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UNICOIL

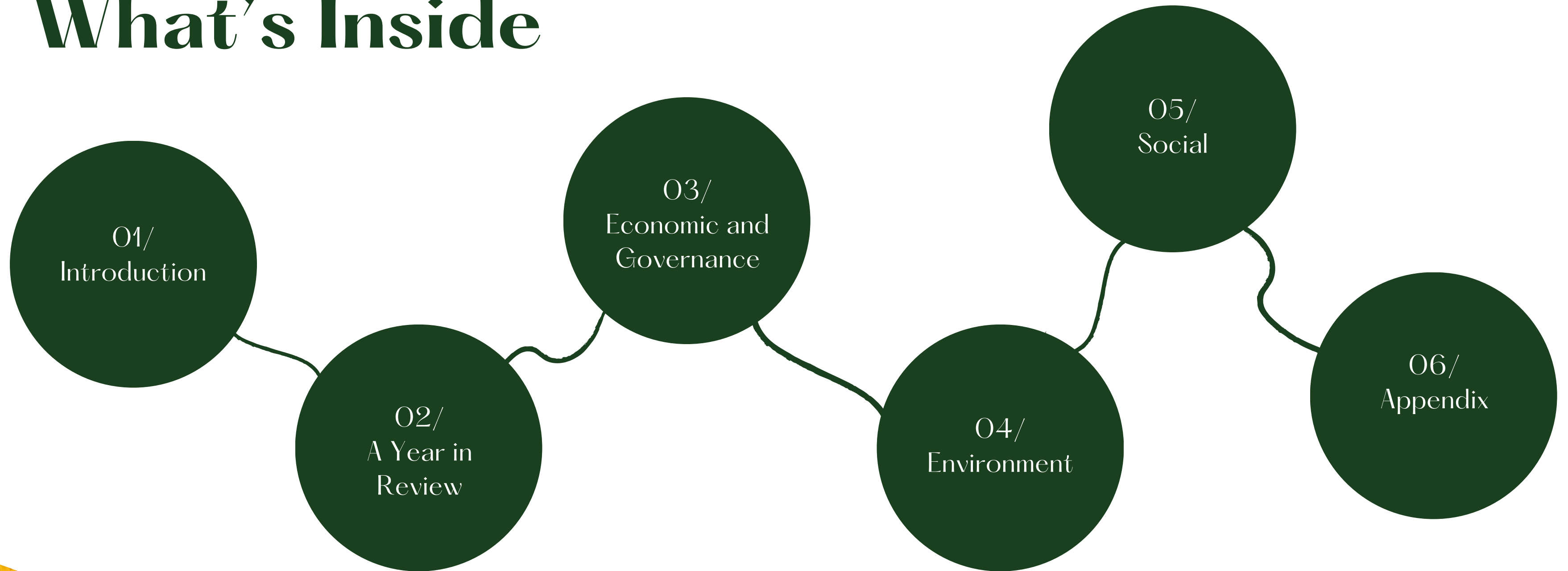
ESG Report

2024

Universal Metal
Coating Company



What's Inside





01/ Introduction

01/ Introduction

About the report

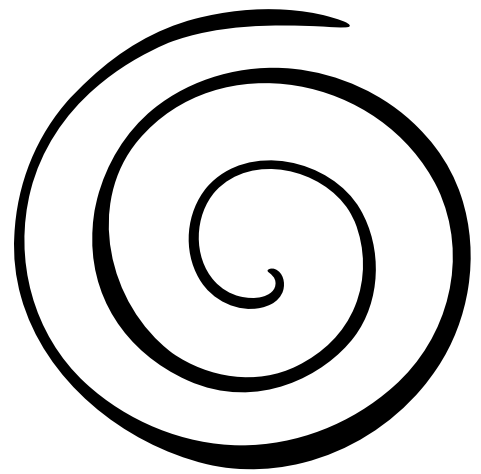
At Universal Metal Coating Company Ltd. (UNICOIL), sustainability is more than a commitment—it is a responsibility we proudly uphold. This 2024 ESG Report is prepared in alignment with the Global Reporting Initiative (GRI) Standards, reaffirming our dedication to transparency, accountability, and continuous improvement.

As the first manufacturer of galvanized steel in Saudi Arabia, UNICOIL recognizes the vital role we play in shaping a more responsible metals industry. This report presents our performance, highlighting both milestones achieved and challenges encountered across our operations.

We report on impacts related to our material topics, identified through stakeholder engagement and aligned with our Strategic Vision 2025. These topics guide our actions and support our broader purpose: "Innovating for a resilient future—where sustainable materials build a better tomorrow."

01/ Introduction

About the report

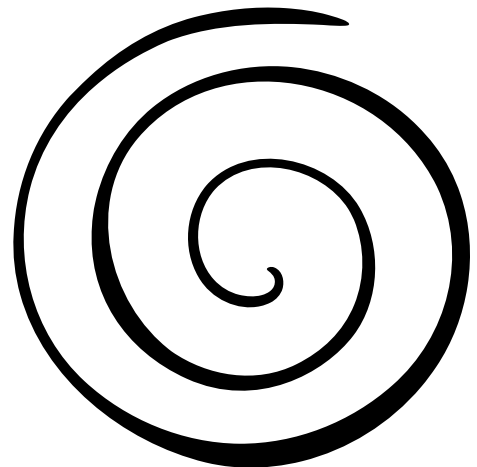


Our Long-term Ambition

Forging a future where steel supports thriving lives and a thriving planet. With care for communities and respect for nature, we envision a world built on strength, sustainability, and shared imagination.

Our Mid-term priorities

- Our 2025 strategy: Committed to growth, with purpose
- 5-10% growth
- Purpose linked targets > 17% FCF



01/ Introduction

Our Impacts and Material Topics

This report has been prepared in accordance with the GRI Standards: Core option, reflecting our commitment to transparent and comprehensive sustainability reporting.

Economic/Governance

- Economic Performance
- Governance & business conduct/ethics/transparency
- Product environmental & social performance
- Product quality & safety and ingredient disclosure
- Raw material availability
- Innovation capabilities & management

Environment

- Climate change
- Waste management & circular principles
- Water stewardship
- Biodiversity

Social

- Diversity, inclusion & people development
- Employee safety, health & wellbeing
- Consumer health & wellbeing
- Human rights
- Responsible sourcing & traceability
- Local community development

The frameworks applied for this report are GRI Standards, UN Global Impact and Sustainable Development Goals.

01/ Introduction

Message from the Chairman

At Universal Metal Coating Company (UNICOIL), sustainability is deeply embedded in our corporate philosophy and organizational culture.

UNICOIL's shareholders and leadership actively promote responsible practices across all business activities, ensuring alignment with evolving global expectations and regulatory standards. We pursue continual improvement through:

- **Technological innovation** that supports emissions reduction and resource efficiency.
- **Operational excellence** to enhance performance and minimize environmental footprint.
- **Collaborative partnerships** that strengthen circularity and value chain resilience.



Our ESG approach integrates environmental, social, and governance priorities into decision-making, enabling us to manage risks, unlock opportunities, and deliver long-term value. By engaging stakeholders across our ecosystem, UNICOIL ensures that sustainability initiatives reflect shared priorities and contribute meaningfully to climate action and responsible growth. UNICOIL is committed to transparent reporting and addressing environmental issues in compliance with governing protocol and policies.



