Gulf Cement Company P.S.C.

SUSTAINABILITY REPORT 2022

Gulf Cement Company dedicates this report to the community we live in and all their employees who have successfully participated in the development of a socially responsible company with a positive attitude towards the goals of sustainability.

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CHAPTER 1

CHAPTER 1

1.1 FOREWORD

Gulf Cement Company (GCC) takes pride in being a pioneer for sustainability and modelling sustainable environment and effective Environmental, Social and Governance (ESG) mirroring the vison of UAE towards performance par excellence in Environmental Management..

The report is prepared to align with and fulfil ADX's ESG Disclosure Guidance and incorporating highlights our performance for the year 2022.

This report has been prepared in accordance with GRI Standards and other frameworks include the United Nations Sustainable Development Goals (UNSDGs) and the United Nations Global Compact (UNGC) Principles, Abu Dhabi Economic Vision 2030 and the UAE National vision 2022.

1.2 SCOPE

The development of our 2022 ESG report aim to further enhance its sustainability journey and strengthen its stakeholder relations even more through transparent and balanced disclosures of its economic, environmental and social performance by taking pride in undertaking corporate social responsibility (CSR) initiatives in order to add value to the people, community and add value to the people community and the cement industry as a whole.

The reflects in driving sustainability forward in the country under the framework of UAE Vision 2021 and in alignment with the UN Sustainable Development Goals (SDG) and fully comply with the ADX's ESG Disclosure Guidance.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice For Professional advice on this contents of this report, please contact Gulf Cement Company.

Please contact us on mail mebrahim@gulfcement.ae for any further information related to this report.

The resources collected and mentioned in the report are done by our own team and a third party audit was not done, which can remain an option in the future.

1.3 Chairman Message

Gulf Cement Company (GCC) has completed 42 years of its Incorporation. We salute all our stakeholders who built this company and the remarkable heritage and unremitting tradition of good governance makes GCC stand out as an outstanding organization in the region this is the challenge that guides us in steering the organization's affairs .

We express our firm support for the initiatives taken by the Government represented by His Highness Sheik Mohammed Bin Zayed Al Nahyan, President of the UAE .
His Highness Sheik Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and His Highness Sheik Saud Bin Saqr Al Qasimi, UAE Supreme Council Member and Ruler of Ras Al Khaimah.

The year 2022 was remained yet another challenging time for Gulf Cement Company due to sluggish markets and have strived hard to control the operation by effectively promoting highest operational efficiency in the plant and promoted the culture towards excellency in achieving set targets and define new goals with an eye on Sustainability 2023 will be a historic year for the UAE. The country is going to host the 28th session of the Conference of Parties (COP 28) to the UNFCCC (United Nations Framework Convention on Climate Change). Achieving sustainability and encouraging global cooperation to address global issues and GCC will wholeheartedly participate in the initiatives taken by the Federal Government towards and achieve the goals .
GCC also firmly place their support and contribute for the UAE Net Zero by 2050 strategic initiative, which will be a national drive to achieve net-zero emissions by 2050, making the Emirates the first Middle East and North Africa (MENA) nation to do so.

With profound pleasure, I take this opportunity to thank Gulf Cement Company for actively participating in all the initiatives taken towards sustainability promotion campaigns organized by both Federal and Local Government and wish the very best in the years to come and operate with goals in line with Standard practices.

1.4 Executive Management Message

Gulf Cement Company, a four-decade-old company founded in UAE has always evinced keen interest in Development and was a pioneer in contributing towards a better living society and immense participation in the developments as vision by the leadership of Federal and Local authorities.

GCC remain once again on the top while contributing towards betterment in production of world-class quality products with a sustainable marketing strategy with promoting preservation of natural resources, saving Electrical and Thermal Energy, production of Green Power lookout for continual improvements in line with the UAE government initiatives.

We thank our honorable Chairman and Board of directors for placing full faith on us to pursue our Sustainable goals & always supported our initiative's taken towards improvements of environment and society.

We also provide best wishes for our team in bringing out this Sustainability report as a road map for visionary Management by principles and activities with an aim to improve the society, and the environment we live in.

During the year 2022, GCC was committed to sustainable growth with a higher degree of energy efficiency and saw a reduction in terms of emission of greenhouse gas GHG due to the initiatives taken by the company. We continue to improve upon environmental impact and safeguard the safety working of our employees. GCC has attached utmost priority and promoted always a good harmonious relations with our local communities and set goals to improve energy efficiency and resource management.

The board of Directors have entrusted the implementation of Environmental improvement schemes in the plant to the Executive Management.

Executive Management

CHAPTER 2

2.1 GULF CEMENT COMPANY (GCC)

GCC is a leading economic edifice & a pillar of the state economy and one of the industry's leading companies to produce the best cement types and a global specification in addition to producing electric power by taking advantage o f the lost heat, it contributes to the state's march in the environment and industry down to space Innovation for future design.

Since its establishment in 1977, we played a key role as a partner in the economic development process in the Emirate of Ras Al Khaimah, through its contribution to the manufacture and production of cement and clinker and the cement industry is one of the most valuable industries that characterize the United Arab Emirates and the main factor for its economic growth.

Taking the lead ahead of the all the companies that are producing cement in the country , which is basis of the national economy , GCC supports construction sector with various cement types and it derivatives with a world-class product matching to American, British and European standards and contribute effectively to the implementation of infrastructure projects at the country level. The company is also proud of using it cement product in most development project and the countries mega infrastructural projects such as airports, seaports, buildings, roads, bridges, rail network, industrial islands and other vital projects in the country.

2.1.1 OUR POLICY

Gulf Cement Company is specialized in Manufacturing, Storage, Marketing and Sales of all types of cement (OPC/SRC/MSRC/OWC), fly ash and ggbs for UAE markets and abroad. Top Management recognize the significance, accordingly prepared, documented, established and implementing an Integrated Management System (IMS) aligned with all applicable legal regulations, code of practices and international standards

ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and latest editions of API Spec Q1 requirements. The policy and the objectives have been communicated understood implemented and maintained at all levels at all relevant functions and levels of the organization as well as being reviewed periodically for assessing opportunities for improvement and changes if any needed to them.

Our Quality, Health, Safety and Environment Policy is dealt in details under Section 4.

