

Sustainability Report 2023

Building a Sustainable Future

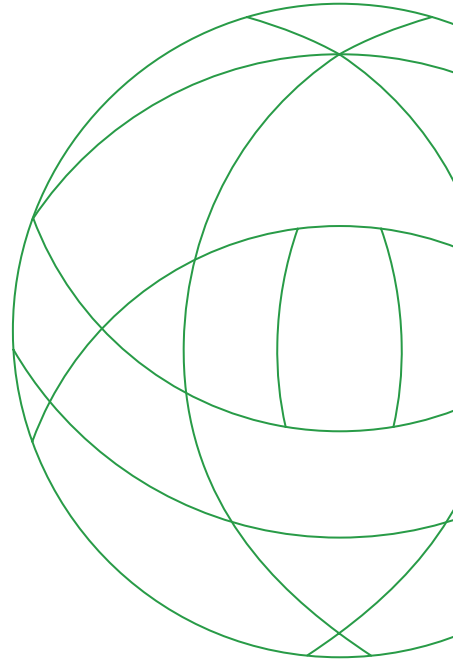




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01

2023: A YEAR IN REVIEW

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MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

As we conclude 2023, we take this opportunity to present this report that reflects our belief that sustainability is essential for the communities we serve and the environment we cherish.

The company board has established sustainability as a strategic objective and a guiding principle based on which we make our strategic decisions and establish our operational practices. We recognize that embedding these within our corporate framework enhances our resilience and drives innovation towards sustainable growth and profitability.

We have endeavoured to transform waste into opportunities ensuring that our business units contribute positively to our community ecosystem. We integrated green metrics into our operations and broadened our impact across the value chain. These efforts establish Al Qaryan Group as a preferred partner for stakeholders who share our vision of a better environment.

The year 2023 has been a landmark year in our journey. As we move forward, we will continue to explore new horizons, ensuring that sustainability remains central to our mission, vision, and strategies.

Thank you for your engagement in our journey.

Sincerely,

Hamoud Qaryan Al Qahtani
Chairman, Al Qaryan Group



We have endeavoured to transform waste into opportunities ensuring that our business units contribute positively to our community ecosystem



MESSAGE FROM THE CEO

Dear Stakeholders,

As we reflect on the achievements of 2023, we are reminded that sustainability is a strategic objective that involves a continuous journey of transformation towards sustainable growth with a positive impact on our community and business.

At Al Qaryan Group, we are committed to the belief that sustainability is a key driver of our long-term sustainable success, influencing every aspect of our operations and shaping our future.

Our dedication to integrating sustainability into our business strategy stems from the understanding that it plays a critical role in enhancing operational performance, resilience, and value creation.

In alignment with the national vision, we recognize the importance of contributing to the broader agenda of sustainable development. Our efforts to adopt circular economy practices, innovate in resource management, and promote responsible growth reflect our determination to lead in sustainability, both locally and globally. By converting waste into valuable resources, closing loops, and creating forward-looking solutions, we are positioning ourselves as a catalyst for change in the industrial ecosystem.

2023 marked a pivotal year in our sustainability journey. We strengthened our governance framework, embedded sustainability metrics across our ESG pillars and operations, and expanded our impact across the value chain.

These efforts not only contribute to the national agenda but also position Al Qaryan as a partner of choice for stakeholders who share our vision for a more sustainable and prosperous future.

With determination and a clear strategic vision, we will continue to push the boundaries of what is possible, ensuring that sustainability remains at the heart of everything we do.

Sincerely,

Abdulaziz Y. Almuayyad
CEO, Al Qaryan Group



AL QARYAN AT A GLANCE



**A Closed Joint
Stock Company**



3,668

training hours provided



Recycling

**1.3 MN ton
per year**

industrial solid waste metal



2,510

skilled workforce



**Circular
Economy**

investing in the shift toward
circular economy



20+

Material Recycling Facilities

**42.64%**

Al Qaryan Group
local content score

**17.69%**

locals in the total workforce

**16**

initiatives centered on
cultivating awareness
and social responsibility

**452**

fleet heavy dust trucks and
earth moving equipment

**ISO Certified**

(14001/45001/9001)

**3.4%**

women in workforce



Awarded the

**Middle East Waste
& Recycling Award**

2018/2019/2021/2022/2023

ABOUT THIS REPORT

Al Qaryan's Sustainability Report provides a comprehensive overview of our commitment to sustainable practices, highlighting the progress we have made and the initiatives we have undertaken in 2023. This report reflects our ongoing dedication to environmental stewardship, social responsibility, and governance excellence.

Scope and Boundaries

This report covers our activities and performance from January 1, 2023, to December 31, 2023. It encompasses all of Al Qaryan's operations, including our facilities across various regions. We are committed to conducting this report on an annual basis to showcase the performance of our sustainability efforts.

Reporting Standards

Al Qaryan has reported in accordance with the GRI Standards. At the same time, this report aligns with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Vision 2030.

Data Collection and Verification

The data presented in this report has been collected from various internal and external sources. We have employed rigorous data verification processes to ensure the accuracy and reliability of the information provided.

Stakeholder Engagement

We highlight the importance of engaging in a good relationship with our stakeholders by understanding their needs and perspectives. We have maintained communication and discussion with our employees, customers, partners, investors and communities in order to ensure transparent reporting.

Contact

For any inquiries about this report, please contact the **sustainability department** manager in charge of ESG reporting:

✉ **Email:** sustainability@alqaryan.com

☎ **Number:** +966138226969



02

AL QARYAN BUSINESS

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OUR COMPANY PROFILE

Al Qaryan Group

Al Qaryan Group (AQG), founded in 1988, is the leader in the recycling industry. AQG is headquartered in Dammam, Saudi Arabia. The company specializes in the collection, processing, and trading of ferrous and non-ferrous metals, electronic waste, plastic and other recyclable materials. Over the years, Al Qaryan has expanded its operations both locally and internationally, establishing a strong presence in the global recycling market.

Driven by a commitment to sustainability and innovation, Al Qaryan Group employs state-of-the-art technology to ensure efficient recycling processes. The company is dedicated to contributing to Saudi Arabia's Vision 2030 by promoting local content and fostering a circular economy. With a focus on environmental responsibility and business transparency, Al Qaryan continues to lead the way in creating a sustainable future for the Kingdom and beyond.

Mission, Vision & Value

Purpose:

We contribute to building a sustainable future by recycling earth resources.

Mission:

To nurture sustainability by providing innovative solutions to reduce, recycle, and reuse all types of materials in a circular ecosystem, gaining a competitive advantage by applying optimized and efficient choices of technologies, manufacturing, and supply chain solutions with highest possible local content managed by capable organization, while remaining environmentally friendly, to sustain maximum value for our customers, employees, shareholders, and community.

Vision:

To be the leader of circular industries in the MENA region pioneering the advancement of sustainable solutions for the efficient use of our planet's natural resources while safeguarding the environment, creating social and economic benefits to our societies.

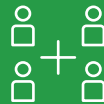
CORE VALUES



Commitment
to Excellence



Mastery



Teamwork



Leadership &
Initiative Taking



Accomplishment



Integrity



Ownership

OUR SERVICES



Metal Recycling

Al Qaryan Group is a metal recycling/scrap industry leader, providing full services such as ferrous and non-ferrous metal collecting, processing, and sales. Our modern facilities and cutting-edge technology provide efficient and ecologically friendly recycling procedures that maximize material recovery while minimizing waste.



E-Waste Recycling

With the advancement of technology, recycling electrical and electronic waste has become more significant. To manage this development, Al Qaryan proposes the safe disposal of hazardous components along with the recovery of precious resources from recycling. Additionally, we offer mobile solutions to serve companies on their premises by performing onsite data destruction for security purposes.



End-of-Life Vehicle (ELV) Recycling

At the end of the vehicle's life cycle, we prioritize ELV recycling services. This service ensures the dismantling, de-pollution, and recycling of those vehicles. Our process maximizes the recovery of metals, plastics, and other materials while minimizing the environmental impact.



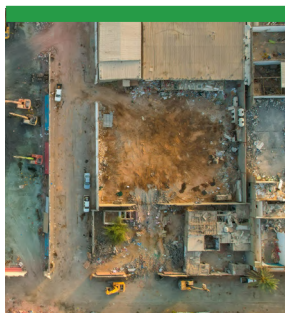


Plastic Recycling

AQG proposes plastic recycling services, which permit converting post-consumer and post-industrial plastic waste into high-quality recycling resins.

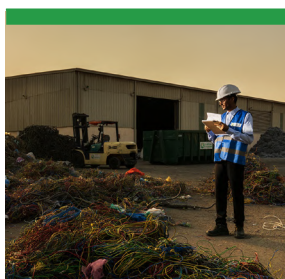
At AQG, we are recycling Polyethylene and Polypropylene using mechanical recycling technology. We are receiving our feedstock (plastic scrap) from petrochemical industries, conversion industries, and from Material Recovery Facility (MRF) (PCR - Post Consumables Recyclable). We have a dedicated segregation process before processing any kind of waste to ensure high quality products which can be manufactured from the raw materials. We have an in-house testing lab to monitor the quality of our products.

During the commissioning stage and initial startup, we have processed 1,700 Metric Tons (MT) of plastic waste into valuable raw materials to close the loop of circularity. We achieved a yield of almost 98%, and the remaining 2% was disposed of with the help of a third party agency as per the Kingdom's regulations. The processing plant was designed to accommodate around 5,000 MT of plastic scrap annually. As the workload continually grows, it is noted that such facilities have reached their capacity.



Dismantling and Demolition

Al Qaryan provides dismantling and demolition services as a specialized contract for companies' retired assets. With infrastructure for solid waste processing and management, we recycle the maximum resources from the demolished facilities. Using best practices and modern technologies, the process includes collecting, transporting, sorting, and recycling the waste generated to benefit from the resources in a sustainable manner based on the circular economy principle.



Industrial Services

Al Qaryan offers a range of industrial services designed to support our clients in managing their waste more effectively and sustainably. These services include on-site waste management, material collection, and customized recycling solutions tailored to specific industry needs.

OUR FACILITIES AND OPERATIONS

Our International Presence

Through Al Qaryan International, we ensure a global presence in the market, reinforcing our commitment to being stewards of responsible trade and environmental preservation. We make certain that every step within our supply chain complies with applicable international and regional best practices. Our operations adhere to Know Your Customer (KYC) practices in sourcing and delivering materials, ensuring our business integrity and commitment towards environmental sustainability.

AQG's operations span diverse regions including the Americas, Europe, Asia, and the Middle East. In key markets like the United States, Brazil, the United Kingdom, Germany, India, and Saudi Arabia, we foster a culture of sustainability across our supply chain. We maintain strict alignment with international and regional guidelines and regulations, warranting that our practices are compliant and conducted in the most ethical manner possible.