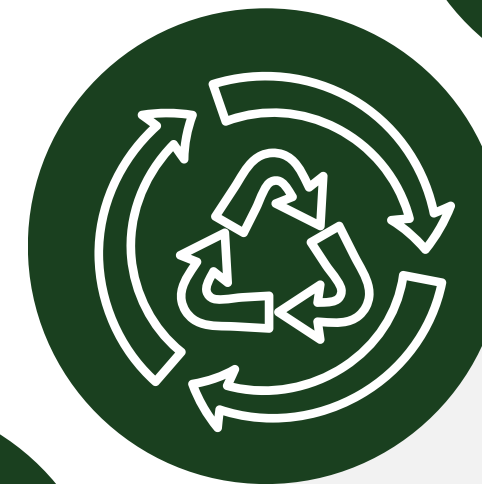
01/ Introduction

Our Proactive Sustainability Investments



Biodiversity

Supporting local flora and fauna conservation efforts



Circular Economy

Advancing circularity and environmental responsibility



Water Protection

Enhancement soil quality and protecting waterways



Climate Action

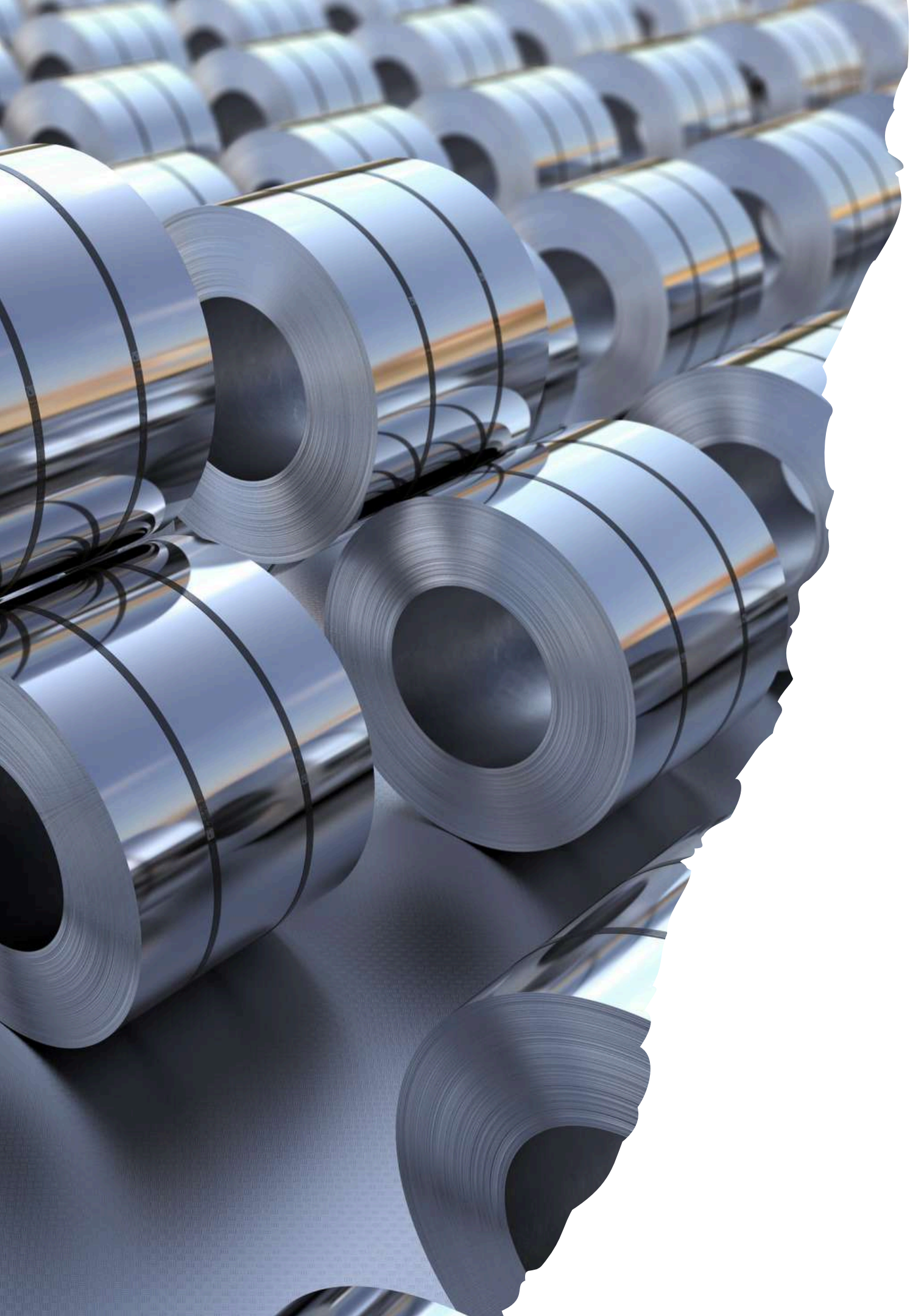
Reduction of emissions



01/ Introduction

Memberships & Accreditations





02/ A Year in Review

02/ A Year in Review

Letters to Stakeholders

At UNICOIL, our bedrock principle is open and honest communication with all our stakeholders. We firmly believe that this unwavering commitment to transparency is fundamental, not only for fostering deep trust but also for effectively driving our ambitious sustainability agenda forward. These letters serve as vital, direct communication channels, bridging our leadership with the diverse array of groups—from investors and employees to customers, suppliers, and local communities—who each hold a critical stake in our collective success and long-term viability.

Through these open dialogues, we aim to not only report on our performance but also to invite collaboration and feedback, recognizing that sustainable solutions often emerge from collective wisdom. We are deeply grateful for the trust and support of our stakeholders, and we look forward to continuing this vital conversation in the years to come, building a more resilient and responsible industry together.

Each year, these communications provide a comprehensive overview of our progress, challenges, and strategic directions. We believe that by sharing our vision and our real-world progress, we can inspire collective action.

Key themes addressed this year:

- 1. Strategic response to evolving climate regulations:** Detailing our proactive measures and adaptive strategies in the face of increasingly stringent global climate policies, ensuring compliance and leadership in environmental governance.
- 2. Progress on our carbon reduction targets:** Providing clear metrics and insights into our journey towards achieving significant reductions in our carbon footprint across all operations, emphasizing our commitment to a low-carbon future.
- 3. Innovations in sustainable steel production:** Highlighting our latest advancements in eco-friendly manufacturing processes and the development of greener products that contribute to a circular economy.
- 4. Community engagement initiatives and outcomes:** Showcasing our commitment to fostering positive relationships with the communities where we operate, including local development projects, educational programs, and social welfare initiatives.
- 5. Navigating supply chain challenges responsibly:** Discussing our diligent efforts in ensuring ethical sourcing, fair labor practices, and environmental stewardship throughout our complex global supply chain.

- 6. Employee wellness and development programs:** Outlining our investment in our people through comprehensive health, safety, and professional development programs that foster a thriving and inclusive workplace culture.
- 7. Digital transformation for sustainability:** Exploring how technology and data analytics are being leveraged to enhance our environmental monitoring, optimize resource efficiency, and improve overall sustainability performance.
- 8. Financial resilience and long-term value creation:** Providing a transparent view of our economic performance and how our sustainability strategies are intrinsically linked to creating enduring value for shareholders and society alike.

02/ A Year in Review

Purpose Leads every step we take

Innovating for a resilient future

Our core purpose—"Innovating for a resilient future—where sustainable materials build a better tomorrow"—guides every aspect of our business strategy and operations. This purpose reflects our belief that steel manufacturing can and must evolve to support both human progress and environmental health.

Purpose-driven decision making

At the heart of our business is a deep commitment to purpose. Our purpose-driven approach guides every decision we make, from strategic investments to daily operations. We are constantly asking ourselves how our choices will impact our ability to create positive change in the world.

Define our purpose

We begin by clearly defining our core purpose - the reason we exist beyond just making a profit. This purpose statement serves as our north star, ensuring all of our actions are aligned with our values and long-term vision.

Prioritize Purpose

When faced with tradeoffs, we prioritize decisions that best support our purpose, even if they come at a short-term cost. We are willing to make difficult choices to stay true to our values and long-term goals.

Assess Alignment

For every major decision, we carefully assess how it aligns with our defined purpose. We consider the potential impacts, both positive and negative, on our ability to fulfill our purpose.

By keeping our purpose at the center of our decision-making, we are able to consistently make choices that create value for our business, our stakeholders, and the world around us. This purpose-driven approach is fundamental to our success and sustainability as an organization. At UNICOIL, purpose isn't just a statement on our website—it's an active framework that shapes our:

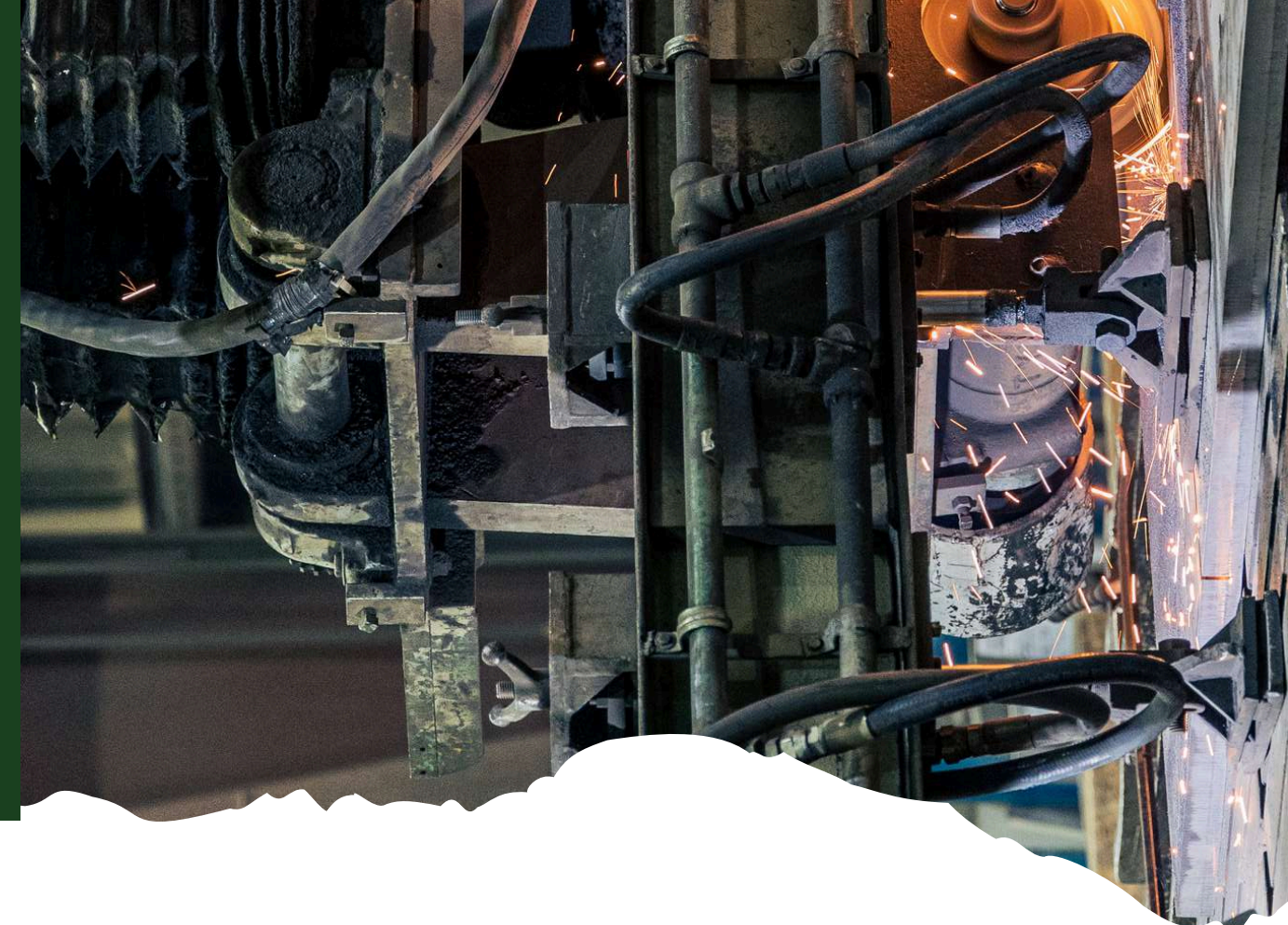
- Product Development priorities
- Community engagement strategies
- Capital investment decisions
- Environmental management systems
- Talent management approaches

"Purpose-driven companies outperform their peers by cultivating meaning, innovation, and resilience. At UNICOIL, our purpose isn't separate from our business strategy—it is our strategy."



