



الإتحاد للحديد والصلب
UNION IRON & STEEL



Union Iron & Steel Company L.L.C.

IFRS S1 – General Sustainability-related Disclosures Report

Executive Summary

UIS is adhering to **IFRS S1 climate-related disclosure** to report its sustainability-related risks and opportunities. In FY2024, UIS made significant progress in embedding sustainability across its operations. The company completed a verified GHG inventory covering Scope 1, 2, and 3 emissions, conducted lifecycle assessments (LCA) for steel rebar products, and developed a stakeholder-informed materiality matrix aligned with IFRS S1. UIS also defined clear targets for net-zero Scope 1, 2 & 3 emissions reductions plan by 2050. Over 80% of solid waste was recycled, and 640 kg of hazardous waste was safely incinerated. These efforts reflect UIS's commitment to transparency, traceability, and continuous improvement.

IFRS S1 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied.

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects).

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

This report represents a foundational step in embedding sustainability into UIS's financial reporting, supporting informed decision-making and strengthening trust in the company's sustainability journey.

Company Overview

- Established in 2006, UNION IRON & STEEL (UIS) is a manufacturer of rebars, or steel bars for concrete reinforcement, located in the Mussafah, Abu Dhabi, UAE. With expertise in delivering high quality products and technologies, the company aims to meet the region's demand for quality steel bars while reducing import volumes. The annual production of 421,886.251 metric tons in 2024 .
- UIS constantly strives to fulfill market needs. As part of our customer delivery, we believe that premium quality, innovation, competitive pricing and reliable services earn business
- Strategic importance: UIS contributes to UAE's steel self-sufficiency goals and exports rebar products conforming to global quality standards.
- Business model and value chain: Outline manufacturing processes, key inputs, suppliers, and markets served.

UIS has complied to IFRS S1 sustainability related disclosures wherein it has disclosed all the climate related information in accordance to the following IFRS disclosure parameters:

S. No	Requirement Description
S1 1	An entity shall disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects
S1 2	Disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

Governance

- Board Oversight:** UIS's governance framework includes defined roles and responsibilities at board and management levels overseeing sustainability and climate-related risks.
- Management's Role:** ESG management is under HSE and Sustainability Representative. Integration of GHG monitoring into financial and operational systems.



- The company's governance structure ensures integration of sustainability risks into business oversight, with committees assigned to monitor environmental performance and compliance.
- Continuous review and updating of governance processes are implemented to align with UAE and international standards.

Policies

The UIS plant holds certifications for **ISO 9001:2015**, **ISO 14001:2015**, **BS ISO 45001:2018**, and the **Sustainable Constructional Steel (SCS) scheme (BS 8902:2009)**, in addition to product conformity certification from **UK Cares**. UIS has also released its LCA and GHG reports in compliance with **ISO 14044:2006** (Environmental Management – Life Cycle Assessment – Requirements and Guidelines) and **ISO 14044:2006** National Greenhouse Gas Emissions respectively.

Strategy

- UIS has integrated sustainability into its business strategy, focusing on environmental impact reduction, compliance with UAE Green Agenda 2030, and enhancing operational efficiencies.
- The company identifies climate-related risks such as energy consumption in steel production and opportunities like adoption of cleaner technologies and circular steel use.
- UIS's strategy includes alignment with regional sustainability goals to support economic growth

Sustainability Risks and Opportunities

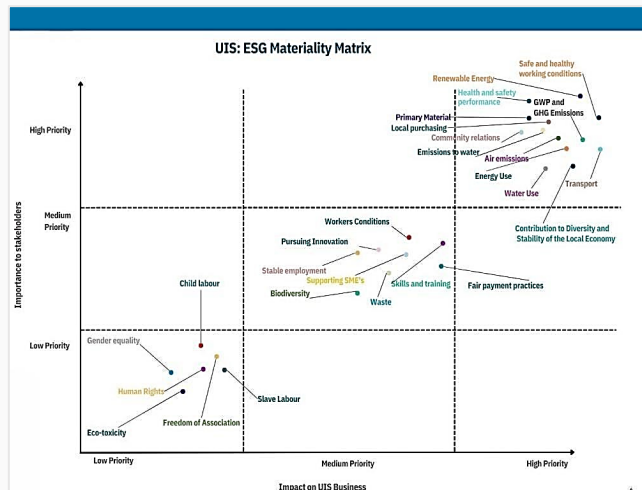
- **Material sustainability risks** include regulatory changes related to carbon pricing and emissions ceilings, energy cost volatility, and supply chain disruptions. Energy dependency (natural gas & grid electricity), water scarcity, raw material sourcing, GHG regulations.
- **Opportunities** include cost savings through energy efficiency, enhanced market access via sustainable product certifications, and improved stakeholder trust. Local billet sourcing, renewable energy adoption, waste recycling (>80% currently), carbon reduction leadership in UAE steel sector.

- These factors could materially affect UIS's cash flows, access to finance, and cost of capital over short, medium, and long-term horizons.

Materiality Matrix

UIS has also prepared its **materiality assessment report 2024** where it has identified 28 material topics and categorized them in high, medium and low priorities. This matrix provides a comprehensive overview of sustainability risks and opportunities.