AMERICAS

United States
Brazil



EUROPE

United Kingdom
Spain
France
Netherland
Germany
Sweden
Bulgaria
Turkey

MIDDLE EAST

Kingdom of Saudi
Arabia
Bahrain
UAE

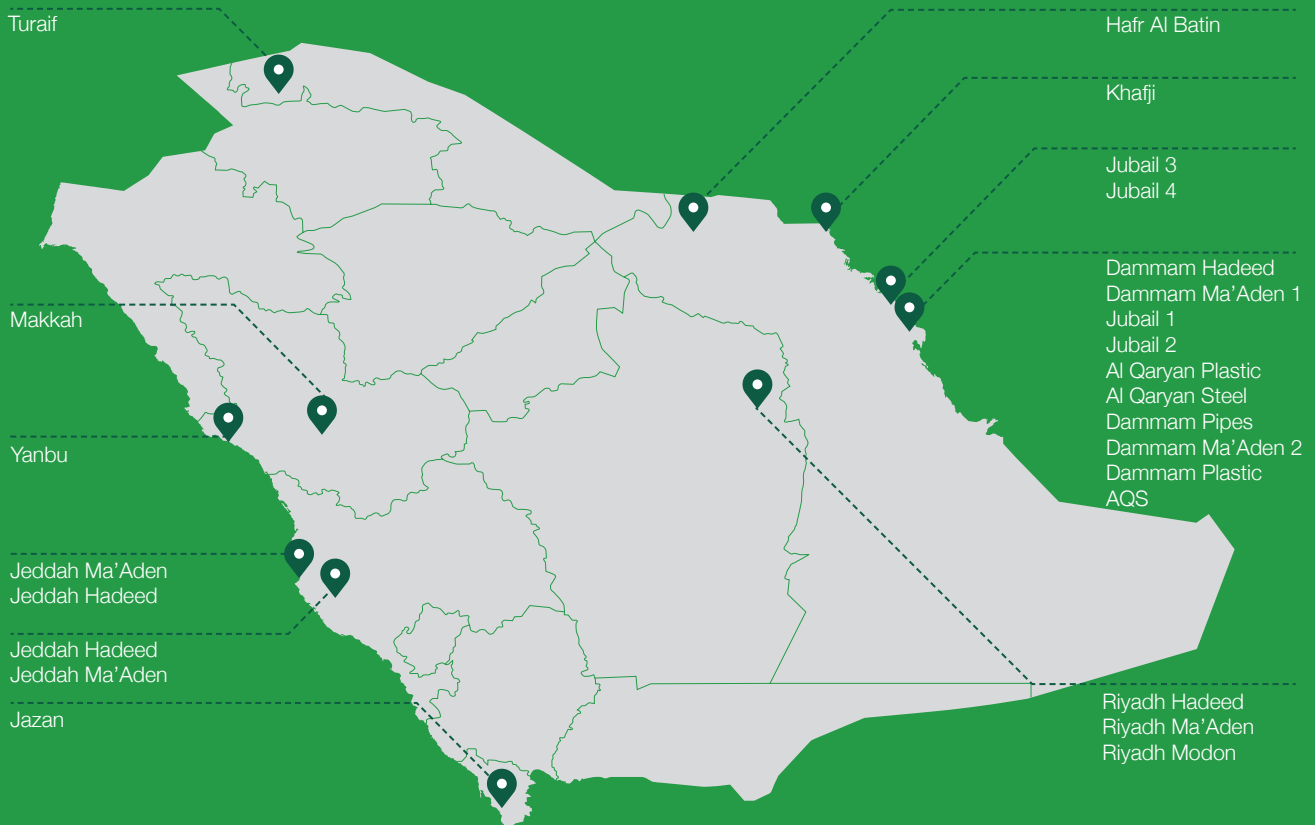
ASIA

India
Pakistan
China
Hong Kong
Vietnam
Singapore
Taiwan
Japan
Korea



Our Regional Presence

While maintaining an international presence in the local market, we also support our regional presence across the Kingdom of Saudi Arabia through our recycling and waste management activities. As of this reporting cycle, we have a total of 21 facilities under operation, with 6 to be constituted. Through this continuous growth and cycles of improvements, we remain at the forefront of implementing circular economy practices in the Middle East, being stewards of waste management and reduction.



OUR OPERATIONS



State-of-the-Art Recycling Facilities

We are constantly diversifying our business activities by using modern technology and procedures in recycling plants to effectively handle industrial and post-consumer waste material. This facility ensures to maximize the retrieval of resources and reducing wastes production.



Sustainable Supply Chain Management

We make environmental responsibility one of the most important priorities for each one of our facilities. The goal of developing and using sustainability in our supply chain management is included in our cooperative relationships with suppliers and distributors.



Environmental Compliance and Impact Mitigation

In all activities, Al Qaryan Group is committed to environmental compliance and impact mitigation. We make sure that our operations comply with national and international environmental laws and standards by proactively assessing and mitigating any potential consequences.



Waste Management and Circular Economy Initiatives

Minimizing waste generation and maximizing resource recovery are practices included in our comprehensive environmental process. Our circular economy initiatives focus on transforming waste materials into valuable resources, contributing to a more sustainable and resource-efficient future.

















Energy Efficiency and Renewable Solutions

Being responsible stewards to the natural environment, we have conducted research initiatives to assess the feasibility of utilizing energy mitigation measures such as high energy efficiency equipment and the possibility of utilizing renewables into our operations. As of this reporting cycle, we are currently assessing the optimal energy reduction solution, yet we are devoted to invest further in our efforts to ensure minimal emission generation from our energy consumption.



Recycling materials rather than producing them from their virgin source saves a significant portion of resources (2023).

	Steel In 2023, the Steel recycled in our operations saved	 690,150,000  1,935,000  3,287,780	kWh of Energy Barrels of Oil Cubic meters of Landfill Space
	Copper In 2023, the Copper recycled in our operations saved	 136,000,000  102,000  77,989.20	kWh of Energy Barrels of Oil Cubic meters of Landfill Space
	Aluminium In 2023, the Aluminium recycled in our operations saved	 1,078,000,000  3,080,000  588,742	kWh of Energy Barrels of Oil Cubic meters of Landfill Space
	Plastic In 2023, the Plastic recycled in our operations saved	 9,815,800  27,710  38,994.60	kWh of Energy Barrels of Oil Cubic meters of Landfill Space

Total waste recycled at Al Qaryan over the past year (metric ton):





BUSINESS DIVISIONS

Al Qaryan Group operates through a diverse array of specialized business divisions, each contributing to our overarching goal of sustainability and resource optimization. These divisions enable us to offer comprehensive solutions across various sectors, ensuring a cohesive and effective approach to recycling, trading, and environmental stewardship.

AL QARYAN RECYCLING

Al Qaryan Recycling is at the heart of our operations, focusing on the collection, processing, and recycling of various materials. This division handles a wide range of recyclables, including metals, plastics, and e-waste, ensuring maximum material recovery and minimal environmental impact.

HIGHLIGHTS

In 2023, we processed over 1.3 MT of recyclables; around 15% of the materials recycled include non-ferrous metals, highlighting our efforts to divert waste from landfills.

1.3 MT

of recyclables processed





AL QARYAN STEEL

Al Qaryan Steel focuses on the recycling and processing of steel, one of the most widely used and recycled materials globally. This division plays a crucial role in supporting the steel industry's sustainability by providing high-quality recycled steel.

HIGHLIGHTS

Our efforts during 2023 included the recycling of 296,898 MT of scrap materials and the production of 289,000 MT Billet produced from recycled materials.

296,898 MT

of scrap materials recycled

289,000 MT

Billet produced from recycled materials



AL QARYAN LOGISTICS

Our logistics division guarantees efficient transportation and management of materials across our value chain to ensure a smooth flow of materials, from collection points to processing and distribution. A subset of our logistics focuses on the routine maintenance of our technology and machinery, as well as updating the equipment currently upheld by our division, which enhances and improves the division's operational efficiency and environmental performance.

HIGHLIGHTS

In 2023, our division managed and supervised the assets showcased below, highlighting our improved logistics efficiency, including the reduced associated transportation costs and emissions, as it showcases our commitment to always maintain the continuation and efficiency of our workflow.

255 Mobile Equipment

97 Recycling Machines

75 Gen-Sets

275 Trucks

AL QARYAN PLASTIC

Al Qaryan Plastic addresses the global challenge of reducing plastic waste by recycling post-consumer and post-industrial plastics into high-quality resins. The company's effort is empirical in decreasing plastic pollution and promoting the circular economy.

HIGHLIGHTS

In 2023, the plastics recycling efforts led to the recycling of 1,700 MT of plastic, which encompass High-Density Polyethylene (HDPE), Low-Density Polyethylene (LDPE), and Polypropylene (PP) resin utilized in various industries and sectors.

1,700 MT

of plastic recycled



AL QARYAN COPPER

The Copper division specializes in the recycling of copper, a valuable and versatile metal. By recovering and processing copper from various sources, this division supports the electronics, construction, and manufacturing industries.

This division is currently under development and shall be inaugurated to accommodate copper recycling.

AL QARYAN PORTA CABIN

The Porta Cabin division offers innovative solutions for temporary and permanent modular structures. These eco-friendly and cost-effective cabins are used in various applications, including construction sites, and events.

HIGHLIGHTS

In 2023, we manufactured and deployed 600 of cabins. By providing sustainable and versatile accommodation solutions, we reduce the need for traditional construction.

600

cabins manufactured in 2023



AL QARYAN INTERNATIONAL

Al Qaryan International, which includes Trading, focuses on international trade of recycled materials and leverages an extensive network that facilitates efficient movement. Our trading market is situated in North America, Europe, Asia, and the Middle East.

HIGHLIGHTS

2021

Year launched



150+

Suppliers globally



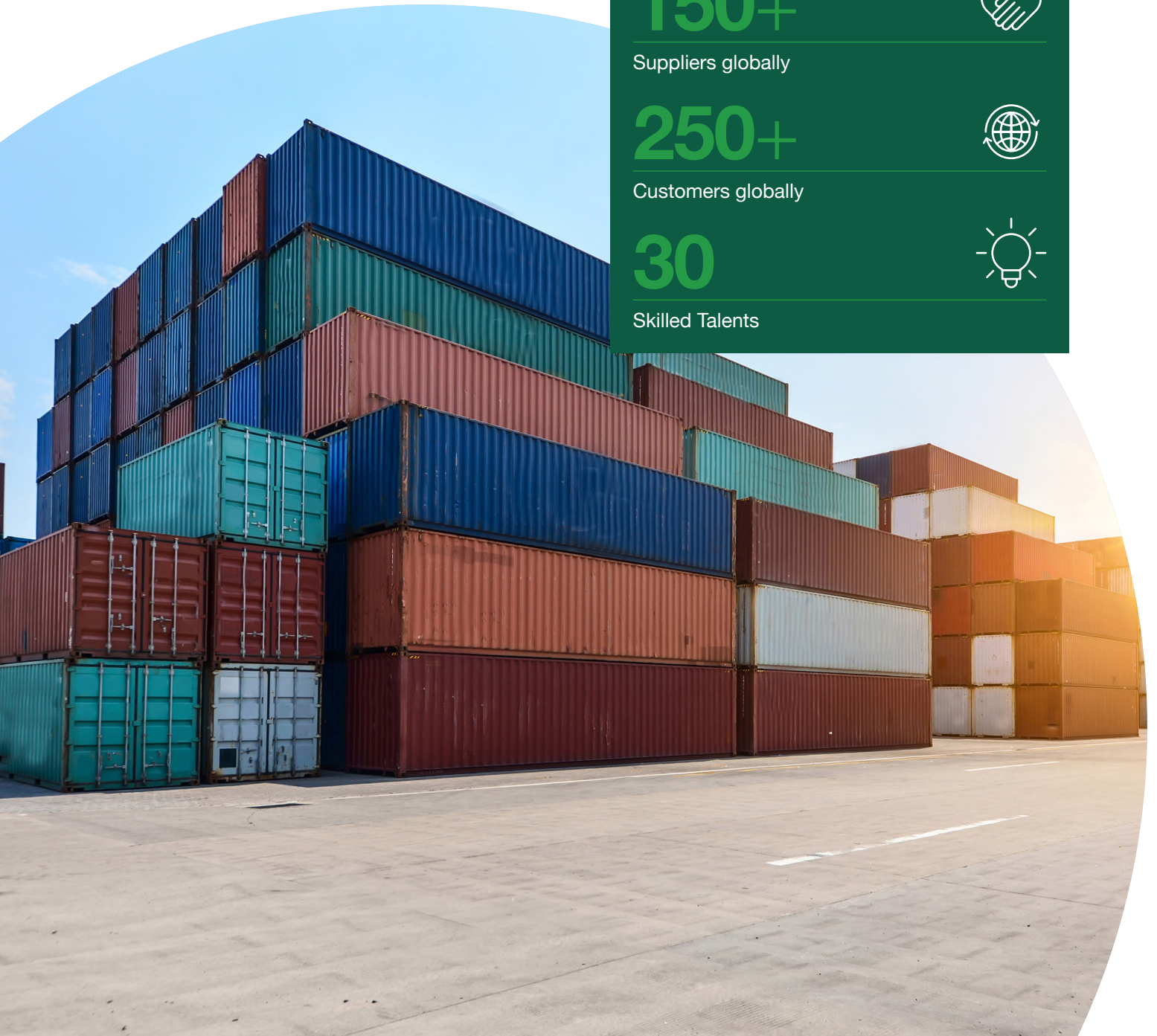
250+

Customers globally



30

Skilled Talents



PARTNERS IN PROGRESS

Al Qaryan continues to foster strong partnerships and strategic alliances that strengthen our sustainability goals.