2.1.2 COMPANY STRATEGY

The Executive Management of GCC operates under the umbrella of the Board of Directors to protect the acquisition and safeguarding investor's right and deal under all circumstances, according to the best industrial practices and highest degree of readiness. The Executive Management has established a highly efficient operational plan, which leads to best production plan for the company and add effectively for making appropriate and arrive at suitable decisions to reach the best results. The Board of Directors are keen on adjusting this strategy according to the realistic events associated with them & also correct and direct the paths in a manner that achieves the planned objectives.

2.1.3 OUR PRODUCTS

We are a well-known pioneer in the field of supply of construction materials which are manufactured as per strict requirements of both American and British standards and our production capacities are 3.8 million tons of clinker and have a grinding capacity of 2.4 million tons per anum. We regularly produce the following types of Cement and sell in the market as per international standards (ASTM and BS EN)

1. Ordinary Portland Cement
2. Moderate Sulfate resisting Portland Cement
3. Sulfate resisting Portland Cement
4. Oil Well Cement
5. Ground Granulated Blast Furnace Slag
6. Fly Ash

2.1.4 AWARDS AND CERTIFICATES

ADMINISTRATION & THE PRODUCTION AWARD

The governance and administration of the 1996 International Quality Commission Madrid/Spain .

INTERNATIONAL EXCELLENCE AWARD

International Excellence Award No. 21 on quality of the Trade club Madrid/Las Banja in respect of the Miami-Florida/United States of America, 7/1/1996.

GLOBAL ISO MANAGEMENT SYSTEM CERTIFICATION

ISO 9001: 2015 & ISO 14001: 2015 & ISO 45001

OIL WELL CEMENT PRODUCTION API MONOGRAM CERTIFICATE

For the Oil Well Cement production API Monogram Certificate No. 10A-0137 from the American Petroleum Institute (API) was successfully obtained in year 2017, the company has thus became globally certified for the production and marketing of this type of cement..

THE GLOBAL ACCREDITATION CERTIFICATE OF CARBON FOOTPRINT LABEL FROM THE CARBON TRUST-UK IN 2016

For measuring successfully the carbon footprint of the company's products.

Authorization for use of carbon trust logo on company products.

IN-COUNTRY VALUE CERTIFICATE

Gulf Cement Co

65.90%

IN-COUNTRY VALUE CERTIFICATE

For successfully demonstrating the commitment for developing the local talents, and promoting business among Local companies

ABU DHABI QUALITY & CONFORMITY COUNCIL

Successfully registered under Registration scheme for Pre Packaged Cement Product .

CERTIFICATE OF PRODUCT CONFORMITY (DUBAI MUNICIPALITY)

Dubai Central Laboratory Department (DCLD) attestation for Composition, Specification and Conformity Assessment for common cements .

2.2 Corporate Governance

Gulf Cement Company adopts a set of rules, controls and charters that achieve institutional discipline in the company's relations and management in accordance with international standards and methods by defining the responsibilities and duties of the board of directors and senior executive management of the company and taking into consideration the protection of shareholders 'and stakeholders' rights. The company is keen to communicate with the related authorities and public in order to maintain its position locally, regionally and globally The company is committed to implement the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and believes in the importance of applying it to establish the rules of transparency fairness and accountability based on the best models, practices and standards in force worldwide.

The Company is applying all the provisions of the laws, regulations and decisions in force and the requirements of the supervisory authorities in an optimal manner. These provisions and rules shall apply to the members of the Board of Directors of the Company and the executive management and its employees in the performance of their duties.

2.2.1 Board of Directors

Name	Membership status		BOD Member from
Sheikh Kayed Omar Saqer Mohamed Alqassimi Represented by (Government of Ras Al Khaimah)	Independent	Non-executive	2018
Mr. Hamad Ahmed Hamad Alameeri, Represented by (National Investments Company)	Non-independent	Non-executive	2004
Sheikh Omar Saqer Khaled Humaid Alqssimi	Independent	Non-executive	**2021**
Mr. Abdulla Mohammed Hassan Mohammed Al Hosani	Independent	Non-executive	2018
Mr. Hamad Fahad Hamad Alwnais	Independent	Non-executive	**2021**
Mr. Husam Mohammed El-Sayed Hussein, Represented by (Al-Khair National For Stocks & Real Estate Co.)	Non-independent	Non-executive	2018
Ms. Dalya Mohammed Ali Al Shehhi	Non-independent	Executive	**2021**

- Notes:
- Resignation of Mr. Hamad Ahmed Hamad Alameeri (representative of the National Investments Company) Vice-Chairman of the Board of Directors on 09 November 2022.
- The Board of Directors has appointed Mr. Husam Mohammed El-Sayed Hussein Vice Chairman of the Board of Directors on 09 November 2022.
- The perentage of Independent Board of Directors constitute 57% .

The Board of Directors shall be deemed to have all the power to carry out all acts on behalf of the Company and to exercise all powers required to achieve its purposes. Such powers shall not be restricted except by the law or the Company's Articles of Association.

The Company's Articles of Association stipulate that the Board of Directors shall be composed of seven members elected by the General Assembly by cumulative secret voting.

Composition of the Board of Directors

The current members of the Board of Directors were elected through the Company's General Assembly held on April 11, 2021 for a period of three years starting from the date of their election. The Company has taken into consideration the requirements of Corporate Governance Rules in accordance with the Company's Articles of Association that formation of the Board of Directors to be at least most of the members are independent members and the majority to be non-executive members who have practical experience and technical skills belong to the interest of the company.

2.2.2 Gender diversity in the Board

The company believes in the significant important of the diversity of experiences and the role of women in the development process, which contributes to adding quality effectiveness and increasing constructive perspectives. Moreover, the company works to implement such decisions (Article 40, Item 1) of the SCA Chairman's Resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide Where the company opens candidacy for both gender in each electoral cycle with equal rights without any restrictions or discrimination on female candidacy and based on Article (19) of the Gulf Cement Company Article of Association, the company is managed by a Board of Directors consisting of seven members, as follows:

Description	Number	%
Male	6	85%
Female	1	15%

2.2.3 Committees of the Board of Directors

According to the Chairman of the Authority's Board of Directors Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, the Board of Directors has formed committees such as the Nomination and Remuneration Committee, Audit Committee and Executive Committee which follow it directly in order to contribute to the implementation of its tasks, and these committees play a fundamental role in supporting the Board in carrying out the tasks and duties entrusted with them in the management of the company and each committee operates within the scope of its competence approved by the Board.