02/ A Year in Review

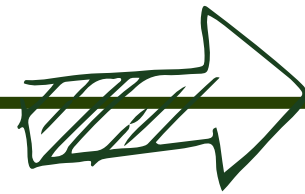
Purpose Leads
every step we
take



01

Inspire

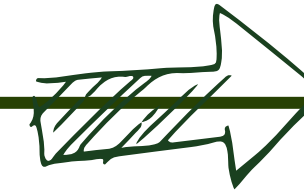
Our purpose inspires innovative thinking and challenges conventional approaches to steel manufacturing.



02

Integrate

We integrate sustainability considerations into every business function and decision.



03

Impact

We measure our success by the positive impact we create for all stakeholders.

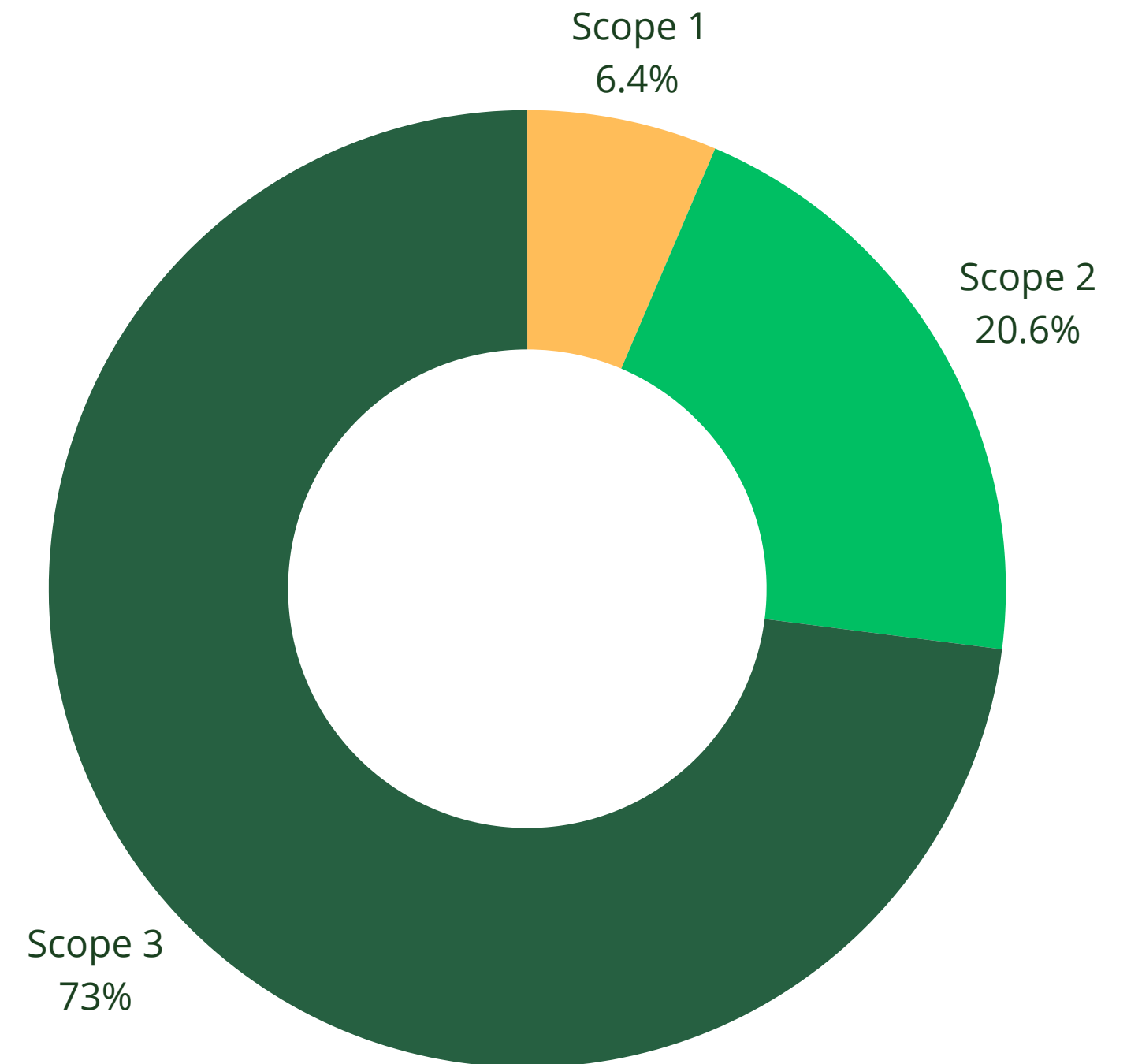


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Our Impact in 2024

In 2024, UNICOIL generated a total of 504,434.11 metric tons of CO₂e across Scope 1, Scope 2, and Scope 3 emissions. This footprint reflects the full lifecycle impact of our operations—from fuel combustion and electricity use to upstream procurement and downstream logistics. Our carbon intensity was calculated at 2.18 tCO₂e per ton of material purchased, serving as a baseline for future decarbonization efforts. Through verified reporting and third-party assurance, we are committed to transparency, continuous improvement, and aligning with global climate benchmarks.

Unicoil's GHG emissions in 2024



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ESG is embedded in every aspect of our business

Beyond Compliance: ESG as a Strategic Advantage

At UNICOIL, we've moved beyond viewing Environmental, Social, and Governance (ESG) factors as compliance requirements. Instead, we recognize them as essential components of business excellence and long-term value creation. Our integrated approach ensures that ESG considerations inform strategic planning at the highest levels.

This holistic integration creates a virtuous cycle where ESG performance drives business innovation, risk management, operational efficiency, and stakeholder trust—ultimately enhancing our competitive position in the market.

Our commitment to ESG is not just a box-ticking exercise, but a strategic imperative that is deeply woven into the fabric of our organization. By aligning our purpose, operations, and culture around sustainability, we are able to create long-term value for our shareholders, customers, employees, and the communities we serve.

As we continue on our sustainability journey, we remain focused on continuous improvement and innovation. We actively seek out new technologies, partnerships, and best practices that can help us further strengthen our ESG performance and amplify our positive impact.

01 Governance Integration

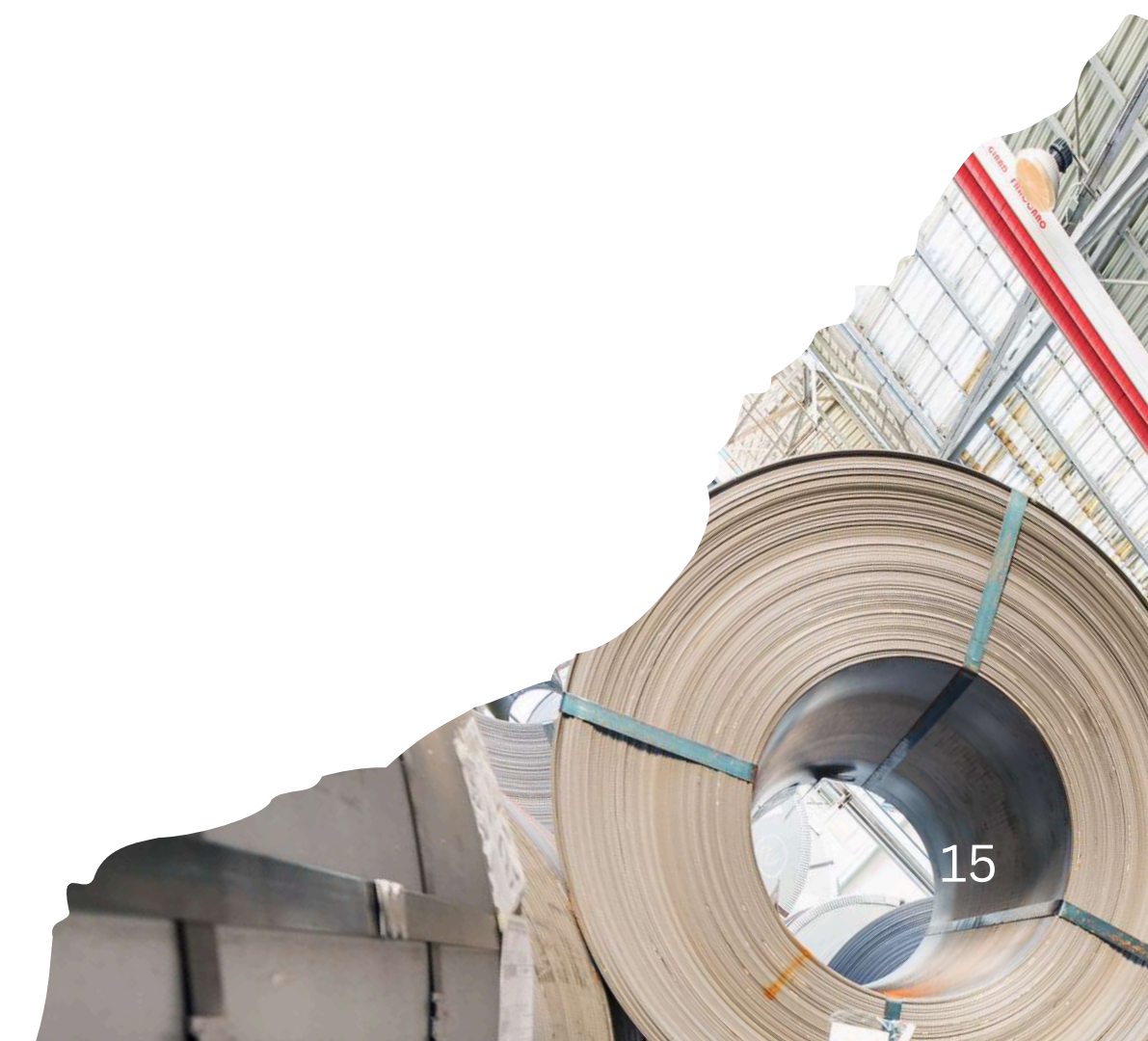
- Sustainability committee at board level.
- ESG metrics tied to executive compensation.
- Quaterly ESG performance reviews.