Building on our ESG Strategy, we collaborate with key industry players, regulatory bodies, and community stakeholders. We leverage synergies that enhance operational efficiency, expand market reach, and drive environmental stewardship.

These partnerships are critical in advancing our contributions toward circular economy principles and sustainable practices, ensuring long-term value creation for all stakeholders.

Al Qaryan Group collaborates with a range of stakeholders to support its sustainability and operational goals. Key partnerships include:



Regulatory Bodies: Collaborations with national and international environmental agencies ensure compliance with environmental laws and regulations. Such partnerships include our collaboration with the National Center for Environmental Compliance (NCEC), the National Center for Waste Management (MWAN), and the Ministry of Commerce in Saudi Arabia.



Suppliers and Local Partners: Al Qaryan works with local suppliers, contributing 67% of our budget allocation to supporting local businesses. Local partnerships not only boost the local economy but also reduce transportation distances and the overall carbon footprint.



Technology Partners: Investments in modern technology and digital systems through partnerships, such as the SAP S4HANA Implementation, enhance operational efficiency and resource management.



Regional Collaboration: Through partnerships with international markets in UAE, Bahrain, Jordan, Kuwait, and Egypt, Al Qaryan Steel exports 48% of its final products, contributing to the sustainability efforts of regional distributors.



Global Collaboration: Al Qaryan actively engages in cross-border efforts to promote sustainability and explore new markets, fostering global partnerships that align with circular economy principles and climate action initiatives.

These partnerships play a crucial role in driving Al Qaryan's sustainability agenda and achieving long-term environmental, social, and economic value creation.

PARTNERSHIP HIGHLIGHTS

Environmental Awareness Partner



Our Collaboration with ESTIBDAL

We participated in the Estibdal Initiative, spearheaded by the Saudi Energy Efficiency Center (SEEC). This initiative allows citizens to substitute old and outdated air conditioning units with new and more efficient models. Citizens who participate in this initiative are incentivized with SAR 1,000 per unit, and they also receive free delivery and installation of the new units.

The initiative aims to enhance energy efficiency and reduce electricity consumption. It is part of Saudi Arabia's broader efforts to promote sustainability. In addition to this, our company plays a key role in recycling the old units. We ensure that the components are properly processed and converted into raw materials, helping to reduce waste and contribute to a circular economy.



Our Collaboration with ERTIQAA

As the Environmental Awareness Partner, we have contributed to many activities with the Ertiqaa Initiative. Through these activities, we align with targets established under Saudi Vision 2030. These include the following:

City Walk Khobar Awareness Campaign

The campaign aimed at increasing awareness about digital resource preservation and shared accountability for e-waste.

Arab Environment Day event at Khobar Corniche

The event encompassed awareness campaigns and educational seminars targeted towards today's youth.

The "Reduce with Us" Campaign

We collaborated in this campaign to encourage the donation of retired electronic devices from the private and public sectors.





ACHIEVEMENTS & AWARDS

At Al Qaryan, we are proud to be considered a sustainable company by demonstrating our enduring success by winning, among other things, the fifth consecutive Metal Recycling Company of the Year award in 2023.

SAUDI ARABIA CLEANING, WASTE MANAGEMENT & FM AWARDS

Best Metals Recycling Company of the Year 2023



MIDDLE EAST, WASTE & RECYCLING AWARDS (MEWAR 2023)

Best Metals Recycling Company of the Year 2023



AWARDED
ISO 14001:2015



AWARDED
ISO 45001:2018



AWARDED
ISO 9001:2015



03

SUSTAINABILITY AT AL QARYAN

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OUR SUSTAINABILITY FRAMEWORK

Our Sustainability Framework provides an overview of our sustainability approach and forms our value creation for stakeholders through the extended enterprise. Through our material topics, we focus on scaling the integration of sustainability initiatives within operations to allow for even greater positive environmental and social outcomes.

The framework is based on five pillars: Mitigating Environmental Impact, Enriching Our Community, Enhancing Market Positioning, Managing Human Capital, and Building Resilient Governance. Our Year in Sustainability program is delivered through these pillars that are underpinned by targets and key performance indicators (KPIs) to help us measure our sustainability performance.



MITIGATING ENVIRONMENTAL IMPACT

Striving towards the mitigation of environmental impact in order to protect natural resources while ensuring regulatory compliance.

ENHANCING MARKET POSITIONING

Committing to continuous growth and development. Thereby ensuring reliability in the quality of our services and semi-processed goods, while working towards forward integration.

MANAGING HUMAN CAPITAL

Building a well-established and dynamic work environment that nourishes its employees and appeals to prospective employees, while inspiring and propelling employee development and fulfillment.















ENRICHING OUR COMMUNITY

Ameliorating our community through various initiatives and fostering our ties with the community to build long lasting relationships and a sturdy network.

BUILDING RESILIENT GOVERNANCE

Forming a well-structured governance that enables the integration of responsible business practices in our operations and showcases our commitment to operational excellence.

PILLAR	MATERIAL TOPIC	SUB-TOPIC	UN SDGS	SAUDI VISION 2030	INITIATIVES
Mitigating 	Circular Economy	Waste Management & Reduction		A Thriving Economy (Resource Efficiency)	<ul style="list-style-type: none">Ongoing Waste Reduction Initiatives
		Product & Material Circulation			
	Water Management	Measurement & Monitoring		A Vibrant Society (Quality of Life Improvement)	<ul style="list-style-type: none">Regular water quality testing
		Water Efficiency			
	Climate Change	Emissions Management		An Ambitious Nation (Environmental Sustainability)	<ul style="list-style-type: none">GHG Inventory and Climate StrategyAir pollution control technologies and measuresAfforestation projects, green initiatives
		Air Pollution Management			
		Green Initiatives			
	Energy Efficiency & Consumption	Renewable Energy		A Thriving Economy (Resource Efficiency)	<ul style="list-style-type: none">Energy-efficient technologyEnergy monitoringFacility and equipment efficiency initiativesRenewable energy adoption
		Equipment, Plant, & Facilities			
	Enriching Our Community 	Local Content	Supply Chain Localization		An Ambitious Nation (Promoting National Identity)
Employee Localization					
Diversity & Inclusion		Women Empowerment		Vibrant Society (Social Development)	<ul style="list-style-type: none">Offer training and awareness programs
		People with Disabilities			
Community Engagement		Maintaining Effective Partnerships		A Vibrant Society (Quality of Life Enhancement)	<ul style="list-style-type: none">Enhance existing partnershipsMonitor and evaluate initiatives - offer opportunities for volunteerismMeasure impact
		Community Development Initiatives			
		Charity			

PILLAR	MATERIAL TOPIC	SUB-TOPIC	UN SDGS	SAUDI VISION 2030	INITIATIVES
Managing Human Capital 	Talent Attraction & Retention	Learning & Development	8 DECENT WORK AND ECONOMIC GROWTH 	A Vibrant Society (Quality of Life Improvement)	<ul style="list-style-type: none"> Ongoing training Regular program evaluation Recognize and reward staff Address concerns proactively
		Employee engagement			
	Occupational Health & Safety	Labor Safety and Protection Employee Wellbeing	3 GOOD HEALTH AND WELL-BEING 	A Vibrant Society (Safety and Well-being)	<ul style="list-style-type: none"> Provide safety training Implemented response procedures Offer wellness programs Monitor participation rates
	Human Rights		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	A Vibrant Society (Promoting Rights)	<ul style="list-style-type: none"> Implemented human rights training Monitor completion rates
Building Resilient Governance 	Corporate Governance	Regulatory Compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	A Thriving Economy (Business Transparency)	<ul style="list-style-type: none"> Foster transparent and ethical management Implemented corporate governance training programs Facilitate board participation
		Board Accountability			
		Data Privacy & Cybersecurity			
	Business Integrity & Ethics	Openness & Transparency Reporting	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	A Thriving Economy (Ethical Practices)	<ul style="list-style-type: none"> Oversee critical ethical concerns directly to Nomination and Remuneration Committee (NRC)
	Risk Management		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	A Thriving Economy (Economic Stability)	<ul style="list-style-type: none"> Developed risk assessment and categorization process Implemented an incident response tracking system Monitor response times continuously
	Bribery & Anti-Corruption		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	A Thriving Economy (Transparency & Integrity)	<ul style="list-style-type: none"> Ensure all employees complete training
Enhancing Market Positioning 	Quality & Stewardship	Quality Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	A Vibrant Society (Service Quality Enhancement)	<ul style="list-style-type: none"> Conduct regular customer surveys and feedback analysis Improve product quality and customer service Improve product quality and production processes Regular audits and compliance checks
		Product Development			
	Technology & Innovation	Research & Process Innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	A Thriving Economy (Innovation & Entrepreneurship)	<ul style="list-style-type: none"> Offer employee training programs Monitor technology adoption

Al Qaryan is committed to achieving sustainable growth through a wide range of initiatives that align with global sustainability goals and national strategies. Our focus includes critical areas such as environmental protection, community development, and corporate governance, all of which strive to build long-term resilience.

CONTRIBUTING TO SAUDI'S VISION, SAUDI GREEN INITIATIVE, AND UN SDGS

Saudi Green Initiative

The Saudi Green Initiative (SGI) is an important pillar that guides the sustainability operations of various organizations across the Kingdom. The SGI aims at combatting climate change and environmental degradation while promoting emissions reduction and offsetting, clean energy usage, and the energy transition. Under SGI, the Kingdom is committed to

attaining net zero emissions by 2060. The SGI also incorporates initiatives such as planting 10 billion trees in Saudi Arabia over the next decade. Moreover, the SGI encourages the implementation of sustainability practices and technologies in various sectors across the Kingdom.

Our Alignment



CIRCULAR ECONOMY

Our Circular Economy initiative is an integrated, inclusive, and pragmatic approach to managing emissions. Moving forward, we are continuously investing in waste management and energy systems that enable climate action.



INVESTMENT IN THE GREEN TRANSITION

Saudi Arabia believes it is possible to achieve a responsible transition to net zero, without compromising economic development. Through an inclusive approach, AQG will generate jobs and opportunities to benefit people.



GLOBAL COLLABORATION

Knowledge-sharing and international cooperation are essential in the race against climate change. AQG is actively scaling up cross-border efforts to help create a more sustainable future.



Saudi Vision 2030

We align with the Kingdom's Vision 2030 by advancing integration investments that foster a circular economy within Saudi Arabia. Our business operations are conducted in harmony with the Kingdom's socio-economic and environmental initiatives. We place a strong emphasis on boosting local content contribution, focusing on value localization, and nurturing the development of local talent.

Our alignment with this framework can be seen in our detailed sustainability framework here.



United Nations Sustainability Goals

The SDGs are 17 global goals aimed at improving sustainability by providing a framework for guiding, monitoring, and assessing sustainability performance. They address social issues like gender equality, poverty, hunger, and health, as well as environmental concerns such as climate change and biodiversity. Governance is also emphasized through the promotion of peaceful and just institutions.

Our alignment with this framework can be seen in our detailed sustainability framework here.



MATERIALITY ANALYSIS

At Al Qaryan Group, we understand that the foundation of an efficient sustainability report is based on a structured and well-developed materiality assessment.

We recognize the importance of identifying and ranking key material topics that play a significant role in our business operations and to our stakeholders. Our analysis helps us understand where to focus our efforts when addressing the significant economic, environmental, and social impacts these topics have.

Our materiality analysis is based on our robust procedure. We have selected material topics based on our business operations, our company profile, our industry practices and relevant local context, ensuring a comprehensive approach to sustainability.