The Board has established procedures that specify the mission of the Committee the duration of its work, the powers granted to it, the manner in which the Board of Directors supervises it, and the tasks assigned to it. The Committee presents a written report of the procedures, results and recommendations with absolute transparency.

2.2.4 Investor relations controls

(Communication mechanism with the shareholders)

In accordance with SCA resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and the decisions and circulars issued by the authority related to the controls of investor relations and based on the keenness of the Gulf Cement Company to build an industrial edifice that is a partner in development Sustainable to achieve ambitious aspirations for the future and keep pace with the highest international quality standards, and the optimal application of the rules and regulations in force in this regard, the company has strengthened the role of investor relations management and defining its tasks and activating the best ways to communicate with the company, It has also developed and updated its website in a complete and accurate manner to be known as "Investors' Relation Portal" in which the company through it seeks to enable investors and those interested in direct access to the latest information, especially those related to the financial statements, annual reports, dividends and stock prices and other disclosures.

The "Investor Relations Portal" aims at enhancing channels of communication and encouraging information exchange to enable investors and financial analysts to reach clear visions in accordance with the highest standards of transparency and reliability and to provide the latest information that confirms the extent of compliance with transparency and the application of the standards of institutional discipline.

Manager of the Investor Relations Department: Ms. Dalya Mohammed Al Shehhi
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Fax: +971 7 2027280
E-Mail: share@gulfcement.ae
Investors Relation Portal: http://www.gulfcement.ae/investor-relations-ar

2.2.5 Risk Management

The Company Board of Directors adopted the policies, frameworks and regulations that ensure effective management of risks based on the nature of the company work

The Company risk management framework provides a logical and systematic way to identify analyze, evaluate, treat and mitigate risks, monitor and prepare reports to ultimately allow leadership to take appropriate decisions and respond in a timely manner to risks when they arise. Therefore, the risk management framework in the company seeks to:

- Establish a framework for the risk management process and ensure it is implemented across the company.
- Ensure that all the current and future risk exposures of the company are identified, assessed, appropriately treated and managed.
- Ensure systematic and uniform assessment of risks across the company.
- Clearly define the roles and responsibilities of risk control to enhance the control and governance requirements of the Board of Directors and its c ommittees, and effectively communicate the outputs of risk control to support the main business objectives of the company.
- Create a risk aware culture.

- Contributing to business growth within the changing business environment and ensuring financial sustainability, as the company's risk assessment framework covers a wide range of risks, including :

1. Risks associated with operating and production.
2. Domestic and foreign market risks.
3. Risks associated to laws and regulations issued by the state, the local authority, and the Securities and Commodities Authority.
4. Risks and difficulties associated with the rapidly changing and evolving technology and information security.
5. Risks and difficulties associated with maintaining human competencies.
6. Risks and difficulties related to suppliers, customers and stakeholders.
7. Risks and difficulties related to Environment, natural resource constraints and other broad sustainability trends.

2.2.6 Internal audit System

Internal audit Department is fully independent and directly affiliated to the Board of Directors, it implements audit and control policies, which aim to assess the Company's risk management procedures, contribute to the proper application of the Company's governance rules and verify the compliance of the Company and its employees with the provisions of laws and regulations. Reviewing financial statements, and reviewing accounting policies and practices.

2.2.7 ANTI-CORRUPTION

In our dealings with customers, and suppliers we get our employees to strictly uphold the Group's policy on anti- corruption/bribery. GCC has clear-cut directives and regulations, regarding bribery of any sort and taken a number of other measures targeting at the risk of commercial bribery, to ensure that its business activities are carried out on the premise of fair lawfulness and compliance.

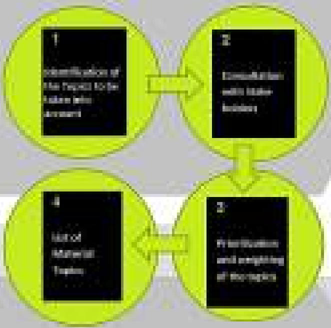
GCC was never involved in any litigation cases concerning corruption, bribery, since its inception and no any such cases reported for Financial Years 2021 & 2022.

2.2.8 WHISTLE BLOWING POLICY

We had provided a mechanism for employees and external parties to report concerns over alleged wrongful acts. Employees as well has other parties are free to report about any fraudulent practices by reporting via phone calls, fax, emails and Management ensures strict action against the reported activity, in the event of finding it genuine. There were no whistleblowing cases in Financial Year 2021 & remained Nil in the financial year 2020.

2.2.9 GCC STAKEHOLDERS AND MATERIALITY MATRIX :

GCC STAKEHOLDERS	TOOLS	GENERATED OUTPUTS
Employees	Performance Assessment Development programs Trainings	Opportunity for career development Safety at work Information provision and transparency Skills and competence building Team building
Customers and broader community	Community interaction sessions Grievance redress Surveys Charity activities Social media Sustainability reporting	Satisfaction of customers' needs Support for local communities Promotion of mutual trust and transparency Promotion of sustainability values
Industry experts Interactions (OEM)	Regular Interaction with all OEM for technical solutions	Shared solution for common challenges Industry innovations
Suppliers and contractors	Training for Contractors Supplier assessment Supplier Reevaluation and approval procedures	Enhanced effectiveness and quality throughout the value chain Opportunities for local suppliers Standards, best practices and adopting code of conduct for the suppliers
Government	Seminars, Meetings Regular reporting to government institutions	Compliance with Federal and local laws. Promotion of transparency and mutual trust
Shareholders	Annual General Body meetings Financial reports Corporate Governance report Sustainability report	Shareholder value and transparency
Press & Media	Press releases	Transparency for all stakeholders Communication of milestones, events and activities



MATERIAL ASPECTS ASSESSMENT

An important part of our sustainability journey begins with the identification of relevant aspects. Relevant aspects are then prioritised as material factors which are then validated The end result of this process is a list of material factors disclosed in the sustainability report.

