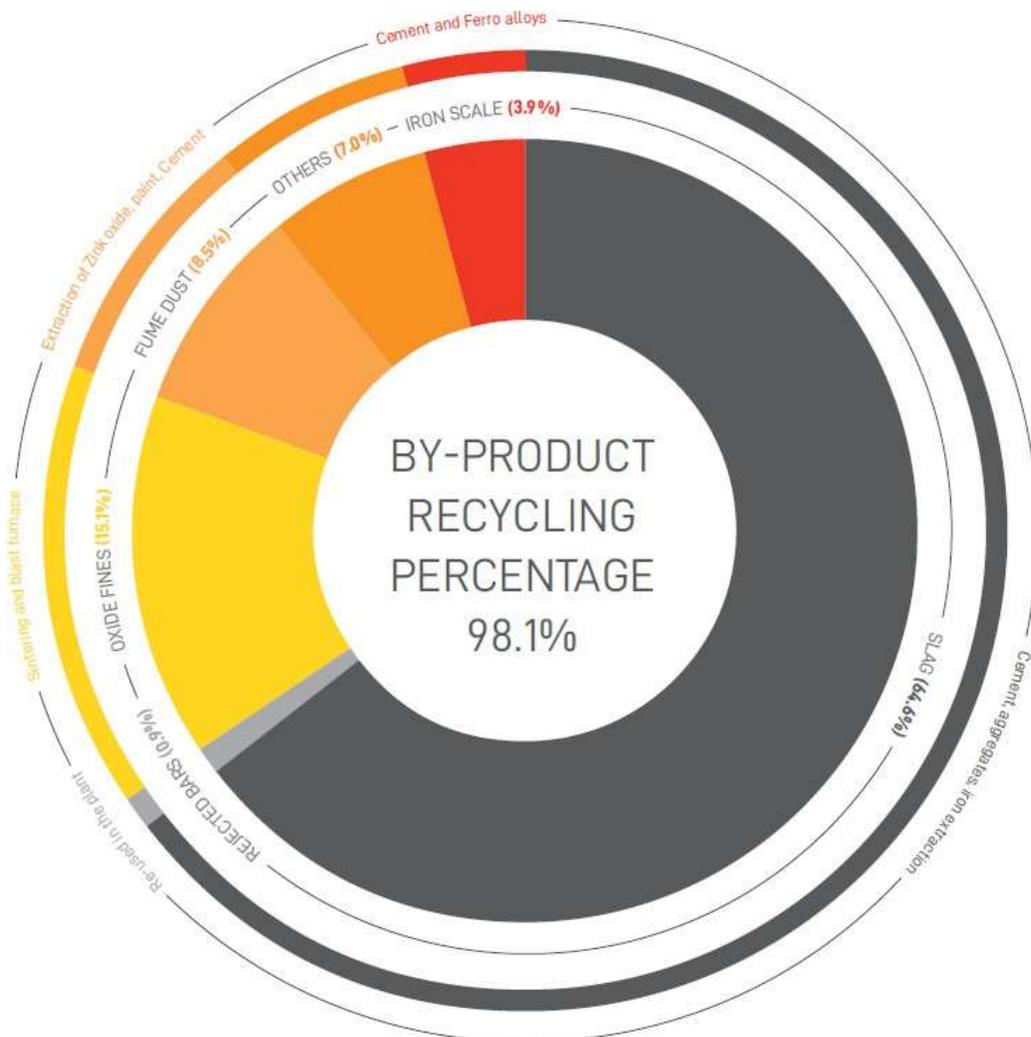
**Integrated Management System**, EzzSteel Co. (EFS) has adopted a process approach standing on Seven perspectives, which are dealt with simultaneously.

- 1) The First perspective is **Stakeholder and Communication satisfaction**. Therefore, it considers all stakeholders involved in the specific process. This essentially includes conformity to specifications and standards of the product, means to monitor customer satisfaction and methods to evaluate the effectiveness of the process through predetermined acceptance criteria.
- 2) Ensures sustainable **Human Resources** by promoting ethical labor practices, diversity, fair treatment, equality and continuous skill development, aligned with Sustainability Management Systems and BES 6001 requirements for responsible sourcing.
- 3) Handles the process from the **Environmental** point of view. This will include all the possible products of the process itself, especially by-products, waste, emissions, and the disposition in each case. The focus is assessing how environmental aspects (e.g. from operational activities, transportation...etc) may impact interested parties, surrounding communities, biodiversity, climate change, natural resources, as well as how we ensure social & business satisfaction, regulations are complied with, and resources are conserved.
- 4) Handles the process from **Occupational Health & Safety** point of view. The focus is on how risks and hazards are assessed, accidents and incidents avoided or mitigated in case of occurrence, regulations and legislation satisfied, and interested parties protected in the workplace.
- 5) Handles the process from **Energy performance** from a point of view. The focus is on Significant Energy uses performance compared to an identified energy baseline to monitor its Energy Performance Indicators (EnPI's) and depending on renewable sources of energy as an essential perspective towards 2030.
- 6) Handles **Sustainability** as a core business driver. By adopting the BES 6001 Responsible Sourcing standard, we embed environmental stewardship, social responsibility and transparent supply-chain practices into an Integrated Management System emphasizing Tracing all constituent materials back to approved, risk-assessed suppliers, ensuring that every ton of steel we produce meets rigorous responsible-sourcing criteria while supporting our long-term growth and stakeholder trust. As well as promoting the efficient use of materials through recycling and use / reuse materials.
- 7) Internal **Ethics** and a professional **Code of Conduct** as well as the well-being of employees, focusing on their mental and physical health, as well as their competencies and technical skills. They actively listen to their concerns and feedback, taking them into consideration to improve relationships among staff. This approach has a significant impact on the advancement and sustainability of the organization, fostering continuous improvement and enabling employees to make a positive impact in their external communities.

### Waste Management:

EzzSteel contributes to a resource recycling society by recycling by-products generated by steel works 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 EzzSteel’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:**

- EzzSteel 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 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 society. In addition, the wellness and good health of our employees is a cornerstone,

- 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 society. Our advocacy to health and safety extends beyond our employees.

- To foster the sustainability of the Suez community, to elevate the quality of learning and scientific research, we cooperated with the Ministry of High Education, funding the university students as well as scientific research e.g. Japanese university, Suez university, Galala university.

- **Product Traceability:**

Traceability is an important concern for customers to track all the components of product origin. For raw materials traceability, EZZSTEEL procures steel scrap procured locally or globally and can be traced up to the supplier/trader level. The raw material suppliers are globally known, and they are committed to improving 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 ) that have passed the final inspection (Dimension, Unit Weight & Surface) are placed in the finished products specified racks and identified by graphoplast 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 production.

For Flat Products, Hot Rolled Coils that have passed the final inspection are identified by coil No. The coils are placed in the Coil Yard specified racks and identified by a label that contains 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 production.

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- **Renewable Energy Use:**

KPI	Unit	Year 2023	Year 2024
Total energy used	GJ (gigajoule)	9,290,164.41	8,628,077.26
Contribution of renewable energy purchased from national grid.	GJ (gigajoule)	1,021,918.1	1,035,369.3
Renewable energy as a proportion of total energy used	%	11%	12%

- **LTFIR:**

KPI	Unit	Year 2023	Year 2024
Total number of lost time injuries of employees - LTI	-	35	25
Total number of work hours of employees - WH	-	5,197,600	6,082,360
LTIFR	-	6.73	4.11
Change	%	-38.96 %	