Our procedure consists of the following four steps:

Identification

01

We establish an all-inclusive overview of our organizational context, such that it includes our key activities, our business relationships and our sustainability landscape. In addition, we conduct a thorough benchmarking activity against local, regional, and global peers. Finally, we map the key topics against sustainability standards such as GRI Standards, the UN SDGs, the UN Global Compact, and the Saudi Vision 2030 framework. Through this process, we pinpoint the actual and potential impacts.

Assessment & Prioritization

02

We conduct an evaluation of these key impacts based on the severity and the likelihood of the impact. This step involves a deep analysis, leveraging the key findings we receive from our stakeholders and financial assessments. Through this activity, we then prioritize our impacts to determine our material topics, creating a focus.

Management

03

Once these material topics have been identified and prioritized, we focus on effective management approaches for each. We focus on key topics, and report on target KPI progress. This ensures accountability and effective impact management, such that it leads to developing strategies to prevent or mitigate potential negative impacts, addressing existing negative impacts, and maximizing positive impacts by setting ambitious goals and exploring new opportunities.

Tracking & Improvement

04

Our final step focuses on performance evaluation and continuous improvement of our management approaches. We use matrices with KPIs to monitor and report performance regularly, with the CEO reviewing milestones during Qaryan Leadership Team (QLT) meetings. We also conduct regular engagement activities to support us in areas for improvement. To maintain relevancy and alignment with stakeholder expectations, we routinely review our material topics every two years or in the event of significant business or operational changes.

STAKEHOLDER ENGAGEMENT

We believe in meaningful engagements as a means to better understand our impacts, recognize risks and opportunities, and in developing our sustainability framework.

Our stakeholder engagement process involves continuous interactions through various means, including surveys, interviews, workshops, and regular communications. We strive to engage with a diverse collection of stakeholders to gain better insights into their expectations and concerns.

Key Stakeholders

- Board Members and Top Management
- Employees
- Suppliers and Key Clients
- Financial Institutions
- NGOs and Community Representatives
- Government Entities



04

BUILDING RESILIENT GOVERNANCE

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AIQARYAN STEELCO

www.alqaryan.com



BOARD OF DIRECTORS

Our Board of Directors plays an essential role in the management of the business's financial, operational, and strategic initiatives. The Chairman, Vice Chairman, and independent members make up the four members of the Board of Directors. This arrangement guarantees a variety of viewpoints on sustainability issues and illustrates the organization's dedication to integrating a variety of skills and backgrounds into our governance framework.



Hamoud Al Qaryan
Chairman



Mohammed Al Qaryan
Vice Chairman



Bader Al Reziza
Independent Member



Hazem Mubarak
Independent Member



Oversight and Supervision

One of the pillars that define our Sustainability Framework is building resilient governance. The Board of Directors make informed decisions on sustainability-related topics, as they are provided with the necessary insights and information. This ensures that whatever decisions are made in response to these topics are addressed with transparency. The Board boasts an assorted mix of experience and knowledge in sustainability topics.



Governance and Risk Management

The Board is committed to integrating sustainability into the organization's overall operations and ensuring all business functions conduct their practices ethically. The Board highlights its role in implementing key strategies, with a focus on risk management, to address sustainability-related impacts and compliance with international standards.



Board Committees

Board committees, namely, the Nomination and Remuneration Committee (NRC) and Audit Committees are established, support the Board of Directors in carrying out their roles and responsibilities in an efficient manner. It is within the Board's reach to assess and specify the number and type of committees to fulfill specific organizational functions. As of this reporting cycle, there are currently two established committees.



Independence and Accountability

The importance of independence and accountability in the company's governance structure is highlighted by the presence of independent directors on the Board. The impartial viewpoint of independent members enhances the Board's decision-making procedures and upholds the general integrity of our governance structure.



Stakeholder Confidence

The Board's active involvement in sustainability matters and its oversight of the company's sustainability strategy contribute to stakeholder confidence. This involvement ensures that responsible individuals are present in the oversight of sustainability-related topics, fostering trust and transparency in the company's governance practices. The Board of Directors is committed to guiding the company's sustainability strategy, ensuring ethical conduct, and providing oversight of its operations.

BOARD COMMITTEES

Our committees are instrumental in addressing specific aspects within our operation.

Audit Committee

Our Audit Committee oversees financial reporting integrity, risk management, and overall auditing. The committee is composed of three members, and as per our internal guidelines, must be composed of non-Executive Directors, one of which is an Independent Director. Their key responsibilities include:

- assessing the group's financial health,
- conducting oversight on external and internal audits, and
- handling the company's risk management process.

The insights attained from their activities are reported directly to the Board of Directors. Regarding matters within the committee's scope, quarterly meetings are conducted to address them with the support of independent counsel, if needed. Their activities guarantee the AQG's overall financial health and integrity.



Saeed Al-Naimi
Chairman
Board of AQG
AUDIT COMMITTEE



Fahaid Qaryan
Non-Executive
Member



Nomination and Remuneration Committee

The Nomination and Remuneration Committee has an empirical role within AQG's governance structure. The committee's primary role is to develop the necessary criteria to determine the competencies required for members to qualify to be part of the Board of Directors. The committee is also involved in developing remuneration policies and adjusting the incentives and the fixed pay provided to the members. During the nomination periods, the committee oversees the nomination process of the members of the Board of Directors. Meetings are conducted bi-annually. The committee consist of three members.

Nomination and Selection of the highest governance body

A comprehensive process is conducted to nominate and appoint our Board of Directors. This process is tailored to guarantee a diverse and competent Board that effectively oversees the company's operations and strategic direction. For Independent Directors, the committee conducts a skill-set gap analysis to identify areas of inexperience that the current Board may have. The criteria used involve addressing the candidate's personal and professional integrity, sound judgment, business experience, independence, and potential conflicts of interest. The process is versatile and allows the committee to reach out to firms seeking ideal candidates. Following a series of interview sessions, a candidate is selected.



Hazem Mubarak
Chairman
Board of AQG
NOMINATION AND
REMUNERATION COMMITTEE



Bader Al Reziza
Vice Chairman



Abdulrahman Qaryan
Non-Executive
Member

CORPORATE GOVERNANCE



Ethical Conduct and Compliance

At Al Qaryan Group, we are dedicated to upholding the most stringent ethical conduct and adhering to all pertinent laws and regulations. We have implemented various policies and protocols to guarantee that we perform our operations in accordance with applicable laws, regulations, and industry standards.



Business Integrity and Ethics Policy

All employees who work for or on behalf of the business are expected to uphold ethical values consistently. Our policy guarantees that the commercial operations of the firm are carried out in accordance with the highest standards of honesty. It also describes the norms of behavior and regulations that staff members must abide by. Furthermore, all staff members are encouraged to report any infractions of any laws, rules, or regulations as part of Al Qaryan's emphasis on safety, transparency, and compliance.



Corporate Governance Policy

We have established a corporate governance policy to ensure that we are operating in compliance with relevant laws, regulations, and industry standards. The policy outlines the framework or rules, practices, and processes by which we are directed and controlled. We aim to define the roles and responsibilities of our Board, Management, and shareholders. Our policy addresses the rights of shareholders and the company's commitment to legal compliance and risk management. We emphasize the importance of maintaining effective communication with shareholders and stakeholders and ensuring that all decisions we make are in the best interest of all parties involved.



شركة

الشرق

2019-2021

INTERNAL AUDIT

In 2023, audits were performed in accordance with established policies and procedures. Al Qaryan's audit process demonstrates a thorough application of a risk-based approach, where risks are assessed in line with the organization's overall business strategy and goals, ensuring alignment with the company's strategic vision and long-term success.

Our operations adhere to the COSO framework, and the International Professional Practices Framework (IPPF) issued by the IIA, which assures stakeholders that we meet industry standards. Additionally, various policies and procedures aligned with best practices were developed across different departments and are nearing final approval. These initiatives ensure the organization's internal controls are efficient and effective in mitigating risks, with policies and procedures regularly updated to reflect current best practices.



BRIBERY & ANTI-CORRUPTION

We maintain a zero-tolerance stance on bribery and corruption, fully committed to adhering to all relevant anti-bribery and anti-corruption laws and regulations. We have implemented policies and procedures to prevent such practices within our company and offer training to our employees on these guidelines.

RISK MANAGEMENT

We have a comprehensive risk assessment approach to identifying potential risks and challenges faced by each department. Our goal is to develop a risk management framework that includes mitigation strategies to identify, assess, and manage risks impacting our business.

The Legal and Contracts team at Al Qaryan Group has introduced various initiatives to manage risks and address legal issues within the organization. In 2022, a division was created for contracts management to reduce legal and contractual risks arising from ongoing agreements. Moreover, we ensure compliance with the Ministry of Justice and Ministry of Commerce in our operations and practices.

We continuously review and update our governance framework to ensure its effectiveness and alignment with our overall strategy.

GRIEVANCE MECHANISM

Our grievance mechanism handles employee concerns and issues in fair manner. It is designed to promptly and efficiently address undisclosed issues in a proactive manner. Employees can raise complains with a guarantee that all complaints presented will be addressed in a fair and satisfactory manner. Employees are protected against discrimination, retaliation, and penalties. In addition, our grievance mechanism is conducted with maximum confidentiality to ensure the integrity of the grievance system and to ensure a safe working environment.

Stage of Grievance	Response	Documentation
Informal Resolution	Addressing issues informally with the Direct Manager/Supervisor	No documentation
Formal Complaint	Direct Manager/Supervisor conducts investigation and responds within three days; Human Resources supports and maintains records	Notification of complaint stage 1 form to submit
Escalation	Group HR & Admin Director meets with the employee within two working days and provides outcomes within 10 working days.	Notification of complaint stage 2 submitted within 10 working days
Critical Issues/ Senior Management Complaints	Direct complaint submitted to Group HR & Admin Director or CEO with the response provided within 10 working days	No documentation or appeals



GOVERNANCE TRAINING

Our top management recently participated in a comprehensive governance training. The event, hosted by the respected Gulf Cooperation Council Board Directors Institute (GCC BDI), reaffirmed our commitment to improving governance at all levels. The workshop gave vital insights and tools to help our Board improve its effectiveness and comply with best practices. This project illustrates our commitment to building a strong governance framework, which is critical for long-term growth and success.

05

ENRICHING OUR COMMUNITY

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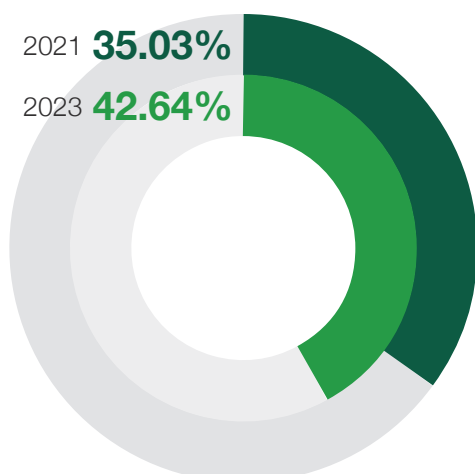
LOCAL CONTENT

Al Qaryan prioritizes local content as a key part of its human resources strategy. Guided by the Local Content and Government Procurement Authority, our focus on local content aims to boost the national economy by engaging various economic sectors, including individuals, private businesses, and the public sector. The objective is to maximize domestic expenditure by investing in the Kingdom's human capital, goods, and resources.

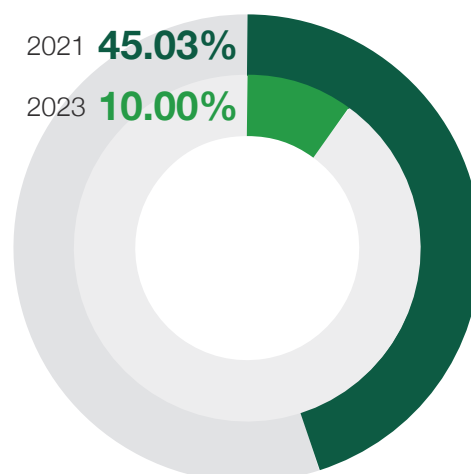
Al Qaryan strives to enhance its local content performance in areas such as assets, labor, goods, services, and technology. Training Saudi employees is essential for empowering them to achieve greater success. Moreover, hiring and developing young Saudi talent is crucial for our business as we contribute to nurturing future leaders. Meeting Saudization requirements set by the government is another vital aspect of our hiring process.