The assessment process is as shown below:

To determine if an aspect is material, we assessed its potential impact on the economy, environment and society and influence on the stakeholders. Together with senior management and our external consultant aspects were identified and prioritised through internal workshops, peer reviews and social impact assessments on site.

This process resulted in the identification of the Material Topics for GCC, which may have an impact not only on the creation of economic value for the company, but also at the environmental and social level which are manifestly important for the different groups of stakeholders that were heard. These topics are mirrored throughout this report in chapters 4, 5 and 6.

IDENTIFICATION of material factors that are of relevance to the Companies's activities and relevant topics from the ADEX Sustability reporting guidlines.

VALIDATION of the completeness of key sustainability factors identified to finalise sustainability report with consultation from stakeholders.

PRIORISATION Analysis of the results, and weighting of responses to stakeholders from different locations.

LIST MATERIAL TOPICS : Result of the prioritization of topics.

We at GCC have mapped these material topics for our Materiality Matrix. The Top Management had identified in-house members who contributed in understanding the responsibility for preparation of Sustainability road map and have analyzed identified, and validated and prioritized the material topics, which are of vital importance for a sustainable development in near future, and the same is listed below:

2.2.10 LIST OF MATERIAL TOPICS

- Health, Security and safety
- GHG emissions and climate change
- Community development and local impact management
- Waste Management.
- Energy conservation.
- Human Resources Management, Gender equality
- Other emissions
- Involvement of stakeholders
- Water use and management
- Product safety and quality
- Customer relationship and satisfaction

2.2.11 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Cash and in-kind contributions made by the Company during the year 2022 toward the local community development and environmental conservation

Contributions:

The UAE community has a solid privacy and a lofty goal in the company's strategies, which is a national responsibility that establishes fundamental foundations for the tasks entrusted to everyone.

Likewise, the company is an integral part of the surrounding community and works wholeheartedly and with affiliation to consolidate effective community partnerships. Gulf Cement Company continues to support community-based activity of all kinds with a package of voluntary contributions, based on the laws and regulations of the country. The company works to ensure that all its employees are an active and influential part of society.

Community outreach:

The company has exceeded the in-kind, cash contributions and reached the goal of active community participation through adoption of the executive management to BOD initiative in supporting the community and building a strong social relationship that contributes to the positive social impact, through community outreach to become the company part of the surrounding society.

Community voluntary contributions provided by the company

In accordance with Federal Law No. (2) for the year 2015 on commercial companies and it's amendments and the article no. (65) of the Article of Association regarding the voluntary contributions, which allowed companies to pay voluntary contributions, and stipulated that voluntary contributions should not exceed (2%) of the average net profit of the company during the two financial years preceding the year in which such voluntary contributions are paid. Since the company did not achieve profits in the two fiscal years (2020 & 2021), no cash contributions were made during the year 2022, but the company was keen to continue providing in-kind and service contributions by providing various building materials and services to help citizens with limited income from the local community and public utilities.

Environmental conservation:

The company is keen to comply with the laws and resolutions issued by the Ministry of Climate Change and the Environment, and by Environment Protection and development authority in Ras Al Khaimah. Implement the policy of t he Board of Directors that the company to be a l eader in its field by applying best practices related to sustainable environment and green products. Gulf Cement Company also pays attention to the environment and its sustainability, and it believes that it is one of the main objectives that requires attention and focus on it, represented in its efforts in environmental sustainability projects that contribute to preserving natural resources and also addressed in our Corporate Governance Report 2022 for reducing carbon emissions resulting from production processes in kilns, which confirms its distinction with environmental leadership. The company works to support UAE orientations towards the green economy through ongoing environmental projects.

Urbanization:

The company takes great interest in Urbanization Projects as it represents the bright facade of the environmental reality of the company. These projects contribute to the presentation of the company's commitment to the importance of urbanization to achieve professional safety and job security and other parties as per the Ministry of Climate Change and EPDA requirements.

Landscaping:

The company has been concerned with afforestation in and around the perimeter of the company in order to achieve integration with urban construction projects that aim to highlight the aesthetic appearance of the company and increase the green area that contributes to improving the environmental situation of the area.

Environmental certificates

Obtained an Environmental Impact Assessment Approval Certificate from the Environment Protection and Development Authority in Ras Al Khaimah, allowing it to use all types of waste and alternative fuels in the company's kilns.

Renewing the environmental permit of the company issued by the Environmental Protection and Development Authority .

Certificate of thanks and appreciation from the Environment Protection and Development Authority in Ras Al Khaimah for the commitment to the environmental requirements and laws for Gulf Cement Company for the year 2020

Environmental communication

The Authority honored the company on the efforts made and compliance with environmental laws and requirements.

The company was keen on continuous and permanent communication with both the ministry and the authority to provide them with the environmental reality of the company, benefiting from the electronic monitoring network and permanent monitoring devices, as the company takes all precautionary measures upon any interruption or sudden failure and informs the ministry and the authority, and as a result of these efforts, the ministry has become The authority is fully aware of the environmental reality of the company.

2.2.12
GCC cybersecurity- data storage and security

Data privacy has become increasingly important in recent years, as the amount of personal data being collected and shared has grown dramatically. In response to the rise in cyberattacks & in-house data privacy policies implemented, Our Company has carried out a cleanup of their entire IT infrastructure and implemented measures such as setting up MFA, enhancing endpoint security, and conducting IT awareness training. We have also performed a vulnerability assessment and penetration testing, and implemented various security measures including a Firewall, VPN with MFA, and threat monitoring for Office 365. Additionally, Company has digitized important documents and implemented data and analytics tools. Moving forward our IT strategy for 2023 focuses on security and risk management, application upgrades infrastructure and operations improvements, and building an in-house techno-functional team to enhance data security capabilities. As per Federal Decree-Law No. 45/2021 On The Protection of Personal Data (PPDL) The employee sensitive data like personal details, Family details, Bank details and other sensitive data have restricted authorization and managed by strict authorization matrix in SAP.

Gulf Cement are upgrading to SAP S/4 HANA solution to have the following advantages in the Business processes.