High Priority: Energy use, GHG emissions, water use, transport, material sourcing, safe and healthy working conditions, Community relations, Renewable energy



Medium Priority: Worker conditions, Biodiversity, Waste, skills and training, stable employment

Lower Priority: Gender equality, slave labor, eco-toxicity, Human rights

Risk Management

1. UIS employs risk assessment processes to identify, evaluate, and manage sustainability-related risks including regulatory, physical climate risks, and resource availability.
2. Risk mitigation strategies include energy efficiency programs, emission control technologies, and proactive compliance with evolving environmental regulations.
3. Sustainability risks are integrated into broader enterprise risk management for proactive oversight and business continuity

Processes

- GHG inventory aligned with GHG Protocol (Scopes 1–3).
- LCA study (ISO 14040/44) to evaluate cradle-to-gate environmental impacts.
- Hazardous waste managed via incineration; water treated in on-site WWTP.
- Key Controls: Daily energy/water monitoring, supplier audits, safety inspections.

Metrics & Targets

- UIS monitors key sustainability performance indicators, particularly GHG emissions (Scope 1 and Scope 2), energy consumption, and waste management.
- The company has set targets aligned with UAE's Green Agenda and global standards to reduce carbon footprint and improve energy efficiency.
- Progress toward targets is systematically reported and verified through internal audits and external assurance processes.

Environmental Performance

Total Rebar Production	4,21,886	metric tons (t)	From UIS production data
GHG Emissions (Scope 1)	32961.16	metric tons CO2e	From natural gas combustion
GHG Emissions (Scope 2)	15,039.05	metric tons CO2e	From electricity use
GHG Emissions (Scope 3)	6163.22	metric tons CO2e	From Business travel + employee commute + upstream sources
Total GHG Emissions	54,163.43	metric tons CO2e	
Emission Intensity	~0.115	t CO2e per ton of rebar	Total emissions divided by total production
Total Water Consumption	75,979	cubic meters (m ³)	
Water Use Intensity	~0.18	m ³ per ton of rebar	Average water use per ton produced
General Waste (Landfill)	37300	kg	Solid waste sent to landfill
Concrete Waste (Landfill)	23,250	kg	Construction and demolition waste landfill
Recycled Waste Total	>80% of total solid waste	Percentage	Includes mill scale, cobble, end cuts, scrap, oils, etc.
Hazardous Waste (Incinerated)	640	kg	Hazardous waste treatment
Energy Consumption (Natural Gas)	5,55,596	MMBTU	Total natural gas consumed

Energy Consumption (Electricity)	3,72,16,165	kWh	Total electricity consumption
Energy Consumption (Diesel)	7,804	gallons	Total diesel fuel consumed

Targets (aligned with UAE & Paris Goals)

- Install 1,250 kWp rooftop solar PV to meet on-site renewable energy needs.
- Integrate renewable PPAs and expand solar capacity.
- Maintaining continuous, Product Stewardship by LCA and EPD studies.

Connectivity with Financial Statements

Carbon costs: Anticipated UAE/EU CBAM exposure.

Capex/OpEx implications:

- Energy efficiency upgrades in reheating furnace.
- Potential solar/renewable PPAs.

UIS's Future Commitments Towards Sustainability

In 2025, Union Iron & Steel (UIS) initiated its Net Zero Roadmap, establishing a clear framework for addressing Scope 1, 2 and 3 emissions across its operations and supply chain. This marked the company's first structured effort to align with the UAE's Net Zero 2050 vision and global climate commitments. UIS is positioned as a regional leader in sustainable rebar manufacturing. UIS is one of the leading steel manufacturers in UAE that publishes its sustainability reports and discloses its climate-related information.

- **Short-term:** Focus on energy efficiency & data integration and alignment with Net Zero 2050.
- **Medium-term:** Supplier engagement, circular economy initiatives. By 2030, UIS will install renewable PPAs, and adopt telematics for fleet, together delivering significant efficiency gains and emissions reductions. 20-22% total reduction from the 2025 baseline
- **Long-term:** By 2040, UIS will adopt hydrogen furnaces, full fleet electrification, carbon capture, and AI-driven efficiency, achieving 60% emissions reduction.

Conclusion

Union Iron & Steel Company L.L.C. (UIS) has demonstrated its strong commitment to transparency, accountability, and sustainable growth through this IFRS S1 disclosure. By aligning governance structures, strategic priorities, risk management processes, and performance metrics with international sustainability standards, UIS has laid a solid foundation for long-term resilience.

The company's 2024 results highlight both its progress and challenges. While energy and raw material dependencies remain the largest contributors to environmental impact, UIS has already achieved significant strides in waste recycling, water efficiency, and emissions monitoring. Looking forward, the company is well positioned to reduce carbon intensity, integrate renewable energy, and align with the UAE Net Zero 2050 vision.

This report not only supports compliance with IFRS sustainability standards but also strengthens stakeholder confidence in UIS's role as a responsible manufacturer. Through continuous improvement, innovation, and collaboration with stakeholders, UIS is committed to creating value that extends beyond financial performance contributing positively to the environment, society, and economy of the UAE.