Al Qaryan is dedicated to achieving Saudization goals across all departments and attracting national talent in various fields, including engineering, administration, technical roles, accounting, and legal positions, to meet localization targets and improve local content performance.

AL QARYAN GROUP LOCAL CONTENT SCORE



AL QARYAN GROUP LOCAL CONTENT EXPORT REVENUE



Nationalization

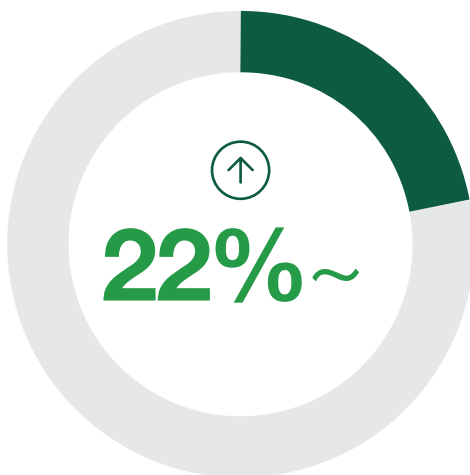
Nationalization is important for the organization as it helps prevent exploitation, ensures a steady supply of essential services, encourages efficient resource use, and protects strategic industries. It also promotes the equitable distribution of resources, eliminates monopolies, and mobilizes capital. The organization defines nationalization as the effective involvement and contribution of Saudi staff in the workforce, particularly in key positions, supporting the broader goals of the Group and aligning with Saudi Arabia's Vision 2030 nationalization initiatives. The key goals for nationalization include meeting the targets set for professional positions.

An important aspect of our nationalization initiative is that we aim to support in the economic development and recruitment of potential candidates from the National Industrial Development Program.

NATIONALITY - ALL EMPLOYEES

Local employees in the workforce	444
Percentage of locals in the total workforce	17.69
Expatriate employees in the workforce	2,066

TOTAL NUMBER OF EMPLOYEES



SAUDI EMPLOYEE HIRE



DIVERSITY & INCLUSION

Diversity and inclusion are core elements of our approach to human capital management by supporting equal opportunities for all employees, regardless of their background, and fostering an environment that supports cross-culturalism. We are open to hiring individuals from various nationalities, currently employing individuals from 26 different nationalities, up from 21 in 2022.

We also place a strong emphasis on empowering women and ensuring gender diversity in the workplace. In 2023, we had 85 female employees working across various disciplines, and we aim to develop our female workforce for future leadership roles. Additionally, we are committed to growing and developing all employees. We are currently employing 36 people of determination who have full access to workplace facilities.

Before hiring new employees, we ensure the right talents are selected to meet our needs. Hiring and developing young Saudi talent is crucial for our business.

26

Nationalities

**85**

Female Employees

**36**

People of Determination



Diversity

With a team of 2,510 employees, we have an inclusive work environment where every employee can thrive, regardless of their background or abilities.

2,510



Full-Time Employees

94



Contractual Employees

Female (85)

3%



Male (2,425)

97%

Equal Opportunity

Al Qaryan strictly adheres to the principle of equality, ensuring that men and women receive equal pay and remuneration for the same work. Our goals set for equal opportunities include achieving and maintaining 100% base pay equity for employees in comparable roles.

Non-Discrimination

In 2022 and 2023, the organization reported zero incidents of discrimination. As a result, there was no need to address any specific nature of discrimination or implement corrective actions. This reflects the organization's commitment to maintaining a discrimination-free workplace and ensuring that all employees are treated with fairness and respect.

WAGES AND REMUNERATIONS

Relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.

✓ Equal

Ratio of basic salary and remuneration of women to men

✓ Equal

COMMUNITY ENGAGEMENT

Al Qaryan Charity

Al Qaryan Charity, the philanthropic arm of Al Qaryan Group, is committed to creating a positive impact through a wide array of corporate social responsibility programs.

These initiatives are designed to foster social, environmental, and educational outcomes within the community, ensuring that everyone feels valued and included. Our charity initiatives are structured around five key programs:

- **Salam:** Emphasizes the charitable initiative and community well-being enhancement programs.
- **Rahma:** Supports rehabilitation programs, facility improvement programs, and programs addressing vulnerable demographics, such as orphans and the financially distressed.
- **Values & Knowledge:** Provides educational support development and improvement initiatives targeting schools, guidance offices, and educational programs like summer centers.
- **Sustainable Environment:** Focuses on programs that divert from the degradation of the natural environment and aligns with Saudi Green Initiative.
- **Environmental Awareness Program:** Reflects the implementation of specific activities that engage key stakeholders to ensure positive environmental impact.

Customer Relations

Al Qaryan Group values its relationship with customers and strives to maintain high levels of customer satisfaction through effective communication, transparency, and service quality. Key strategies include:



Customer Engagement:

Regular feedback and satisfaction surveys are conducted to ensure that customer needs are understood and addressed.



Service Excellence:

Committed to continuous improvement in product quality and customer service through regular audits and compliance checks.



Sustainable Partnerships:

Collaborate with customers to achieve shared sustainability goals, offering customized recycling and waste management solutions tailored to specific industry needs.

Last year, we inaugurated a collection of critical programs that established a plethora of initiatives, which has rippled in 2023 with the following key activities:

- 01  Contributed to the donation of ten housing units to Bena Charity for orphans in the Eastern Region.
- 02  Provided financial support for the refurbishment and rehabilitation of mosques.
- 03  Home renovation activities were conducted for families in collaboration with Tarmeem Charity to support families in need in the Eastern Region.
- 04  Donations were made to associations to support medical programs and initiatives in the Eastern Region.
- 05  Partnering with multiple associations that support and improve the well-being of orphans.
- 06  Ramadan initiatives which include:
 - Distribution of food baskets
 - Providing 70,000 meals annually to visitors of the Holy Mosque in Makkah
 - Laying out Ramadan tents, serving 2,300 meals daily
 - Coordinating Umrah trips
- 07  ESG initiatives which include:
 - Presenting safety strategies to an audience of 1,500 visitors
 - Conducting beach cleaning activities with key stakeholders, involving 83 volunteers
 - Distributing commemorative gifts to 1,500 community members as part of the National Day Celebration
- 08  Awareness initiatives which include:
 - Signing a five-year partnership with ERTIQAA to support environmental awareness programs and donate surplus electronic devices.
 - As part of Arab Environment Day, we raised awareness about recycling and reusing old electronic devices to an audience of 500 visitors.

06

MANAGING HUMAN CAPITAL

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TALENT ATTRACTION & DEVELOPMENT

Our strategy for talent attraction and development is aligned with Saudi Vision 2030 and focuses on fostering a work environment that promotes both personal and professional growth.

We invest in creating a workplace that is appealing to prospective employees and supports the retention of talent through development programs. In 2023, a total of 3,668 training hours were provided, with equal opportunities for both male and female employees. We also ensure that all employees undergo regular performance and career development reviews, ensuring continuous growth.

3,668

Total Training Hours



29.1

Average Hours of Training per Employee



Training and Education

In 2023, the organization implemented various types of training programs aimed at upgrading employee skills, including in-person training, virtual training, in-house training, academic and professional training, and internship or summer training programs. These initiatives aim to broaden the skill set of employees across the company.

The positive impact of these training programs is evident in the improvement of employees' skills, which enhances their practices and prepares them for higher positions within the organization. This development not only benefits the employees but also contributes to the overall growth and success of the company.

- In-person Training
- Virtual Training
- In-house Training
- Academic/Professional Training
- Internship/ Coop/ Summer Training

The company offered extensive training programs, with employees receiving an average of 29.1 hours of training in 2023 compared to 17.7 in 2022. This training focused on various areas such as leadership, first aid, and time management.

TRAININGS	DEPARTMENT
Maintenance, Planning, Scheduling, And Control Best Practices	HR/AQL
Qlik Sense Business Analyst	Different Departments
Protection Against Insurance Violations	HR
Social Insurance System (Compensations)	HR
Electronic Services for The Facility	HR
Electronic Services	HR
Social Insurance Systems and Basic Regulations	HR
Electronic Services for The Employer	HR
Social Insurance Systems (Exchange of Interests)	HR
Professional Hazard in Social Systems	HR
SHEQ Training: ISO 14001: 2015 Environment Management System Lead Auditor	SHEQ
ISO 9001: 2015 Lead Auditor Training	SHEQ
ISO 50001:2018 Energy Management System Lead Auditor	SHEQ
ISO 55001:2014 Asset Management System Lead Auditor	SHEQ
ISO 45001: 2018 Lead Auditor	SHEQ
Contemporary Human Resources Management Skills	HR
ISO 14064:2018 Green House Gas Emission	SHEQ
SAP Success Factors Employee Central Core Academy	SAP
Project Management Professional - PMP	HR
GCC Board Directors Institute Training	Top Management
Training And Renewal of ID	Commercial/Purchasing
Pwc Annual Tax and Legal Seminar	Finance
Permit Receiver Training	SHEQ
Safety Training	SHEQ

Employment Benefits

All employees are entitled to a plethora of comprehensive benefits, routinely reviewed and updated in alignment with the organizations policies and procedures. In addition to the mandatory benefits, which encompass house and travel, allowance, overtime pay, annual ticket, medical insurance, end-of-service benefits, and annual tickets, employees have access to training and development programs to support their growth. Moreover, the company offers an attractive operational bonus scheme, rewarding performance in processing, transportation, mechanics, production, sales, purchasing, and projects, ensuring that employees remain motivated and well-supported.

Parental Leave

Parental leave benefits include three days of paternity leave for male employees and ten weeks of maternity leave for female employees. Female employees also have the option of unpaid leave for up to one month after maternity leave and can extend it by one additional month. Special accommodations are available for female employees giving birth to a child with special needs, granting them the right to one month of paid leave. Additionally, after maternity leave, female employees are eligible for one hour of breastfeeding leave daily for eight months.

Internships

The internship program provides students with a professional learning experience related to their field of study or career interests. This program is designed to give interns hands-on career experience, allowing them to gain new skills, fresh ideas, and energy in the workplace.

To monitor the progress and effectiveness of the training provided during the internship, the organization establishes KPIs. Assessments are administered throughout the training to track performance, and feedback from participants is gathered to continually improve the internship experience.

Our internship programs, such as the COOP and Tamheer programs, provide valuable pre-employment training to university and college graduates. These initiatives not only contribute to the professional development of the participants but also help identify future talent for Al Qaryan's operations.

Employee Growth

Al Qaryan Group's workforce grew significantly, with 262 new hires in 2023. Of these, 90 were under the age of 30, reflecting the company's focus on attracting young talent.

262

Employee New Hires



17.01%

Turnover Rate



2,061

2022 Total Employees



2,510

2023 Total Employees



WOMEN EMPOWERMENT

Al Qaryan Group remains committed to promoting gender diversity and empowering women in the workplace. In 2023, the company set ambitious goals to increase female representation, particularly in leadership roles. Women currently make up 3.39% of the workforce, with ongoing initiatives aimed at providing them with professional development opportunities.

85

Female Employees in the workforce

**3.39%**

of Female Employees in the workforce

**0.12%**

of female in Middle Management

**0%**

of female in Top Management





LABOR PRACTICES

Al Qaryan's labor practices are aligned with both national regulations and international labor standards. Our recruitment strategy focuses on employing youth aged 25-35, and we ensure compliance with Saudi Labor Laws.

In 2023, there were no incidents of forced or compulsory labor reported, and we continue to prioritize the protection of labor rights and working conditions. We are also working on enhancing our human rights diligence and raising employee awareness on the matter.

Labor/Management Relations

Employees are typically given a notice period of 30 to 60 days before the implementation of significant operational changes that could have a substantial impact on them. This ensures that employees have sufficient time to prepare and adapt to changes, reflecting the organization's commitment to transparent and fair communication. Furthermore, the organization has established training and development policies and procedures to enhance the management of labor and operational changes, ensuring that both employees and management are well-prepared for transitions.