حافظ على البيئة
SAVE ENVIRONMENT

2.3 HUMAN RESOURCES

"GCC Management system provides due processes for employee participation in organizational development and considers the employees as their assets"

2.3 HUMAN RESOURCES

Employee Wellbeing being always focused in the work culture and GCC takes pride as a company to be acknowledged as one of the "Best Places to Work" in the UAE cement industry. At GCC we believe people are the pillars of the company and thus must be well taken care of. The company strive to create an environment where employees realize their full potential, values, and contribute their best they are adequately recognized and rewarded for their efforts .

The workforce representing all parts of the world and a variety of ethnic, cultural and religious backgrounds. GCC employees display a strong sense of loyalty to the Company. The employee strength remain stable. The high satisfaction score indicated that a significant share of employees is satisfied with various work related initiatives, people processes, training and learning opportunities.

The strategy of the Ministry of Human Resources and Emiratization was based and formulated on the UAE Vision 2022 through its initiatives; the Ministry has sought to achieve the government's strategic goals giving priority to increasing efficiency, flexibility, and productivity in the business market conforming to international standards and conventions in the field of work and labour organization.

Taking a lead from the above, GCC practice a highly comprehensive system for protecting labour rights, while safeguarding employers' interests; by providing excellent services in order to make the GCC as one of the best destinations in the work area and for living for their employees GCC also strengthened its base by providing full safety, security and stability for the workforce and are deploying many cultures and nationalities, so that the GCC remains a favorable work place in UAE.

2.3.1 EMPLOYEE TRAINING

The growing importance of continuous training the workforce is recognized as a major competitive advantage in business today. The emergence of Big Data and Artificial Intelligence has just accelerated the need for skills within this discipline. The foundation for success in this new paradigm is the establishment of practices dedicated to the discipline of data management. GCC has now a full-scale upgradation of their SAP stem to S4-Hana and expected to go live in 2023, which will enable the organization into a paperless work culture and have disciplined workforce for smart work.

TRAINING DETAILS	Year 2022
Training Imparted (No of hours)	519
No of Employees covered	361

2.3.2 EMIRATIZATION

GCC has always complied with the roles and regulation and have recruited the Emirati employees' percentage proportion as per the directives of the Ministry of Human Resources & Emiratization (MOHRE).For the year 2022; the following table summarize the Emirati employee count in the organization

By Gender	Year 2022
Emirati Male	19
Emirati Female	14

2.3.3 EMPLOYEE COUNT

GCC attracts the best talents from all parts of the world and currently have multinational global workforce to balance the need of the work inputs.

Fair practices are adopted in treating all the employees alike irrespective of their origin and widely respect their culture while adopting the work standards in order to derive the best out of these talents.

The split of employee counts in the company are as given below:

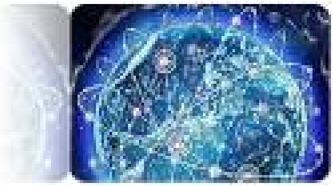
By Gender	**Year 2022**
Male	424
Female	**14**

2.3.4 GENDER DISTRIBUTION

GCC has a wide spectrum of nationalities constituting the work force, which includes both Emirati and Expatriates and this year and the ratio of the Emirati employees to the total employee's stands at 9.8% and follows the directives of Ministry of Human Resources & Emiratization (MOHRE).

As a part of sustainable goals, GCC is doing well to encourage the Emirati personnel's to develop as per the initiatives of the Federal and Local Government

The development of Emirati employees will remain in the prime focus for the company in years to come. As per the work demand, employees are regularly recruited in place of those who have left the organization either due to Termination of Service/Sickness resignation from service.



By Nationality	Year 2022
Emirati	43
Expatriates	395
By Gender	**Year 2022**
Emirati Male	29
Emirati Female	14
Expatriate Male	395
Expatriate Female	None

2.3.5 EMPLOYEE TURNAROUND

Particulars	Year 2022
No of employees who have joined newly in the Organization	**33**
No of employees who have left the Organization (Termination of Service/sick/resignation)	26

"In recent years the company is taking active steps to introduce Emirati women workforce for appropriate jobs. I am particularly impressed to see young women executives in frontline holding senior positions in the company."

Chief Operating Officer

2.3.6 Human Rights and Child Labour

The company doesn't encourage anything relating to child labour, forced labour, involuntary labour, human rights abuse or discriminatory employment. During the year, there are no any complaints regarding the Human Rights abuse or use of any prohibited labour.

2.3.7 Employee Appraisal and Incentivized Pay system

The Human Resource management system provides due processes for employee consultation and participation in organizational development and policy formulation. Every year annual appraisal system for all the permanent employees are done with the employee participation. Due incentivized pay system is linked directly linked to the performance of the individual employee and rating system enables fair deal for the employees.

CHAPTER 3

ENVIRONMENT ASPECTS

CHAPTER 3

ENVIRONMENT ASPECTS

"We firmly believe on high standards of Corporate Governance and operate our unit with responsibility and contribute to Sustainable development and commitment to preserve natural resources by Promoting Reduce, Recycle and Reuse policy"

Executive Management

3.0 ENVIRONMENTAL ASPECTS

3.1.1 Federal laws

3.1.2 Local regulations

3.2 Conservation of natural resources & usage of Alternate fuels

3.2.a Raw water consumption, alternate fuels & recycled water for Steam Turbine Generator

3.2.b Generation of Captive Green Power

3.2.c Alternate fuels for Pyro processing

3.2.d Environment Performance

3.3 Sustainability Measurement

3.3.1 CO2 emission from cement plant for years 2020, 2021 & 2022

3.3.2 Sustainable Development Goals

3.1.1 FEDERAL LAWS

The applicable federal laws are referred here:

Federal Law No. (24) 1999

Federal Law No (24) concerning the Protection and Development Executive Order of the Federal Law No (24) 1999

Ministerial Decree No 137 (2012) for Cement Industries Regulatory Guidelines for Environmental Control in the Cement Industry.

Article-1: Scope of Application: The provision of this resolution will apply to all the establishments operating in the field of cement industry in the UAE, in addition to the decisions issued by the competent authorities.

Article-2: Environmental Impact Assessment: All the establishments in the UAE will have an EIA report prepared by an Environmental Consultant experienced in the cement industry.