02 Operational Integration

- ESG factors in capital allocation decisions.
- Sustainability criteria in procurement policies.
- Green manufacturing standards.
- Circular economy principles in product design.

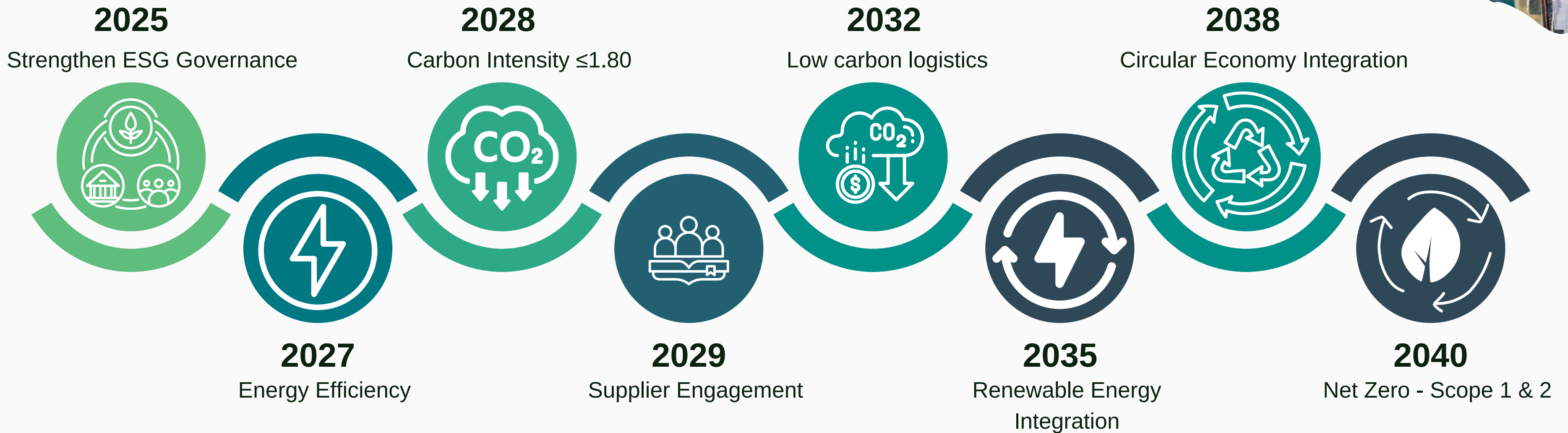
03 Cultural Integration

- ESG goals in employee performance reviews.
- Sustainability training for all staff.
- Innovation challenges focused on ESG solutions.
- Recognition programs for sustainability champions.



02/ A Year in Review

Our ESG Strategy



Evolving our approach

Our sustainability journey reflects a continuous evolution in our understanding of what it means to be a responsible steel manufacturer. What began as compliance-focused environmental management has matured into a comprehensive approach to creating shared value for all stakeholders.

Key Lessons learned

- Sustainability requires systems thinking across the entire value chain.
- Employee engagement is crucial for implementing sustainable practices.
- Partnerships accelerate innovation and amplify positive impacts.
- Transparency builds trust and drives accountability.

02/ A Year in Review

Ingredients that safeguard the planet

Material Selection

The materials we choose for our steel coating and processing have significant environmental and social implications. We continuously evaluate our ingredient choices against stringent sustainability criteria, seeking options that minimize environmental impact while maintaining or enhancing product performance.

Our Sustainable Materials Principles:

- Eliminate toxic substances and heavy metals.
- Reduce volatile organic compounds (VOCs).
- Source responsibly with fully supply chain transparency.
- Maximize recyclability and end-of-life recovery.
- Minimize water and energy requirements in processing.

Driving Innovation in Sustainable Materials

Our commitment to sustainable materials extends beyond compliance. We actively partner with suppliers, researchers, and industry groups to develop and commercialize innovative coating and processing technologies that push the boundaries of environmental performance. By investing in R&D and piloting new solutions, we are able to continuously raise the bar for sustainable steel manufacturing.

For example, we have worked closely with our chemical suppliers to formulate water-based coatings that reduce VOC emissions by 35% while maintaining excellent corrosion resistance. We have also developed new galvanizing flux formulations that can be recovered and reused, reducing waste and material consumption. Additionally, we have replaced petroleum-based additives with plant-derived alternatives, and pioneered the use of non-toxic corrosion inhibitors free from heavy metals and carcinogens.

These innovations not only improve the environmental profile of our products, but also create value for our customers who are increasingly seeking sustainable material solutions. By continuously expanding the frontiers of sustainable materials, we are positioning ourselves as a leader in the transition to a more circular and low-carbon economy.

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Non-toxic inhibitors: Innovative corrosion inhibitors free from heavy metals and carcinogens.

Water-based coatings: Reduced VOC emissions by 35% while maintaining corrosion resistance.

Recyclable Fluxes: New galvanizing flux formulations that can be recovered and reused.

Bio-based additives: Plant derived stabilizers replacing petroleum-based options.



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Stakeholder Engagement

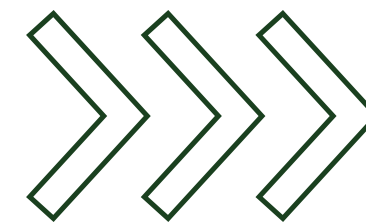
Building Collaborative Relationships

Meaningful stakeholder engagement is fundamental to our sustainability approach. We believe that by understanding the perspectives, concerns, and expectations of all those affected by our business, we can make better decisions that create shared value and address real needs.

01



02



03

Engagement Principles

- Inclusive participation
- Transparent communication
- Responsive action
- Consistent dialogue
- Mutual respect

Key Stakeholder Groups

- Employees
- Customers and end-users
- Local communities
- Investors and shareholders
- Suppliers and business partners
- Regulatory authorities

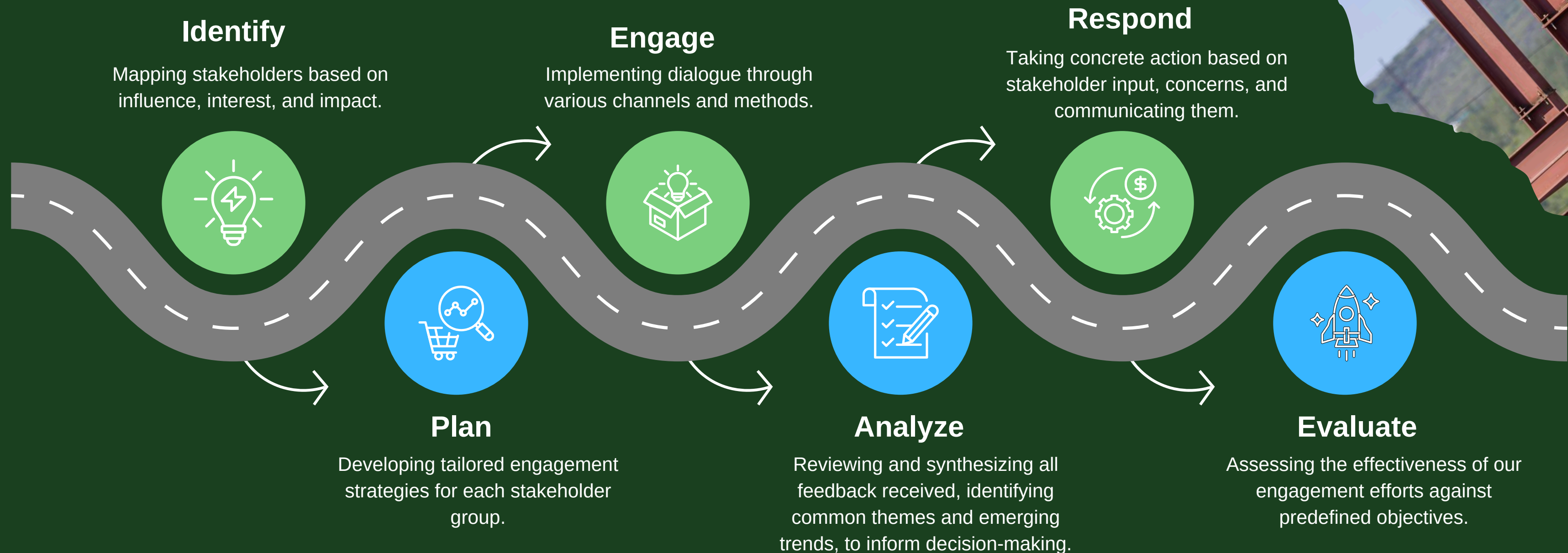
Engagement Methods

- Annual stakeholder survey
- Community advisory panels
- Customer feedback programs
- Employee town halls
- Supplier sustainability workshops

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Stakeholder Engagement Process

Our stakeholder engagement process is a continuous cycle designed to foster meaningful relationships and gather diverse perspectives. By systematically identifying, understanding, and responding to the needs of our stakeholders, we ensure our sustainability initiatives are relevant, impactful, and aligned with shared value creation.