We maintain open communication with all employees and ensure that their rights are protected in accordance with Saudi Labor Laws. Our policies are designed to foster a positive and productive relationship between management and employees, focusing on mutual respect and shared goals.

Whistleblowing

The whistleblowing policy, which ensures anonymity and protection for whistleblowers, was further strengthened in 2023. Employees are encouraged to report any unethical practices, with all concerns being promptly investigated. No grievances were reported in 2022 and 2023. Therefore, there were no corrective actions taken or grievances escalated to top management during this period. The existence of these policies ensures that employees have a safe and formal avenue to report any misconduct, reinforcing our commitment to transparency and ethical practices.

Human Rights

We place a strong emphasis on protecting the mental and physical health and safety of our employees. Policies are in place to avoid any form of harassment or violations of human rights within the workplace. Our operations strictly adhere to the principles of human rights. In 2023, no incidents of forced labor, child labor, or violations of freedom of association were reported.

07

MITIGATING ENVIRONMENTAL IMPACT

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CIRCULAR ECONOMY

We recognize the importance of effective waste management and circular economy practices. Our approach to waste management is integrated into our work process to maximize our resource efficiency and minimize our environmental impact.

Our Comprehensive Waste Management Approach

We have implemented various initiatives and procedures to manage and reduce our overall waste output. Our efforts aim to increase the overall recycling and reuse of waste generated and align with circular economy practices within our operations.



Strategic Partnerships

For waste outside our scope, such as used batteries these are recycled and sold as raw material for the production processes of our partners. In other scenarios, we share waste we cannot recycle with other recycling facilities to ensure these wastes are properly handled.

In-House Recycling

Our scope of work includes processing and recycling different types of waste into raw materials used in the production of steel, brass, plastic, and other key materials.

In-House Segregation

Our general waste is collected and disposed of by third party contractors. However, we ensure the disposed waste is segregated and ready for recycling or other activities. This helps in increasing environmental awareness at AQG.

Our Impact

The business functions with the highest waste-producing output are associated with our shredding and shearing machinery, steel manufacturing, and Copper Recycling (CRP) operations. Our belief and goal of a pure circular economy are embedded within our processes. While we have areas that need improvement, our procedures act as the foundation for aligning with circular practice.

1,297,131



Tonnes of waste recycled during 2023



Dealing with Hazardous Waste

We have implemented measures to prevent hazardous waste influx. For instance, we have installed radioactive gates to block hazardous waste, such as radioactive scrap, from entering our perimeter. This underscores our dedication to minimizing hazardous waste and aligns with our overall goal of reducing its influx.

We also ensure that hazardous waste outflow is minimized through its effective reuse. Zinc Oxide, a by-product of the steel billet production process, is generated and aggregated through dust collection systems. This by-product is reused in other processes or by other manufacturers, as would be the case for producers in the cement industry.

Moreover, regular training and audits reinforce our ongoing efforts to enhance our approach to circularity and improve waste-monitoring data.

Our Procedures



Our Commitments

Continuous improvement is a core belief. We are constantly enhancing our procedures and processes in data collection to ensure a more comprehensive and transparent reflection of our waste output and our recycling activities. We aim to ensure proper tracking and reporting to maintain our commitment to a fully circular economy through our activities.

WATER MANAGEMENT

As a resource, water is vital to the functionality of all living organisms and our business functions at AQQ. Understanding the nature of the resource and its availability within the environment of KSA, we seek to optimize our workflow to ensure that we optimally use this resource and guarantee our position as responsible stewards of water management in our industry.

Water is not directly used in our operations, except for our steel manufacturing process, which requires water for the semi-closed cycle for cooling equipment and processes. Overall, water within our business functions is utilized for drinking and personal use.

136,037

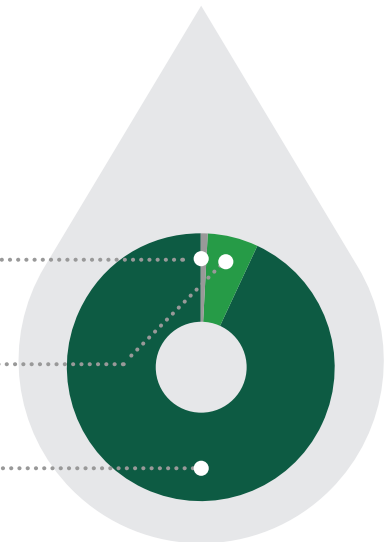
Total water consumption (Cubic Meters)

WATER USE

Drinking Water
1%

Utility Water
6%

Cooling Water
93%



Our Interactions with Water

Drinking Water



Water provided by Third Party Sources and stored in water storage tanks for personal use by the employees. Data aggregated for this source is derived from invoices received from the Supplier

Utility Water



This reflects the water supplied by the local utility provider, used exclusively by AQQ employees for personal use and for cooling purposes in our semi-closed loop cooling system for steel manufacturing.

Training programs have been implemented to adjust the behavioral habits of employees, ensuring responsible water use. Moving forward, the goal is to improve water management practices, develop further solutions to minimize consumption, and record water usage more accurately.

ENERGY EFFICIENCY & CONSUMPTION

Our approach to energy management is rooted in our commitment to improving our business functions to optimize overall energy consumption and resource efficiency.

Our energy consumption encompasses purchased electricity consumption from the national grid and purchased fuel consumption. We have implemented various initiatives and strategies to ensure that our energy consumption has minimal adverse impacts. We are confident that our current and future efforts will improve our stance in responsible energy management and our overall operational efficiencies in alignment with our sustainability goals.

Our Key Initiatives for 2023



Upgrading Our Fleet with Efficient Fuel Technology

- We have stocked 40 new Trucks with the latest technology (Euro V or Tier III), which performs better in fuel economy than the existing technology present in conventional trucks, reducing fuel consumption from 30 to 40%.
- Through spare parts management and handling, we have reduced the usage of preventive maintenance parts by 50%, indirectly contributing to energy savings.



Enhanced Monitoring & Tracking System for our Vehicles

- We currently utilize advanced remote tracking and monitoring systems such as Vision Link and CareTrack to monitor the fuel performance of our existing vehicles and troubleshoot any issues that may arise.
- We ensure optimized route tracking to ensure our vehicles are utilized most efficiently to minimize fuel consumption.

Our Electricity Consumption

When addressing the annual performance of our electricity consumption, it must be noted that the 9% increase in our 2023 electricity consumption is due to the transitions that occurred during the reporting year, as well as the opening of new branches and expanding. As we improve our data collection and archiving, we continue our efforts to reduce our dependence on diesel fuel as our primary energy source within our operations. This transition reduces our direct fuel consumption and improves our overall energy efficiency. While it is acknowledged that there are other methodologies to improve our energy efficiency, these are currently being investigated to ensure that the optimal and feasible solution is utilized.

Our Fuel Consumption

Regarding fuel consumption performance, records on petrol and diesel fuel consumption have been actively recorded. Petrol fuel is used for vehicles, while diesel fuel is used for vehicles and on-site stationary generators supplying electricity for our facilities. We have transitioned some facilities to source energy from the national grid to reduce reliance on diesel generators.

Our Commitment

Reducing fuel consumption and electricity usage through the implementation of efficient technologies and sustainable practices is a key focus. By optimizing energy usage and continuously enhancing operations, the goal is to minimize environmental impact and contribute to a more sustainable future.



CLIMATE CHANGE & EMISSIONS

We are committed to addressing all the activities within our value chain that contribute to the detrimental impacts of climate change and aim to align with the initiatives set forth by the Paris Agreement goals.

Within this reporting cycle, the activities that contribute to the generation of emissions stem from the consumption of diesel fuel and from the purchase of electricity from the grid. The diesel used as input acts as a progenitor to our on-site diesel generators that power select facilities whose locations are distinct from the connections to the national grid as well as some diesel operated vehicles. These activities directly influence the respective generation of Scope 1 and Scope 2 emissions.

For Scope 1, we rely on the emission factors recommended by the International Panel of Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories. When it comes to Scope 2 emissions, we use country-specific emission factors for Saudi Arabia, sourced from the Carbon Footprint International Electricity Factors data base for 2023. This meticulous approach ensures the accuracy of our calculations, providing stakeholders with reliable data they can trust.

Scope 1

80,827.56
tCO₂eq

Scope 2

72,027.67
tCO₂eq

ENVIRONMENTAL HIGHLIGHTS

Al Qaryan Steel

During the reporting year, AQS established initiatives to drive sustainable production practices and environmental protection.

Aligning With Circular Economy

AQS processed 296,898 tons of scrap from recycled materials and utilized recycled material in the production of 289,000 metric tons of billet. This emphasized AQS's contribution to the circular economy and its importance in minimizing waste, improving the natural environment, and aligning with our overall sustainability goals.

Strategic Investments Towards a Cleaner Future

In 2023, AQS invested in a dust collection system to minimize our impact on the environment and the overall air quality. The system captures and filters the harmful emissions generated during our work process, resulting in fewer adverse impacts on the environment and our community.

Contributing to Local & Regional Economies

AQS exported 48% of final products, whose values reach up to SAR 257 million, to local and regional markets, the latter encompassing UAE, Bahrain, Jordan, Kuwait, and Egypt. This not only reinforces AQS's position in the market as a leading producer but also contributes to the sustainability agenda of our clients as local and regional distributors.

Expansion Plans

AQS laid blueprints to expand its operations and increase production during 2024. In alignment with our sustainability agenda, AQS aims to continuously reduce its carbon footprint, improve its competitive edge in the market, and enhance its workflow processes.



SHEQ MANAGEMENT

The health and safety of our employees is at the core of our business functions. We recognize the paramount importance of this issue and how it shapes our work environment, fostering a culture of care and respect.

Our Approach

To ensure that our employees operate safely, we have implemented an occupational health and safety management system that covers all aspects of our business functions. This system complies with the legal requirements imposed by different authorities, which include the Ministry of Human Resources and Social Development (**HRSD**), the National Center for Environmental Compliance (**NCEC**), the National Center for Waste Management (**MWAN**), the Nuclear and Radiological Regulatory Commission (**NRRC**), Civil Defense, as well as future requirements that may be imposed as part of our clients' requirements. Our overall approach to occupational health and safety is guided by local regulations, internal systems and international standards. As such, our practices not only align with regional best practices, but also aligns with AQG's Integrated Management System (IMS) and best practices highlighted in ISO 45001 standards for Health and Safety.

Risk Management

Regarding risk and hazard identification, we utilize different methodologies to address any incident that would adversely impact the health and safety of our employees. The methods include walkthrough inspections, daily observation reports, Safety, Health, Environmental Quality (SHEQ) inspections, client observations, and employee observation cards. With regards to the observation cards, we ensure our employees are protected from reprisals and that their anonymity is maintained when a representative of the SHEQ addresses their reports or formal complaints. We actively encourage our employees to report any incidents that may put them or others in a situation that can impact their health and safety. Every reported incident undergoes a meticulous

investigation by a dedicated committee, whose findings are rigorously reviewed by the head of our SHEQ department before any corrective actions are taken.

Our Training Programs

Our training programs are designed to provide our employees with the necessary skill set to perform their functions safely. Our training is an amalgam of generic and job-specific training on work-related hazards based on an approved training matrix and operational requirements.

Our Performance & Commitment

While 2023 highlighted some areas of improvement, such as the increase in recordable injuries and the identification of 31 incidents of non-compliance related to human capital, we aim to aggressively improve our performance to ensure that our employees are working in a safe and healthy work environment. We continuously update our policies and procedures when addressing risks and hazards. When conducting our health and safety assessments for improvements, we covered around 60% of our human capital and 40% of our asset-related activities. From our assessments, we have corrected 89.7% of incidents of unsafe acts and conditions.