3.1.2 LOCAL REGULATIONS

Regulation No (1) 2001 for public hygiene in the Emirate of Ras Al Khaimah

LAW NO (2) 2007

For the Environment Protection and Development Authority – Ras Al Khaimah Law No (2) 2007 stipulates that the competent environmental authority in the Emirate of Ras Al Khaimah is the "Environment Protection and Development Authority" (EPDA – RAK) under the Chairmanship of the Crown Prince and Deputy Ruler.

In order to abide by the Laws, and to protect the environment GCC has initiated several steps in the plant including the state of the art Bag filters with an emission levels of <5 mg/nm3 which is very stringent than the permissible levels by the regulations.

GCC has installed a Continuous Emission Monitoring Systems (CEMS) which minutely monitors the emission levels from the chimney gases, as per the mandatory requirement for the stacks and have already linked the outputs to the ministry online.

The ambient air quality is also strictly monitored for all the emissions, and particulates and sharing the output of the unit online with the Ministry.

We have no violation on the environmental and have 100% compliance with the stipulated laws regarding the maintaining of emission levels

3.2 CONSERVATION OF NATURAL RESOURCES & USAGE OF ALTERNATE FUELS.

The raw materials used for year 2021 and 2022 are tabled below:

Year 2021	Limestone	White Silica	Red Silica	Copper Slag	Total
Qty,MT	3,173,411	155,411	466,472	104,534	3,899,828
%	81.37	3.99	11.96	2.68	
Year 2022	**Limestone**	**White Silica**	**Red Silica**	**Copper Slag**	**Total**
Qty,MT	2,826,914	102,528	535,299	100,951	3,565,692
%	79.28	2.88	15.01	2.83	

GCC continues to promote the local suppliers by resourcing their materials from locally available resources and 97% of the raw materials are arranged within the country. Copper slag, an alternative material to the natural iron ore is being recycled in appreciable quantities in both the years. Usage of the locally available red silica materials is being continued and replaced bauxite raw material, which otherwise was imported into the country. As a milestone effort in preserving Natural resources, GCC actively promoted the utilization of alternate raw materials and recycling the gypsum wastes from Knauf and has signed a contract with Dubai Dry Dock World for used grits.

Utilization of Alternate Fuels in both Kilns and Boilers for the year is significantly low due one of to the manufacturing lines remained stopped most of the time as a strategy decision.

3.2. A Raw water consumption, alternate fuels & recycled water for Steam Turbine Generator

Year	2021	2022
Total Raw Water(M3)	1,595,677	1,185,806
STG Raw Water(M3)	1,085,157	832,046
Recycled Raw Water(M3)	232,306	227,522

The power generation had to be reduced owing to increase in fuel pricing and better power plan Management was prevailed which led to the stoppage of the CFBC boiler and accordingly the waste recycling was restricted during the year.

Year	2021	2022
Camel Waste Received(T)	29	10.12
Camel Waste Consumed(T)	70	26
RDF Received(T)	2,005	519.46
RDF Consumed(T)	2,005	550.68
RDF Coal Replaced (T)	1,856	493.77
Camel Waste Coal Replaced (T)	15	6.41

3.2.B Generation of Captive Green Power :

Year	2021	2022
Gross Power Generation (Kwh)	203,537,000	141,441,000
Green Power generation(Kwh)	**130,796,772**	**104,674,192**
% Green Power Generation to total	44.57%	74.01%

GCC Actively promoted the green power generation for the year and it is approximately 30% higher than last year paving way to achieve the goals for reducing the carbon footprints of our products sold.

Power Consumption

Year	GT NET POWER (kWh)	STG NET POWER (kWh)	FEWA POWER (kWh)	TOTAL (kWh)	YEARLY % OF GT POWER	YEARLY % OF STG POWER
2021	89,334,939	179,938,210	80,538,834	349,811,983	25.54	51.44
2022	74,569,329	122,969,119	100,098,640	297,637,088	25.05	41.32

Year	2021	2022
Specific Power Consumption, KWH/T of clinker	82.99	84.53
Specific Power Consumption, KWH/T of Cement	46.03	48.97
Total Power consumption, KWH/T up to Cement sales	2.46	2.78

3.2. C. Alternate fuels for Pyro processing :

In the last three years availability of alternate fuels remained a low profile, and GCC consumed lesser amounts of alternate fuels and hence the thermal substitution rates are lower. In the year, GCC had participated with RAK GAS to clear their environmental challenges by disposal of their waste and are partnering with Saqr Port for incinerating their waste in the Cement Kilns. In addition, GCC has signed a Memorandum of understanding with Waste Management Agency, RAK for the development of suitable projects in the Emirate of Ras Al Khaimah for Refused Derived Fuels.

In year 2023, Gulf Cement is targeting up to 10 % Thermal Substitution rate as a part of our sustainable goal, and working with proposals for increasing the utilization of alternate fuels in the company.

FUELS USED IN GULF CEMENT COMPANY	Year 2020	Year 2021	Year 2022
Total Alternate fuel used in Pyro Processing ,MT	3,711.11	1,752.21	1064.6
Total Coal used %	97.30	92.72	15.54
Total Gas used %	2.70	7.28	84.46
Total Coal Replaced, MT	3,669	768	457
Thermal Substitution Rate %	0.98	0.21	0.125

3.2.D. Environment Performance :

S.No	Description	YEAR 2022
1	New Tree Plantation	620
2	Environment induction training	693
3	Environment Awareness training for spillage control (oil spillage)	35
4	New Green belts	60

3.3 SUSTAINABILITY MEASUREMENT

Cement production makes up an important role in the global CO2 emissions from industrial and energy sources. Gulf Cement Company as a responsible producer is always committed in lowering our carbon foot prints have calculated the carbon footprints of our product in house and the CO2 emissions over a period of last three years have shown a downward trend.

The study has references to ISO 14064-1:2006 (Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) & ISO 14067:2018 (Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification).

The measurements and reporting are highly transparent and truly reflect Gulf Cement Company's commitments in reducing their product carbon footprint and adhering to our goals set for Sustainability.

4.3.1. CO2 emission from cement plant for years 2020, 2021 & 2022

As a commitment to attaining specific reduction towards reduction of CO2 emissions from the company, GCC has initiated several steps towards the same as can be seen in the following trends.