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2024 Engagement Highlights

Customer Sustainability Program

In 2024, UNICOIL initiated its first Customer Sustainability discussion bringing together key clients to explore ESG priorities and sustainable product development. While still in early stages, the program laid the groundwork for future collaboration on circular economy and supply chain transparency.



Community Environmental Monitoring

UNICOIL successfully launched a community-based environmental monitoring initiative in 2024, deploying air and water quality sensors around its Jubail facility. Data is shared in real time through a public dashboard, fostering transparency and community trust.



Supplier Sustainability Assessments

UNICOIL successfully launched a community-based environmental monitoring initiative in 2024, deploying air and water quality sensors around its Jubail facility. Data is shared in real time through a public dashboard, fostering transparency and community trust.



Employee Sustainability Champions

In 2024, UNICOIL began planning its 'Sustainability Champions' initiative to engage employees in shaping local environmental actions. While not yet launched, the program aims to empower teams across departments to lead grassroots sustainability efforts starting in 2025.



Stakeholder Materiality Assessment

In 2024, UNICOIL began preparing for its first stakeholder materiality assessment by outlining engagement methods and identifying priority stakeholder groups. This foundational work will guide future ESG strategy alignment and ensure responsiveness to evolving stakeholder expectations.



Sustainability Team

In 2024, UNICOIL began planning the formation of a dedicated sustainability team to coordinate ESG initiatives and stakeholder engagement. While not yet established, this team will play a key role in shaping our long-term sustainability roadmap and driving cross-functional collaboration.



02/ A Year in Review

Material Topics

Focusing on what matters most

Our materiality assessment identifies the economic, environmental, and social topics that are most significant to our business and stakeholders. This process helps us focus our sustainability efforts and reporting on the issues where we can make the greatest positive impact. By aligning our strategy and performance with the priorities of our key stakeholders, we can create more value and drive meaningful change.

The material topics we have identified are closely linked to our core business activities and the broader sustainability challenges facing our industry and global community. By addressing these material issues, we can enhance our competitiveness, manage risks, and unlock new opportunities for sustainable growth.

Materiality Assessment Process

Identify: Research industry trends, stakeholder concerns, and emerging issues to create a comprehensive list of potential material topics. We also review peer benchmarking, media analysis, and regulatory developments to ensure we capture the full scope of relevant sustainability topics.

Prioritize: Assess the significance of each topic to our business and key stakeholders through structured surveys, interviews, and workshops. We engage with a diverse range of internal and external stakeholders to understand their perspectives and concerns.

Validate: Engage our executive leadership team to review and confirm the final list of material topics, ensuring alignment with our strategic priorities. This step helps us validate the materiality assessment findings and secure buy-in from senior management.

Implement: Integrate the findings into our sustainability strategy, goal-setting, resource allocation, and reporting processes to drive continuous improvement. We establish clear ownership and accountability for each material topic, and develop targeted action plans to address them.

We conduct a comprehensive materiality assessment every three years, with annual reviews to ensure continued relevance. The results directly inform our sustainability strategy, goal-setting, resource allocation, and disclosure priorities, enabling us to stay focused on the issues that matter most to our business and stakeholders.

By continuously engaging with our stakeholders and monitoring emerging trends, we can adapt our material topics to reflect the evolving sustainability landscape and ensure that our efforts remain relevant and impactful.

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Material Topics

Highest Priority

Climate change: Reducing greenhouse gas emissions and adapting to climate impacts. This is a top priority as we work to align our operations and value chain with the Paris Agreement goals.

Employee safety: Ensuring zero harm and promoting wellbeing. Protecting the health and safety of our workforce is fundamental to our success.

Product quality & safety: Delivering reliable, safe steel products. Our customers and end-users depend on the quality and safety of our products.

Governance & ethics: Maintaining highest standards of business conduct. Strong governance and ethical practices are critical to maintaining trust and integrity.

Changes from previous assessment

Increased Importance: Climate change, circular economy, and responsible sourcing have all increased in priority, reflecting growing stakeholder concerns and new regulatory requirements that we must address.

High Priority

Water stewardship: Managing water use and protecting local resources. Responsible water management is essential in the regions where we operate.

Waste management: Minimizing waste and promoting circularity. We are committed to reducing waste and finding new ways to reuse and recycle materials.

Economic performance: Ensuring financial sustainability. Maintaining a healthy financial position allows us to invest in our people, communities, and the environment.

Diversity & inclusion: Building a representative workforce. A diverse and inclusive workforce brings new perspectives and strengthens our competitiveness.

Innovation: Developing sustainable products and processes. Innovation is key to improving our environmental and social performance.

Changes from previous assessment

New Topics: Biodiversity has emerged as a material topic for the first time, driven by increasing awareness of ecosystem impacts and new reporting standards that we need to meet.

Medium Priority

Biodiversity: Protecting ecosystems near operations. We have a responsibility to minimize our impact on local biodiversity and habitats.

Community development: Supporting local prosperity. Contributing to the economic and social development of our host communities is important to us.

Human rights: Respecting rights across our value chain. Upholding human rights is a fundamental part of our commitment to responsible business practices.

Raw materials: Securing responsible supply. Ensuring the responsible sourcing of raw materials is critical to the long-term sustainability of our business.

Consumer health: Ensuring end-user safety. The safety and well-being of the consumers who use our products is a top priority.

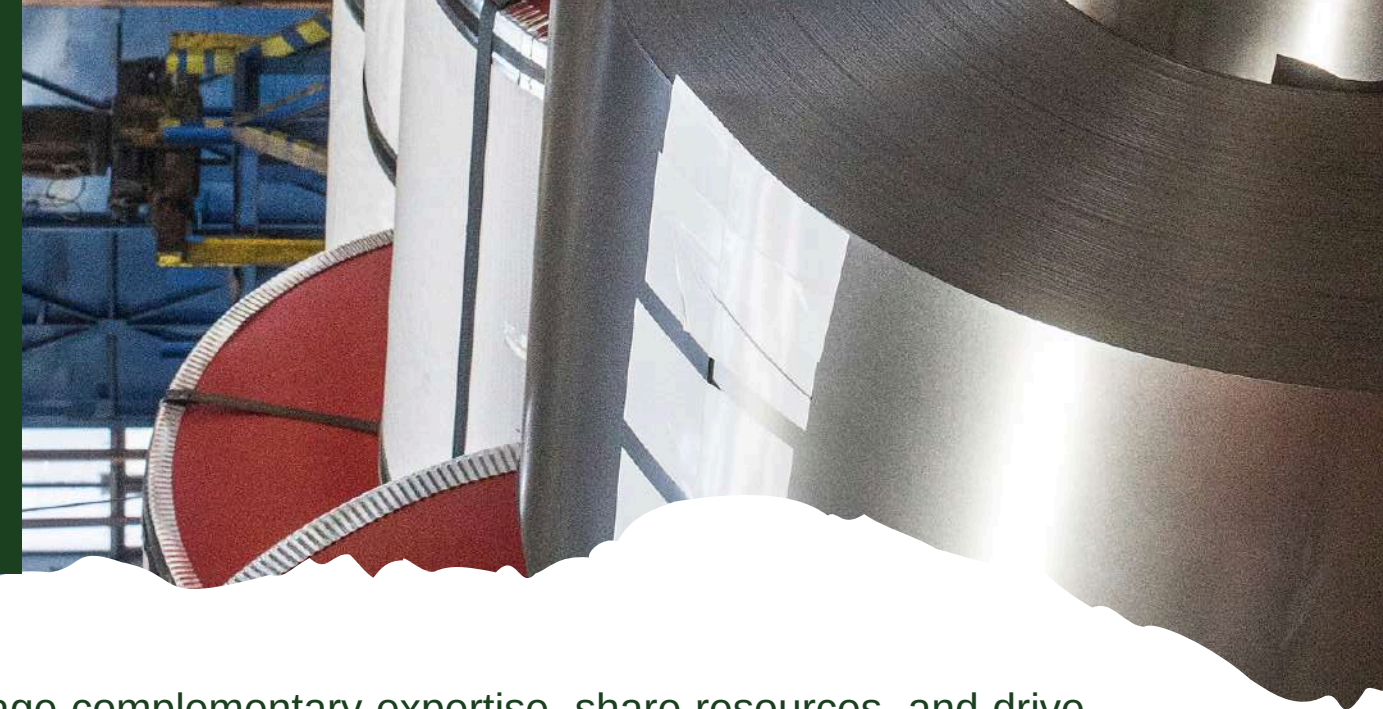
Changes from previous assessment

Decreased Importance: Local air quality has decreased in relative importance, though it remains part of our comprehensive environmental management approach and we continue to monitor and address air emissions.



02/ A Year in Review

Key Partnerships



Collaborative Action for Climate Change

We recognize that many sustainability challenges are too complex to solve alone. Strategic partnerships enable us to leverage complementary expertise, share resources, and drive innovation at a scale that wouldn't be possible independently. By working closely with industry peers, academic institutions, and community organizations, we can accelerate progress on our material topics and create lasting positive impact.

Industry Collaborations

We actively participate in industry-wide initiatives that bring together leading companies to address shared sustainability challenges. These collaborations allow us to align on common goals, share best practices, and develop innovative solutions that can be scaled across the sector.

- **World Steel Association Climate Action Program:** Participating in industry-wide efforts to reduce carbon emissions and transition to a low-carbon future.
- **Responsible Steel Initiative:** Working toward certification against the first global standard for responsible steel production, covering environmental, social, and governance criteria.
- **Saudi Green Building Forum:** Promoting the use of sustainable steel products in the construction industry to support more energy-efficient and environmentally-friendly buildings.

Community Initiatives

We believe in supporting the development and resilience of the communities where we operate. Through strategic partnerships with local organizations, we can contribute to sustainable social and economic progress, while also addressing material topics that are important to our stakeholders.