FIRST AID CASES ("FAC")



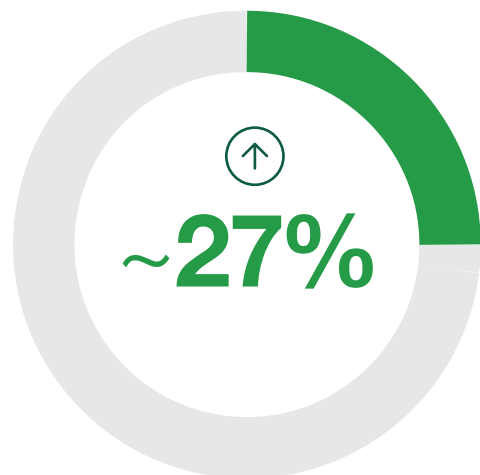
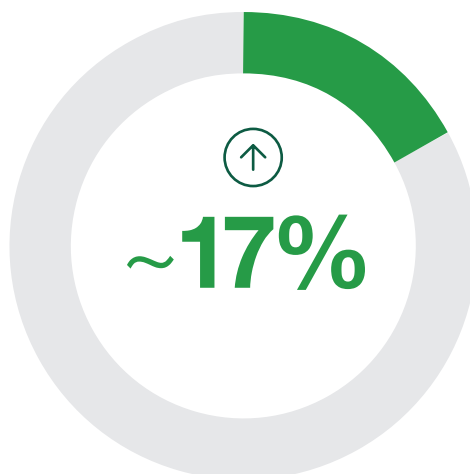
ENVIRONMENTAL INCIDENTS



PROPERTY DAMAGE INCIDENTS



TOOLBOX TRAINING ATTENDEES

EMERGENCY DRILLS
CONDUCTED

08

ENHANCING MARKET POSITIONING

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QUALITY MANAGEMENT	90
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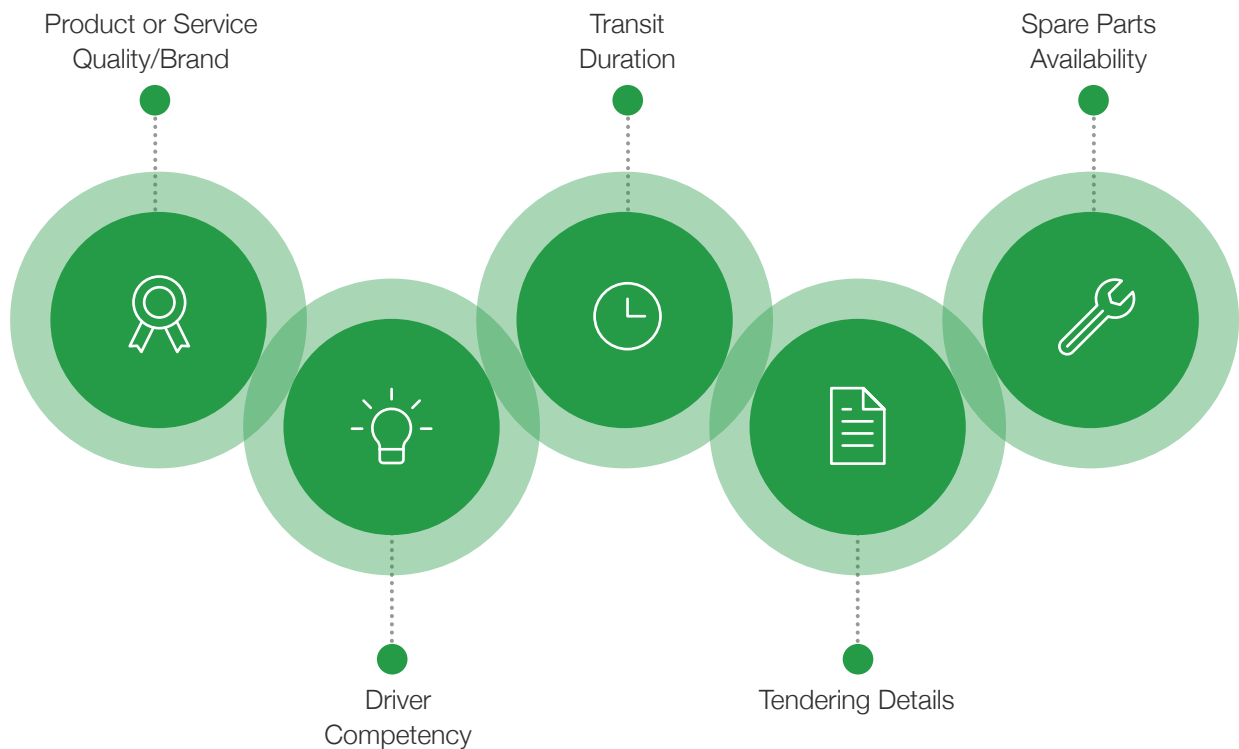
EFFICIENT SUPPLY CHAIN

Our dedication to a sustainable supply chain is ingrained into our corporate culture, as well as the envisioned culture set forth by Saudi Vision 2030 in establishing a Thriving Economy.

In 2023, almost 67% of our budget allocation was dedicated to local suppliers, showcasing our efforts to support the local economy and minimize our carbon footprint through reduced transportation distances.

While there is no formalized Supplier Code of Conduct published from our end, we have a robust framework for ensuring that we engage with suppliers that have ethical work practices and are compliant with the local rules and regulations imposed by the local government body. Our Supplier Registration System ensures that we have the utmost level of governance due diligence conducted from our end to ensure that lawfulness and ethical practices are followed during business engagement with AQG.

Supplier Assessment Criteria



LOGISTICS IN MOTION

We consider our logistics with an environmental mindset, keeping aware of the impact that inefficient logistics has on overall operational efficiency and the natural environment. In 2023, we implemented multiple initiatives to optimize our logistics, improve efficiency, and reduce associated adverse impacts.

Fleet Optimization & Expansion

With the addition of new fleet vehicles which utilize advanced fuel efficiency technology and route tracking systems, we ensure our fleet operates the best optimal route with minimal delays and fuel consumption, complemented with the latest fuel economy features.



MAINTAINING EFFICIENT PROCESSES

In alignment with our belief in overall efficiency, we have instigated the following strategies:

01



Maintenance Strategies & Advanced Analytics

We have furthered our commitment to Preventative Maintenance & Predictive Maintenance to deal with issues promptly prior to their occurrence. We have implemented the latest diagnosis technologies to and minimized our reliance on outsourced services, which has led to cost savings. This is in parallel to our corrective maintenance strategies that help in prolonging the assets availability for use. In addition, we conduct spare parts management activities, which resulted in a 50% costs savings.

50%
cost savings

02



Lubricant Analytics

Investigations are performed on our assets to detect any anomalies at an early stage. This also provides our decision makers with insights to redefine our partnerships with our current suppliers. As an example, from the Root Cause Failure Analysis (RCFA) and lubricant analysis conducted on our Jubail Plant, we averted a potentially costly failure and improved plant performance by 60%.

60%
performance
improvement

03



Equipment Modifications

We modified our Aluminum Balers within our facilities resulting in a 20% reduced cycle time and increased container utilization by 25%.

25%
increased cotainer
utilization



EXPANDING OUR FACILITIES

In response to increasing demand for sustainable recycling solutions, AQG has embarked on a strategic expansion of its facilities. These expansions are designed to enhance recycling capabilities and incorporate advanced technologies that promote energy efficiency and resource conservation.

AQG's new facilities which focus on plastic recycling are optimized through digitalization initiatives, enabling AQG to improve its sustainability performance, increase market share, and reinforce its commitment to sustainability.

QUALITY MANAGEMENT

Excellence is a fundamental value at AQQ. Quality management and assurance measures are principles that guide each of our actions and influence our approach towards our customers. We adhere to a strict approach to quality management and continuous improvement culture to meet the requirements for ISO 9001 certification (Quality Management Systems).

A survey template is shared with our clients, with feedback collected and insights drawn to ensure customer satisfaction.

6,555

incidents have been reported
of downgrading for ferrous



84%

of ferrous products have
passed the quality inspection



To reduce product quality incidents, we are committed to the following:

01



Proper training and development provided for the staff to follow
and maintain the quality standards

02



Use of technology / machines for processing ferrous and non-ferrous materials

03



To make sure monthly targets and specific targets are achieved
according to the agreed quality

04



To ensure loading and loaded materials meet customer specifications
and contractual terms of the contract

TECHNOLOGY, INNOVATION AND DIGITALIZATION

Technology, innovation, and digitization are given top priority at Al Qaryan Group to improve operational sustainability and efficiency. In 2023, we put in place cutting-edge data-driven systems and intelligent technologies, which enhanced resource management, decreased waste, and raised the standard of recycled materials. Our emphasis on automation has reduced human error, enhanced productivity, and streamlined procedures. In addition to these developments, we keep funding research and development to make sure we lead the recycling sector and stay true to our mission of promoting a circular economy.



ENVISIONING TOMORROW'S AL QARYAN

Looking forward, AQG looks to focus on sustainable development through strategic operations management and growth initiatives. The Group's development is initiated with the establishment and ongoing operation of cutting-edge technologies, as with the implementation of SAP S4HANA, the development of the overall value chain, and the Group's alignment with the National goals.

Our development is amplified with the diversified investment into forward industries such as plastic recycling which aligns with long-term sustainable value, circular economy initiatives, and closed material loops.

While our initiatives are firmly in place, we place a high premium on proper governance practices. This ensures that our initiatives, which are in alignment with our ESG goals, are not just implemented, but implemented correctly and ethically.

Currently, we are diligently exploring the expansion of our sustainability strategy into carbon markets. Our team is leaving no stone unturned in investigating potential carbon reduction projects, with the aim of further amplifying AQG's positive environmental impact and exploring new frontiers in sustainability.

By embedding sustainability into the core of its growth strategy and advancing circular economy principles, AQG ensures that it remains agile, competitive, and well-positioned to meet the evolving demands of the global recycling industry while contributing to a more sustainable future.

09 APPENDIX

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QHSE MANAGEMENT

HEALTH & SAFETY DISCLOSURES	2022	2023
Total Man Hours worked	4,248,318.00	3,979,716.00
Total Safe Man Hours Worked (without LTI)	4,248,318.00	3,833,061.00
Average Manpower	2,061.00	2,510.00
Road Traffic Incidents	-	2.00
First Aid Case (FAC)	20.00	2.00
Environmental Incidents	19.00	5.00
Property Damage Incidents	10.00	13.00
Medical Treatment Injury	11.00	24.00
Emergency Drills conducted	30.00	35.00
HSE Inspections	665.00	2,870.00
Number of lost time injuries (LTIs)	-	5.00
Absenteeism Rates	-	-
Lost Time Injury Frequency Rate (LTIFR)	2.59	1.2563
Number of lost days from LTIs	-	43.00
Total Recordable Incident Rate (TRIR)	0.52	1.46
Number of Near Misses	41.00	166.00
Number of Permanent Disability	-	-
Number of Fatalities	-	-
Average Health & Safety Training Hours	9,093.00	45,385.00
Number of Toolbox Trainings Attendees	1,845.00	2,345.00
Number of Unsafe Act	1,527.00	905.00
Number of Unsafe Condition	547.00	1,934.00
Corrected Unsafe Condition	320.00	1,735.00
Fire Incidents	16.00	6.00
Work-Related Ill Health (Number of cases)	-	-

CIRCULAR ECONOMY

		2022		2023	
Waste	Waste Type	Quantity	Unit	Quantity	Unit
Electronics	Hazardous Waste	240,000	KGS	260,000	KGS
Mixed Waste	Non-Hazardous Waste	-	Tonne	16,142	Tonne
Oil / Lubricants	Hazardous Waste	-	Liters	90,487.00	Liters
Batteries	Hazardous Waste	-	KGS	1,100.00	KGS
		2022		2023	
Diesel Oil Spill		-	Liters	1,800.00	Liters
Waste Diverted from Landfill		-	Tonne	1,300,000	Tonne

WATER MANAGEMENT

	2022	2023	UNIT
Ground Water	-	-	m3
Drinking Water	260.00	912	m3
Utility Water	149,444.00	135,125	m3
Recycled Water	-	-	m3