Parameters	Year 2020	Year 2021	Year 2022
Total Clinker Production, MT	2,816,022	2,844,184	2,290,237
Total Volume of CO_2 Emission in MT For Scope 1&2	2,751,779	2,541,185	1,946,928
CO_2 Emission Per Ton of clinker	977.17	893.47	849.66
CO_2 Emission Per Ton of Cement	951.7	888.06	825.47

Note:

The following were used in calculating the CO2 emissions

1) WRI/WBCSD 2004. The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

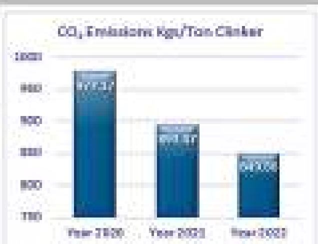
2) GHG Protocol Corporate Accounting and Reporting Standard

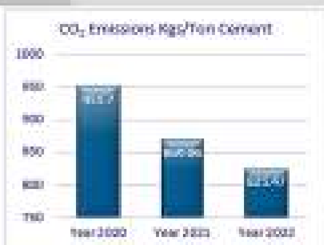
3) The tools are consistent with those proposed by the Intergovernmental Panel on Climate Change (IPCC) for compilation of emissions at the national level (IPCC, 1996).

Live Continuous Emission Monitoring System (CEMS)

13% CO_2

Specific Reduction in Emission/ton of our products over three years





200,000 M/T PER YEAR

Clean Industry - Sustainable Environment

Clean Industry - Sustainable Environment

3.3.2 SUSTAINABLE DEVELOPMENT GOALS

Gulf Cement Company has the following visions for a sustainable environment by Year 2030

- Promote Initiatives towards Sustainability by following both the Federal Government, and Local government policies.
- Promote Sustainable Economic growth.
- Promote industrial innovation for conserving Energy.
- Promote recycling of all wastes in the plant & other sources in the Emirate
- Promote Good health and well-being by providing safe working environment to all.
- Promote Emiratization.
- Promote Gender equality by Emirati women participation.
- Promote transparency Management by code of conduct practices for suppliers and all workmen across the company.
- Active participation in the efforts taken by UAE Government towards achieving NETZERO by year 2050

CHAPTER 4

SOCIETY AND OTHER ASPECTS

GULF CEMENT ACTIVELY PROMOTING SAFETY, HEALTH

&

CLEAN SUSTAINABLE ENVIRONMENT

TO

ALL STAKE HOLDERS OF

THE COMPANY

4.1 Safety Management

4.1.1 Health and Safety our priority

4.1.2 High level standard work environment

4.2 Company Quality Health Safety and Environmental policy

4.3 Training and Accident statistics

4.1 SAFETY MANAGEMENT

4.1.1 Health and Safety our priority

Health and safety are our values forms an important part of our sustainability agenda. GCC has a pertinent commitment to conduct their operation with zero risk to human lives to all their employees & stakeholders by providing excellent safety standards, healthy and secured work conditions and transparency in communication on relevant health and safety issues. The company now certified to ISO 45001 standards and focus on the key elements of Safe work arena for all concerned and continuous improvement in their safety performances. It is emphasized to all concerned that the Health and Safety Rules of the company are a prime responsibility of the individual, his/her involvement and self-commitment.

Safety Meetings on a regular basis with both self and contractual work force focusing primly on the safety and health have been established at plant level, which typically represents the entire workforce within the plant. There is a well-established Management System for the contractual workforce deployed from time to time, where implementation of safety standards are constantly monitored and guided by senior management for improvements. Contractors and their employees are made a ware that their involvement and interactions in the Health & Safety process forms an integral part of the overall H&S management system While dealing with H&S matters, it is also made clear that the company treats everyone is on an equal footing & the practice the value relationship with the contract employees the same way as our own employees.

GCC provided adequate safety induction training to all workers; visitors alike & ensure strict compliance of implementation of safety measures within the factory premises at all times.

The year and last saw no fatal accidents and the total man hours put in for training has increased for the year 2022.The training agenda prioritized for Induction, Firefighting Working at Heights and summer awareness topics which promoted t he principles of our Safety Management System.

> Our outlined framework for Health and Safety framework puts our employees and all stakeholders at the center in all of our actaivities and actively promote zero risk for all operations".

4.1.2 High level standard work environment

The company has also introduced good workplace environment by practicing the 5S culture, which enables self-discipline amongst all employees and attaches prime values to improvement in workplace.

The 5S culture helped the company for improving the overall Safety and Health perfomance standards.

The 5S culture adopted by GCC is based on the Japanese principles of good housekeeping and environment and is successfully promoted throughout the company to provide acceptable health environment for safe working in the company.

4.2 Company Quality Health Safety and Environmental policy

Gulf Cement Company
Ras Al Khaimah-United Arab Emirates

Quality Health Safety & Environmental Policy

Gulf Cement Company is specialized in Manufacturing, Storage, Marketing and Sales of all types of cement (OPC/SRC/MSRC/OWC), fly ash and ggbs for UAE markets and abroad. Top Management recognize the significance, accordingly prepared, documented, established and implementing an Integrated Management System (IMS) aligned with all applicable legal regulations, code of practices and international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and latest editions of API Spec Q1 requirements. The policy and the objectives have been communicated understood implemented and maintained at all levels at all relevant functions and levels of the organization as well as being reviewed periodically for assessing opportunities for improvement and changes if any needed to them.

We aim to achieve the objectives by:

1. Proper communication and consultation with employees, other involved parties regarding company policy, procedures and commitments to improve their awareness and contribution to maintain legal compliance, client requirements and suggestions for continual improvement of IMS.
2. Careful selection, allocation of competent personnel, performance evaluation, providing specific trainings, safe work procedures, proper tools & safe equipment's to perform activities utmost safely to prevent injury and ill health.
3. Performing maintenance, inspections, audits, implementation of proper corrective actions to control or eliminate all potential non-conformities to ensure Quality, Health Safety and Environmental conformities and Legal compliance.
4. Conducting proactive hazard/aspect identification, risk/impact assessment, determination and implementation of reliable control measures for further continual improvement.
5. Promoting involvement of all personnel attention for emergency response and maintaining positive HSE culture on all work sites, company camps and offices.
6. Promoting pollution prevention by enforcing Reduction, Recycle and Reuse practices, avoidance of misuse of water and fuel, toxic emission prevention, waste disposal as per regulation for assuring a safe, healthy survival and for pleasant future.
7. Setting and reviewing QHSE objectives & targets on periodic basis and set further targets with respect to Quality, Health Safety and Environmental Management system.