- **Saudi Skills Development Program:** Training and upskilling local youth for careers in sustainable manufacturing, helping to build a pipeline of talent to support our growth and contribute to community prosperity.
- **Al-Jubail Environmental Society:** Supporting biodiversity conservation initiatives in industrial areas near our operations, to minimize our impact on local ecosystems.
- **Regional Water Conservation Alliance:** Implementing community-based water management projects to promote responsible water use and protect scarce water resources

Academic Partnerships

We collaborate with leading research institutions to drive innovation and develop new technologies that can improve the sustainability performance of our operations and products. These partnerships allow us to tap into specialized expertise and access state-of-the-art facilities and equipment.

- **King Abdullah University of Science and Technology (KAUST):** Researching advanced coating technologies with reduced environmental impact to enhance the durability and recyclability of our steel products.
- **Saudi Aramco Materials Science Research Center:** Developing high-performance steels for renewable energy applications, such as wind turbines and solar panels, to support the transition to a low-carbon economy.



03/ Economic and Governance

03/ Economic and Governance

Our Ambitions

We are committed to doubling our business by 2030 through innovations that create value for our customers and contribute to a more sustainable future. Our focus on sales growth, cash flow, and operational excellence will enable us to achieve this ambitious goal while upholding the highest standards of environmental and social responsibility.

Sales Growth

Target: 10% annual growth

Status 2024: 8% growth achieved

Actions & Measures: Expand into new regional markets, launch innovative products, optimize sales channels.



Free Cash Flow

Target: Maintain 15% FCF margin

Status 2024: 13% FCF margin

Actions & Measures: Improve operational efficiency, optimize working capital, prioritize high-margin business.

"Our strong governance systems are the foundation for our continued success and sustainability. They empower us to fulfill our purpose and be a positive force for our business, our communities, and our planet." - Rayed Abdullah Al-Ajaji, Chairman of UNICOIL



03/ Economic and Governance

Economic Performance

Our commitment to robust economic performance is intrinsically linked with our dedication to sustainability. We consistently achieve strong financial results, which in turn fuels our capacity for impactful sustainability initiatives. We firmly believe that financial health and sustainability are not merely compatible but are mutually reinforcing pillars of long-term success. Our environmental and social programs actively contribute to enhanced operational efficiency, mitigation of risks, and the opening of new, valuable market opportunities for our products and services.

Key Financial Highlights (2024 Data):

- ****7.5% Year-over-year Revenue Growth:**** Demonstrating consistent market demand and effective business strategies. This growth is a testament to our ability to expand responsibly while maintaining focus on our core values.
- ****18.2% Return on Invested Capital (ROIC):**** Reflecting our efficiency in converting capital into profits and our prudent investment decisions, including those in sustainable infrastructure.
- ****SAR 50 Million in Sustainability-linked Investments:**** A significant allocation towards projects and technologies that directly contribute to our

environmental and social goals, reinforcing our commitment to a greener future.

- ****22% of Revenue from Products with Enhanced Sustainability Attributes:**** Highlighting the increasing market acceptance and demand for our environmentally and socially responsible product lines, driving innovation in sustainable materials.

Economic Value Distribution: Empowering Stakeholders

We recognize our role as a significant economic actor, and we are dedicated to ensuring that the value we create is distributed equitably among all our stakeholders. This deliberate approach to economic value distribution underpins our commitment to shared prosperity and sustainable development. The allocation of our generated value directly supports our employees, fosters strong supplier relationships, contributes to government revenues, benefits our investors, and strengthens the communities in which we operate.



Below are the key points

1. **Operating Costs:** A significant portion of our revenue is dedicated to essential operating costs, including payments to suppliers for raw materials, energy consumption, and vital services.
2. **Employee Wages:** We prioritize our human capital, allocating a substantial percentage of our value to employee wages, comprehensive benefits, and other critical workforce investments.
3. **Reinvestment:** A substantial share of our economic value is reinvested directly into our business.
4. **Community & Governance:** We proudly contribute to national and local development through taxes paid to government entities and direct community investments.

03/ Economic and Governance

Governance & Business Conduct/Ethics/Transparency

Strong corporate governance, ethical business conduct, and unwavering transparency are the foundational pillars of our operations. We believe that a robust governance framework is essential not only for ensuring compliance and mitigating risks but also for fostering trust among our stakeholders—including employees, customers, investors, and the communities we serve. Our commitment to these principles underpins our long-term sustainability and contributes to our reputation as a responsible corporate citizen.

Our governance structure is designed to promote accountability, fairness, and responsible decision-making throughout the organization. This is anchored by a comprehensive Code of Conduct and Ethics, which outlines the expected standards of behavior for all employees, from the executive team to every team member. We have established clear policies and procedures to address critical areas such as anti-bribery and corruption, conflicts of interest, data privacy, and fair competition. Regular training programs are conducted to ensure that all personnel understand their responsibilities and adhere to these ethical guidelines.

Ethical Leadership at Every Level

Strong governance is fundamental to our sustainability approach. We maintain rigorous systems to ensure ethical conduct, transparency, and accountability throughout our operations, guided by our core values of integrity, excellence, and responsibility.

Ethics & Compliance

Our comprehensive Code of Business Conduct sets clear expectations for ethical behavior across all operations. All employees receive annual ethics training, and we maintain multiple channels for reporting concerns, including an anonymous ethics hotline operated by a third party.

Risk Management

Our Enterprise Risk Management system formally integrates ESG factors, with quarterly assessment of sustainability risks and opportunities. Climate-related risks are evaluated using TCFD recommendations, with results informing strategic planning and capital allocation.

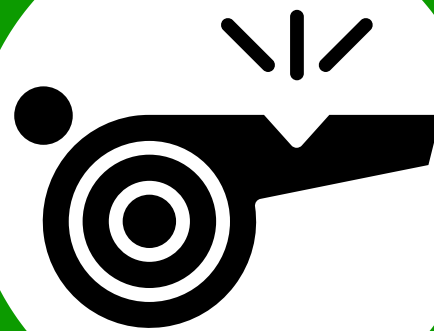
03/ Economic and Governance

Governance & Business Conduct/Ethics/Transparency



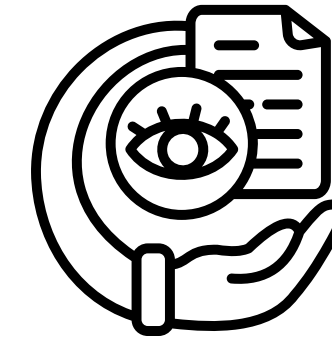
Data Protection & Privacy

We safeguard sensitive information through stringent data security measures and adhere to global privacy regulations, protecting both company and stakeholder data.



Whistleblower Protection

We maintain secure and accessible channels for employees and external parties to report concerns about unethical behavior without fear of retaliation, ensuring that all complaints are thoroughly investigated.



Transparent Reporting

We are committed to transparently reporting on our governance practices, financial performance, and sustainability impacts, providing clear and accurate information to all stakeholders.

03/ Economic and Governance

Governance & Business Conduct/Ethics/Transparency

100%

Ethics Training

Percentage of employees who completed ethics and compliance in 2024

0

Major Incidents

Number of significant governance or ethics violations reported in 2024

42

Internal Audits

Number of internal audits conducted to ensure policy compliance

1

2

3

03/ Economic and Governance

Product/Ingredients Environmental & Social Performance

We recognize that the environmental and social impact of our products begins long before they reach our customers. Our commitment to sustainability is deeply integrated into every stage of our product lifecycle, from the responsible sourcing of raw materials and the development of innovative ingredients to the manufacturing processes and eventual end-of-life considerations. We strive to create products that not only meet the highest standards of quality and performance but also contribute positively to the planet and society.

Our approach to environmental performance focuses on minimizing our ecological footprint. This involves rigorous selection of suppliers who adhere to strict environmental standards, prioritizing those who utilize renewable resources, employ sustainable agricultural practices, or offer recycled and recyclable materials. We conduct thorough lifecycle assessments to understand and mitigate the environmental impact of our ingredients and finished products, focusing on areas such as greenhouse gas emissions, water usage, and waste generation. Furthermore, we continuously invest in research and development to create new, eco-friendly product formulations and packaging solutions that reduce resource consumption and promote circularity.



Sustainable Sourcing

Prioritizing raw materials from certified sustainable sources that minimize environmental harm and support responsible land management.



Reduced Footprint

Implementing eco-design principles to lower the carbon, water, and waste footprints across product lifecycles.



Ethical Supply Chain

Ensuring fair labor practices, human rights, and community benefits throughout our ingredient and product supply chains.



Circular Innovation

Developing products and packaging designed for recyclability, reusability, and reduced reliance on virgin resources.

03/ Economic and Governance

Product Quality & Safety and Ingredient Disclosure

Our unwavering commitment to product quality and safety is paramount. We understand that our customers rely on us for products that are not only effective but also completely safe for use. This dedication is embedded in every stage of our product lifecycle, from initial concept and ingredient selection to manufacturing, packaging, and distribution. We adhere to stringent quality management systems and rigorous testing protocols to ensure that all our products meet or exceed global industry standards and regulatory requirements. Our focus extends beyond mere compliance; we continuously strive for excellence in product performance and consumer well-being.

Transparency in ingredient disclosure is a cornerstone of our commitment to consumer trust. We believe that consumers have a right to know what goes into the products they use. Therefore, we provide clear, accurate, and comprehensive information about our ingredients, allowing our customers to make informed choices. This includes not only active components but also excipients and additives, with details on their sourcing and function where relevant. Our robust traceability systems ensure that we can verify the origin and quality of every ingredient, reinforcing our pledge to deliver products that are safe, effective, and ethically produced.

Quality Management System

- ISO 9001:2015 certified quality management system.
- Automated statistical process control throughout production.
- Comprehensive material testing laboratory.
- Root cause analysis for any quality deviations
- Continuous improvement through Six Sigma methodology.