ENERGY EFFICIENCY & CONSUMPTION

ACTIVITY CATEGORY		2022	2023	UNIT
Petrol Consumption	Used for On-Road Vehicles Owned or Leased by the Company	596,942.00	611,304	Liters
	Used for Off-Road Machinery Owned or Leased by the Company	-	-	
	Used for Stationary Machinery & Generators	-	-	
Diesel Consumption	Used for On-Road Vehicles Owned or Leased by the Company	8,123,221.00	8,722,684	Liters
	Used for Off-Road Machinery Owned or Leased by the Company	-	-	
	Used for Stationary Machinery & Generators	14,684,200.00	7,767,671.00	
Electricity Consumption	Purchased from a Third-Party (i.e. National Utility Company)	161,301,838.00	190,842,891.00	kWh

CLIMATE CHANGE & EMISSIONS

	2022	2023	UNIT
Total Scope 1 Emission Generated	66,486.24	80,827.56	Metric Tons of CO ₂ e
Total Scope 2 Emissions Generated	66,055.95	72,027.66	Metric Tons of CO ₂ e

EFFICIENT SUPPLY CHAIN

	2022	2023	UNIT
Total Number of Suppliers	-	469.00	Number
Total Budget Spent on Suppliers	-	167,000,000.00	SAR
Total Number of Local Suppliers	-	421.00	Number
Total Budget Spent on Local Suppliers	-	110,000,000.00	SAR

SOCIAL DISCLOSURES

HR DISCLOSURES	2020	2021	2022	2023
WORKFORCE PROFILE				
Total Number of full-time employees	1015	1248	2061	2,510
Total Number of part time employees (company hired part time employees)	N/A	N/A	N/A	N/A
Total Number of contracted employees (contractor employees)	430	380	117	94
EMPLOYEES BY GENDER				
Female Employees in the workforce	34	38	52	85
Male Employees in the workforce	981	1,210	2,009	2,425
% of Female Employees in the workforce	3.35%	3.04%	2.52%	3.39
% of female in Middle Management	0%	2.56%	2.13%	0.12
% of female in Top Management	0%	0%	0%	0
EMPLOYEES BY AGE				
Number of employees AGED UNDER 30	123	230	612	600
% of employees AGED UNDER 30	12%	18%	30%	23.90
Number of employees AGED 30 - 50	785	907	1315	1716
% of employees AGED 30 - 50	77%	73%	64%	68.37
Number of employees AGED OVER 50	107	111	134	194
% of employees AGED OVER 50	11%	9%	7%	7.73
Total Number of employees	1015	1248	2061	2510
EMPLOYEES BY YEARS OF SERVICE				
Number of employees working with the company for 0-4 years	585	696	1418	1553
% of employees working with the company for 0-4 years	58%	56%	69%	61.87
Number of employees working with the company 5 - 9 years	295	389	412	602
% of employees working with the company 5 - 9 years	29%	31%	20%	23.98
Number of employees working with the company 10 - 14 years	118	136	186	277
% of employees working with the company 10 - 14 years	12%	11%	9%	11.04
Number of employees working with the company 15 years and more	17	27	45	78
% of employees working with the company 15 years and more	2%	2%	2%	3.11
EMPLOYEES BY NATIONALITY				
Local employees in the workforce	192	266	353	444
Expatriate employees in the workforce	823	982	1708	2066
% of Locals in the total workforce	18.92%	21.31%	17.13%	17.69
Number of nationalities in the workforce	16	19	21	26
Percentage of middle management hired from the local community	0.1	0.24	0.20	0.12
Percentage of senior management hired from the local Community	0	0.10	0	0.00
INDIA	331	372	700	841
KSA	192	266	353	444
PAKISTAN	155	199	226	292

NEPAL	84	148	304	387
BANGLADESH	74	75	140	141
YEMEN	65	71	137	146
NEW HIRE EMPLOYEES				
Total number of new employees who joined the organization	95	266	865	262
Total number of new employees who joined the organization (female)	2	6	16	10
Total number of new employees who joined the organization (male)	93	260	849	252
Total number of new employees who joined the organization Under 30	14	117	418	90
Total number of new employees who joined the organization (31-50)	66	140	422	156
Total number of new employees who joined the organization over 50	15	9	25	16
Total number of new employees who joined the organization (Senior Management)	2	1	2	4
Total number of new employees who joined the organization (Middle Management)	3	10	8	10
Total number of new employees who joined the organization (Staff)	62	214	728	248
EMPLOYEES TURNOVER RATES				
Total number of employees who left the organization	355	144	238	427
Workforce Turnover rate	20%	10%	10%	17.01
Total number of employees who left the organization (female)	4	3	6	6
Total number of employees who left the organization (male)	351	141	232	421
Total number of employees who left the organization Under 30	50	30	77	181
Total number of employees who left the organization (31-50)	280	97	142	219
Total number of employees who left the organization over 50 years old	25	17	19	27
Total number of employees who left the organization (Top Management)	1	1	0	2
Total number of employees who left the organization (Middle Management)	49	64	56	15
Total number of employees who left the organization (Staff)	156	79	182	410
EMPLOYEE BY LEVEL				
Number of MALE employees in MIDDLE MANAGEMENT	63	73	85	87
% of MALE employees in MIDDLE MANAGEMENT	6.21	5.85	4.12	3.47
Number of FEMALE employees in MIDDLE MANAGEMENT	1	2	2	3
% of FEMALE employees in MIDDLE MANAGEMENT	0.10	0.16	0.10	0.12
Total number for ALL employees in MIDDLE MANAGEMENT	64	75	87	90
Number of MALE employees in TOP MANAGEMENT	8	9	11	14
% of MALE employees in TOP MANAGEMENT	0.79	0.72	0.53	0.55
Number of FEMALE employees in TOP MANAGEMENT	0	0	0	0
% of FEMALE employees in TOP MANAGEMENT	0	0	0	0
Total number for ALL employees in TOP MANAGEMENT	8	9	11	14
HR COOP trainee	N/A	N/A	N/A	4
IT COOP trainee	N/A	N/A	N/A	1
Finance COOP trainee	1	1	1	2
Procurement COOP trainee	N/A	N/A	N/A	1
HSE COOP trainee	0	4	7	2

Recruitment interns	1	1	0	2
EMPLOYEES BY SKILL				
WHITE COLLAR employees	229	301	440	721
BLUE COLLAR employees	502	659	1253	1789
EMPLOYEE TRAINING				
Total number of Training for females (hours)	45	68	106	820
Total number of Training for males (hours)	39	68	106	2848
Total number of Training for total workforce (hours)	84	136	212	3668
Average hours of training per year per female employee	11	34	17.7	6.5
Average hours of training per year per male employee	13	34	17.7	22.6
Average hours of training per year per employee	12	34	17.7	29.1
Total Cost of Training (SR)	17,020	31,510	52,670	279,354.20
% of employee that went through a Human Right related training	0	0	0	0.12
PARENTAL LEAVE				
Number of male employees that were entitled to parental leave	237	298	416	586
Number of male employees that actually took parental leave	1	2	5	7
Number of male employees that came back to work after completion of parental leave	1	2	5	7
Number of male employees who returned to work after parental leave ended who were still employed twelve months after their return to work.	1	2	5	5
Retention rate for male employees who went on Parental Leave	1	2	5	5
Number of female employees that were entitled to parental leave	34	38	52	80
Number of female employees that actually took parental leave	2	0	0	1
Number of female employees that came back to work after completion of parental leave	2	0	0	1
Number of female employees who returned to work after parental leave ended who were still employed twelve months after their return to work.	2	0	0	1
Retention rate for female employees who went on Parental Leave	2	0	0	1
PEOPLE OF DETERMINATION EMPLOYEES				
People of Determination	17	19	36	36
PAY RATIO				
RATIO of the basic salary and remuneration of women to men for each employee category	1:1	1:1	1:1	1:1

TERMINOLOGY

KSA	Kingdom of Saudi Arabia
UAE	United Arab Emirates
SAR	Saudi Arabia Riyal
AQG	Al Qaryan Group
AQR	Al Qaryan Recycling
AQS	Al Qaryan Steel
AQP	Al Qaryan Plastic
AQL	Al Qaryan Logistics
AQC	Al Qaryan Copper
AQI	Al Qaryan International
GRI	Global Reporting Initiative
UN SDGs	United Nations Sustainable Development Goals
ESG	Environment, Social, and Governance
ELV	End-of-Life Vehicle
MRF	Material Recovery Facility
PCR	Post Consumables Recyclable
MT	Metric Ton
KYC	Know Your Customer
SEEC	Saudi Energy Efficiency Center
ISO	International Organization for Standardization
KPIs	Key Performance Indicators
GHG	Greenhouse Gas
SGI	Saudi Green Initiative
QLT	Qaryan Leadership Team
IPPF	International Professional Practices Framework
GCC	Gulf Cooperation Council
BDI	Board Directors Institute
HRSD	Human Resources and Social Development
NCEC	National Center for Environmental Compliance
MWAN	National Center for Waste Management
NRRC	Nuclear and Radiological Regulatory Commission
SHEQ	Safety, Health, Environmental Quality
FAC	First Aid Cases
CRP	Copper Recycling
IPCC	International Panel of Climate Change
RCFA	Root Cause Failure Analysis
QHSE	Quality, Health, Safety, and Environment

GRI CONTENT INDEX



CONTENT INDEX
ESSENTIALS SERVICE

2024

STATEMENT OF USE	Al Qaryan Group has reported in accordance with the GRI Standards for the period January 1, 2023 - December 31, 2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	None

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

GRI STANDARD	DISCLOSURE	LOCATION AND/OR LINK AND/OR DIRECT ANSWER	OMISSION
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	15	
	2-2 Entities included in the organization's sustainability reporting	10	
	2-3 Reporting period, frequency and contact point	10	
	2-4 Restatements of information	None	
	2-5 External assurance	None	
	2-6 Activities, value chain and other business relationships	16, 17, 18, 19, 20	
	2-7 Employees	61, 97	
	2-8 Workers who are not employees	None	
	2-9 Governance structure and composition	46, 47, 48, 49	
	2-10 Nomination and selection of the highest governance body	49	
	2-11 Chair of the highest governance body	6, 46	
	2-12 Role of the highest governance body in overseeing the management of impacts	46, 47	
	2-13 Delegation of responsibility for managing impacts	47	
	2-14 Role of the highest governance body in sustainability reporting	47	
	2-15 Conflicts of interest		Confidentiality Constraints: To safeguard sensitive information.
	2-16 Communication of critical concerns	54	
	2-17 Collective knowledge of the highest governance body	47	
	2-18 Evaluation of the performance of the highest governance body		Confidentiality Constraints: To protect proprietary evaluation processes and sensitive governance information.
	2-19 Remuneration policies		Confidentiality Constraints: To protect proprietary evaluation processes and sensitive governance information.
	2-20 Process to determine remuneration		Confidentiality Constraints: To protect proprietary evaluation processes and sensitive governance information.
	2-21 Annual total compensation ratio		Confidentiality Constraints: Due to concerns about competitive sensitivity and privacy of employees.

	2-22 Statement on sustainable development strategy	6, 7
	2-23 Policy commitments	50
	2-24 Embedding policy commitments	50
	2-25 Processes to remediate negative impacts	54
	2-26 Mechanisms for seeking advice and raising concerns	54
	2-27 Compliance with laws and regulations	50
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	43
	2-30 Collective bargaining agreements	Legal Prohibitions: Prohibited in KSA
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42
	3-2 List of material topics	43
Local Content		
GRI 3: Material Topics 2021	3-3 Management of material topics	58, 86
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	61
	202-2 Proportion of senior management hired from the local community	97
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	96
Energy Efficiency & Consumption		
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 79
GRI 302: Energy 2016	302-1 Energy consumption within the organization	95
	302-3 Energy intensity	61, 78, 79
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	77
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	77
	303-5 Water consumption	77, 95
Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	80
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	80
	305-2 Energy indirect (Scope 2) GHG emissions	80
	305-4 GHG emissions intensity	61, 80
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	74, 75, 76

GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	74, 75, 77
	306-3 Waste generated	95
Circular Economy		
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