This policy shall be made to any interested party or member of public on demand.

Chief Operating Officer

Rev: 0 Issue Date : 04-01-2021

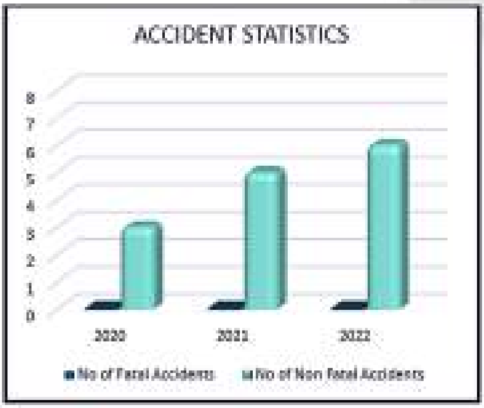
4.2 Training and accident statistics

Implementation of Fatality Prevention Elements

The untiring Health & Safety practices helps develop benefits across the business and ultimately achieves great results whilst keeping our people safe.

GCC have provided adequate training for all the safety and environment related agendas to all concerned workers throughout the year and special emphasis were l aid during annual major shutdown time.

To reduce health risk factors among employees and their families a well-structured Safety Management system being established and keeps the spirit high amongst all employees.



For three consecutive years, the total no of fatal accident remained zero and GCC have maintained clean safety records and will strive hard to maintain a healthy safety statistics in years to come.

As a resut of continuous training on safety awareness, Lost time injury requency rate (LTIFR) is 0.95 for the year 2022.

CHAPTER 5

ADX INDEX (ESG Metrics)

ADX Content of Index

Category	Metric	Corresponding GRI Standards	Corresponding SDG	Page no. or Notes
ENVIRONMENT	E1. GHG Emissions	GRI 305: Emissions 2016		Page 39-40
	E2. Emissions Intensity	GRI 305: Emissions 2016		Page 39-40
	E3. Energy Usage	GRI 302: Energy 2016		Page 37
	E4. Energy Intensity	GRI 302: Energy 2016		Page 37
	E5. Energy Mix	GRI 302: Energy 2016		Page 37
	E6. Water Usage	GRI 303: Water and Effluents 2018		Page 36
	E7. Environmental Operations	GRI 103: Management Approach 2016		Page 23,24,32 to 43
	E8. Management Environmental Oversight	GRI 102: General Disclosures 2016		Page 4-5
	E9. Board Environmental Oversight	GRI 102: General Disclosures 2016		Page 4-5
	E10. Climate Risk Mitigation			N/A
SOCIAL	S1. CEO Pay Ratio	GRI 102: General Disclosures 2016		15.8:1
	S2. Gender Pay Ratio	GRI 405: Diversity and Equal Opportunity 2016		2.75:1
	S3. Employee Turnover	GRI 401: Employment 2016		6%
	S4. Gender Diversity	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal		Pag 30
	S5. Temporary Worker Ratio	GRI 102: General Disclosures 2016		N/A
	S6. Non Discrimination	GRI 103: Management Approach 2016		Page No. 30,31
	S7. Injury Rate	GRI 403: Occupational Health and Safety 2018		Page No. 48
	S8. Global Health and Safety	GRI 103: Management Approach 2016		Page No. 45-48
	S9. Child and Forced Labour	GRI 103: Management Approach 2016*		Pag 31
	S10. Human Rights	GRI 103: Management Approach 2016		Pag 31

ADX INDEX (ESG Metrics)

GOVERNANCE	G1. Board Diversity	GRI 405: Diversity and Equal Opportunity 2016		Page 14
	G2. Board Independence			Page 13
	G3. Incentivized Pay			Company has planned to introduced Incentivized pay for CO2 emission reduction in future
	G4. Supplier Code of Conduct			Page 21
	G5. Ethics and Prevention of Corruption			Page 20
	G6. Data Privacy			Page 25
	G7. Sustainability Reporting			Gulf Cement publish a stand-alone sustainability report as well as integrate sustainability information in its integrated annual report.
	G8. Disclosure Practices			This year in our ESG Report SCA guidelines and the 31 ESG ADX disclosures, which are mapped against GRI Standards and the SDGs. Our previous sustainability reports were published in accordance with GRI Standards.
	G9. External Assurance	GRI 102: General Disclosures 2016		Our report is not verified by a thirdparty audit firm, but we have engaged in an internal assurance process.

CHAPTER 6
GLOSSARY & ABBREVIATIONS

ADX - Abu Dhabi Securities Exchange (ADX), United Arab Emirates .
CSR - Corporate social responsibility.

EPDA- Environment Protection and Development Authority, Ras Al Khaimah, UAE.

ESG - Environmental, Social and Governance.

GCC - Gulf Cement Company, a PSC company in U.A.E. Ras Al Khaimah.

GRI - Global Reporting Initiative, which is an International framework recommended for reporting progress against Sustainable Development.

GPS - Global Positioning System

GHG- Greenhouse Gases are the gases that absorb and emit radiation within the thermal infrared range of the earth's atmosphere.

MOCCAE- Ministry Of Climate Change and Environment .

MOHRE- Ministry of Human Resources & Emiratization .
MW - Megawatt, a unit of power equal to one million watts .

NOx - A generic term for Nitrogen oxides usually refers to it as an air pollutant.
OEM - Original Equipment Manufactuerer

PPE - Personal Protective Equipment- Protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.

SOx A generic term for Oxides of Sulfur usually refers to it as an air pollutant.

Sustainable Development - Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability Reporting - A practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development.

UNSDGS - United Nations Sustainable Development Goals is an intergovernmental set of aspiration goals officially known as Transforming Our World: The 2030 Agenda for Sustainable Development
UNGC -United Nations Global Compact is an UN initiative to encourage global businesses to adopt ten principles covering Human Rights, Labour Standards, Environment and Anticorruption

WHR - Waste Heat Recovery - Generating power by utilizing waste heat from preheater and cooler gases, by producing steam running the Steam Turbine Generator.

thank you

شركة اسمنت الخليج ش.م.ع
Gulf Cement Company P.S.C