Product Safety Assurance

- Rigorous testing for mechanical properties and coating performance.
- Chemical analysis to verify material composition.
- Third-party verification of safety-critical characteristics.
- Compliance with international safety standards.
- Full traceability from raw materials to finished products.

Customer Engagement

- Technical support team for product application guidance.
- Comprehensive product documentation and specifications.
- Regular customer satisfaction surveys.
- Collaborative product development with key customers
- Rapid response protocol for any quality concerns.

03/ Economic and Governance

Innovation Capabilities & Management

Driving Sustainable Innovation

Innovation is central to our sustainability strategy and long-term competitiveness. Through structured innovation management and targeted R&D investments, we develop solutions that tackle environmental challenges while creating business value and addressing evolving customer needs. Our approach combines advanced research with practical application, driving meaningful progress toward a more sustainable industry.

Our innovation teams explore new frontiers in materials science, process efficiency, and digital technologies. This forward-thinking mindset helps us anticipate market shifts and environmental regulations, turning them into growth opportunities. We nurture a culture of continuous learning, enabling our experts to push the limits of sustainable steel production.

Innovation Focus Areas

Our innovation efforts are concentrated on several critical areas designed to revolutionize the steel industry:

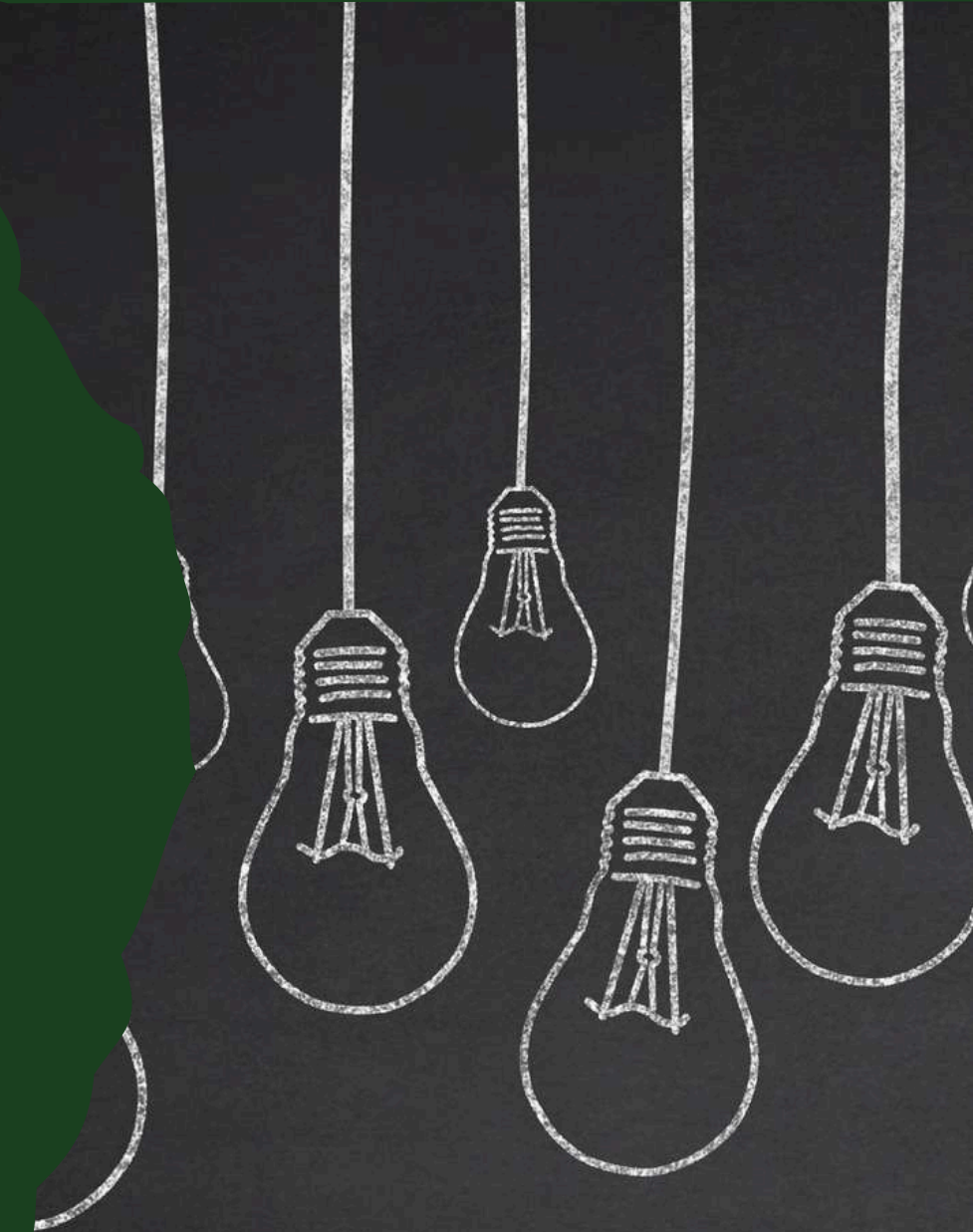
Low-carbon production: We're investing in advanced technologies to reduce energy use and greenhouse gas emissions across our operations. This includes alternative energy sources, furnace optimization, and carbon capture and utilization.

Circular Economy: We design products and processes to improve recyclability, reduce waste, and minimize dependence on virgin materials—applying circular principles from design to end-of-life.

Advanced Coatings: Our innovative coating systems enhance durability, lower maintenance, and reduce hazardous materials, extending product life and shrinking environmental impact.

Digital Integration: Through Industry 4.0 solutions, we optimize resources, boost efficiency, and use real-time data for smarter, more sustainable production and supply chain management.

New Applications: We're developing steel solutions for sectors like green infrastructure, renewable energy, and advanced transport—supporting global decarbonization and sustainable growth.





04/ Environment

04/ Environment

Our Ambitions

UNICOIL's environmental strategy is guided by science-based targets that fuel business growth while minimizing ecological impact. Our 2030 goals include a 20% reduction in Scope 1 & 2 emissions and a 25% cut in water usage per tonne of steel, supported by energy efficiency and recycling initiatives. We're progressing toward zero waste to landfill and full reliance on renewable electricity. By 2050, our roadmap aims for net-zero emissions across the value chain, circular product design, and restored ecosystems—reflecting our long-term commitment to sustainability and responsible manufacturing.



Our Immediate Targets

- 10% reduction in carbon emissions (Scope 1 & 2 vs 2024).
- 5% reduction in water consumption per ton.
- 15% recycled content steel use.



Mid-Term Vision (2030)

- 20% reduction in carbon emissions (Scope 1, 2 & 3 vs 2020)
- 20% reduction in water consumption per ton.
- Circular business model.
- Net positive impact on biodiversity



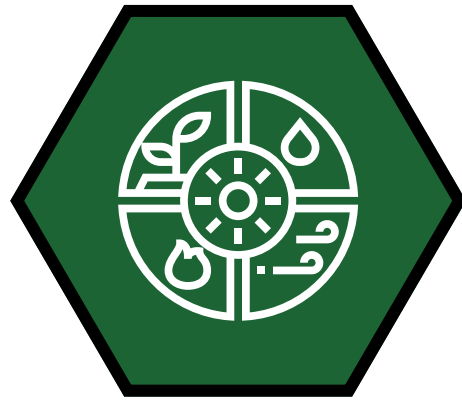
Long-term aspiration (2050)

- Net zero carbon emissions across entire value chain.
- Closed-loop water systems at all operations.
- 100% of products designed for circularity.
- Restoration of natural ecosystems beyond our footprint.

04/ Environment

UNICOIL's Environmental Footprint

Transparent accounting of our environmental footprint is the foundation for effective management and continuous improvement. We measure and monitor key environmental indicators across all operations, enabling us to identify hotspots, track progress, and prioritize actions.



Resource Inputs

Our operations require significant resources, including raw materials such as Steel, Zinc, Water Energy resources Natural Gas and Diesel. Natural Gas Consumption 0.054 ton per ton of steel annually.



Environmental Outputs

Key outputs from our processes include CO₂ emission 2.106 tons/ton, CH₄ is 0.00547 tons/ton and N₂O 0.074 tons/ton.

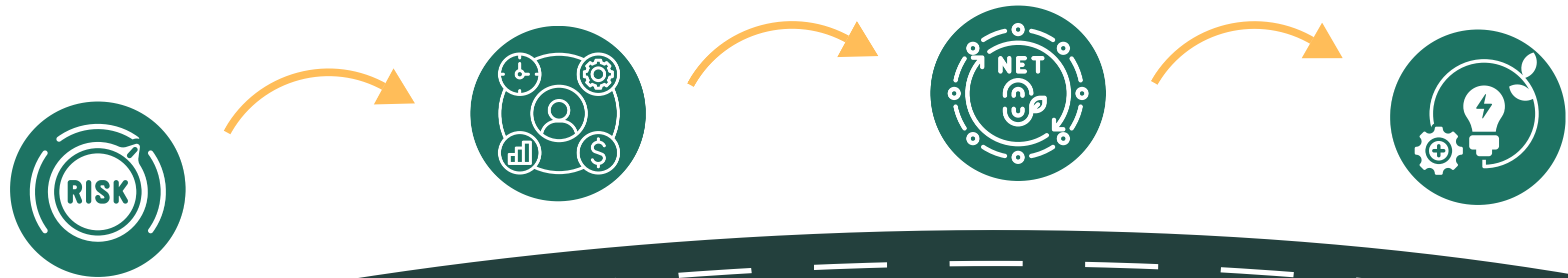


Key Impact Areas

Our primary environmental impacts stem from climate change due to energy use and process emissions, water stress in arid operating regions, air quality impacts on local communities, and resource depletion from raw material consumption.

We conduct a comprehensive environmental footprint assessment annually, with results verified by independent third parties and reported to regulatory authorities and stakeholders. This data informs our environmental strategy and helps us measure progress toward our ambitious targets.

04/ Environment Climate Change



Risks & Impacts

Adopting low-carbon technologies and more sustainable manufacturing practices to remain competitive and meet stakeholder expectations.

Management Approach

Focusing on energy efficiency, renewable energy, carbon capture technologies, and circular production.

SBTi Net Zero Standard

Our science-based goals address greenhouse gas emissions, ensuring measurable impact across our full value chain.

Energy Efficiency

Investing in advanced process controls, waste heat recovery systems, and modern furnace technologies to reduce energy use per ton of steel.

04/ Environment

Climate Change

Key Climate Initiatives

Our commitment to mitigating climate change is brought to life through a series of ambitious and impactful initiatives. These projects not only reduce our environmental footprint but also drive innovation and operational efficiency, positioning UNICOIL as a leader in sustainable steel manufacturing. We strategically invest in technologies and partnerships that yield significant reductions in greenhouse gas emissions and foster a more resilient operational model.

Process Heat Recovery

We have implemented advanced heat recovery systems that capture and reuse thermal energy traditionally wasted during production processes. These systems improve our overall energy efficiency by 15%, translating into lower energy consumption and reduced emissions. This initiative not only yields environmental benefits but also enhances operational cost-effectiveness and reduces our overall energy intensity per ton of steel produced.

Our Strategy to becoming Climate Positive

Our comprehensive strategy for achieving a climate-positive future is built on a multi-faceted approach that integrates environmental responsibility into every layer of our operations. It goes beyond mere compliance, aiming to create net positive impacts on the climate.

- 1. Measure:** We conduct a comprehensive GHG inventory across Scopes 1, 2, and 3, ensuring accuracy and transparency in our environmental accounting.
- 2. Reduce:** We actively pursue energy efficiency improvements, process optimization, and fuel switching to lower our direct and indirect emissions.
- 3. Transition:** We are committed to a strategic shift towards renewable energy sources and the adoption of cutting-edge low-carbon technologies.
- 4. Innovate:** We continuously invest in research and development to discover and implement breakthrough decarbonization solutions for steel manufacturing.
- 5. Offset:** For any residual emissions that cannot yet be eliminated, we responsibly invest in high-quality carbon removal and sequestration projects.
- 6. Adapt:** We proactively build resilience into our operations to mitigate physical climate risks, ensuring business continuity and safeguarding our assets.

Renewable Energy Sources

Transitioning to renewable energy is a core pillar of our climate action plan. We are steadily increasing the proportion of our energy derived from clean sources, such as solar and wind power, to reduce our operational carbon footprint. Our efforts in this area reflect our commitment to

sustainable energy practices and contribute significantly to our overall decarbonization targets. Our dedication to climate action leadership has been recognized by CDP, an international non-profit that runs the global disclosure system for environmental impacts. This recognition underscores the effectiveness of our strategies and our transparent reporting on climate-related performance, providing assurance to our stakeholders that our ambitions are backed by tangible progress and verifiable data.

Investing in circular economy principles

Beyond reducing emissions directly, we are deeply committed to fostering circular economy principles within our operations. This involves maximizing resource efficiency, minimizing waste generation, and promoting the reuse and recycling of materials at every stage of the steel lifecycle. By designing for longevity and recoverability, we aim to significantly reduce our overall environmental impact and contribute to a more sustainable industrial ecosystem.

04/ Environment

Waste Management & Circular Principles

Management Approach

Our commitment to waste management and circular principles is fundamental to our sustainability strategy. We aim to minimize waste generation across our entire value chain, from raw material procurement to product end-of-life, by embracing a holistic circular economy approach. This involves not only reducing, reusing, and recycling but also rethinking our processes and products to eliminate waste at its source and transform it into valuable resources. By embedding these principles, we strive to reduce our environmental footprint, conserve natural resources, and create long-term value for our business and stakeholders.

Our management approach spans several key areas such as

- 1. Procurement:** We prioritize sourcing materials that are sustainable, recycled, recyclable, and minimize waste generation. This involves working closely with suppliers to ensure materials meet stringent environmental criteria and exploring innovative, regenerative inputs.
- 2. Products, processes, and packaging:** We design with circularity in mind, focusing on durability, repairability, and recyclability. Our goal is to create products that can be easily disassembled, remanufactured, or composted, and to use packaging that is minimal, recyclable, or reusable, thereby reducing reliance on virgin materials and preventing waste from entering landfills or the environment.
- 3. Production and operations:** we implement advanced waste reduction techniques, optimizing material usage, energy efficiency, and process yields to minimize scrap and emissions. We continuously invest in technologies and practices that enable the efficient recovery and reuse of by-products and waste streams within our facilities.
- 4. Upcycling:** It is a core component of our strategy, transforming what would traditionally be considered waste into higher-value products. This not only diverts waste from landfills but also creates new revenue streams and promotes resource efficiency.
- 5. Plastic circularity:** A significant focus is placed on plastic circularity, where we are actively working to reduce virgin plastic consumption, increase the use of recycled content, and support infrastructure for collection and recycling of plastic waste. We are exploring partnerships and innovative solutions to ensure plastics are kept in the economy and out of the environment, contributing to a truly circular system.

04/ Environment

Water Stewardship

Protecting a precious resource

Operating in Saudi Arabia, one of the most water-stressed regions globally, we at UNICOIL recognize our profound responsibility to minimize water consumption and protect vital water quality. The increasing demands from population growth, industrial development, and climate change effects exacerbate the inherent water scarcity challenges in our operating environment. Therefore, our comprehensive water stewardship approach is not merely an operational necessity but a strategic imperative, addressing both our direct operational water use and our broader impact on watershed-level resources.

Water management principles

- **Reduce:** We are committed to minimizing water withdrawal from all sources through continuous efficiency improvements, including advanced leak detection systems, optimized production processes, and the integration of water-efficient technologies throughout our facilities.
- **Reuse:** We implement robust water recycling systems within our operations to maximize circularity. This involves treating and reintroducing process water back into our systems, significantly reducing the demand for fresh water and lessening our discharge footprint.

- **Treat:** We ensure that all wastewater discharged from our operations meets or exceeds stringent national and international quality standards. This is achieved through state-of-the-art treatment technologies and rigorous monitoring protocols, safeguarding local aquatic ecosystems.
- **Replenish:** Beyond our direct operational footprint, we actively support watershed restoration and protection initiatives in the areas where we operate. This includes engaging in projects that help restore natural water cycles and enhance local water availability.
- **Engage:** We believe in collaborative action. We actively engage with local communities, government bodies, and other stakeholders on shared water challenges, fostering partnerships to develop sustainable water solutions and promote responsible water use across the region.

Indicator	Unicoil (Galvanised Steel)
Total water withdrawal	~28.1 m ³ /ton
Water use intensity	1.6-3.3 m ³ /ton of steel
Recycled/Recirculated water use	~90% returned to source

04/ Environment

Water Stewardship: Our Response



Understanding shared challenges

We actively assess water-related risks and opportunities within our operational watersheds, evaluating local availability, quality, and regulatory frameworks. Our goal is to minimize our impact and contribute positively to regional water security.



Optimizing our operations

Within our facilities, we adhere to stringent water management principles focused on reducing, reusing, and recycling water. We invest in advanced technologies and best practices like closed-loop systems, effective wastewater treatment, and proactive leak detection.



Engaging Supply chain & communities

Beyond our direct operations, we extend our water stewardship to our supply chain partners, encouraging sustainable water practices. We also actively engage with local communities on shared water challenges, promoting conservation and improving access to clean water.

04/ Environment

Biodiversity

Nurturing Natural Ecosystems

Healthy ecosystems are essential for environmental sustainability and human well-being. We recognize our profound responsibility to minimize negative impacts on biodiversity and actively seek opportunities to make positive contributions to ecosystem health in the areas where we operate. Our commitment extends beyond compliance, aiming for a net positive impact where possible. We understand that our industrial activities, while crucial for economic development, can impact local flora and fauna, water bodies, and soil health. Therefore, we embed biodiversity considerations into our operational planning and decision-making processes, from site selection and design to ongoing operations and eventual decommissioning.

Our Biodiversity Approach

- **Assess:** We conduct comprehensive biodiversity impact assessments at all operational sites, both new and existing. These assessments identify sensitive habitats, endangered species, and ecosystem services that could be affected by our activities, using expert ecological surveys and stakeholder consultation.
- **Avoid:** Our primary goal is to avoid harm to sensitive ecosystems by carefully planning operations and, where feasible, selecting alternative locations or

designing infrastructure to steer clear of critical biodiversity areas and ecological corridors.

- **Minimize:** When avoidance is not possible, we implement robust measures to minimize unavoidable impacts. This includes using best available technologies, optimizing resource consumption, controlling emissions, managing waste, and implementing strict erosion and sediment control measures during construction and operation.
- **Restore:** We are committed to rehabilitating affected habitats through targeted restoration programs. This often involves the planting of native species, re-establishment of local vegetation, and the removal of invasive species to encourage the natural regeneration of ecosystems on our sites and adjacent areas.
- **Offset:** For any residual impacts that cannot be avoided, minimized, or fully restored on-site, we support accredited conservation projects. These biodiversity offset initiatives are designed to compensate for impacts by generating measurable conservation outcomes elsewhere, contributing to broader regional biodiversity goals.
- **Monitor:** We continuously track key biodiversity indicators and environmental performance metrics to measure the effectiveness of our actions. Regular monitoring allows us to adapt our strategies, identify emerging risks, and ensure that our efforts are leading to tangible improvements in ecosystem health.





05/ Social

05/ Social

Our Ambitions

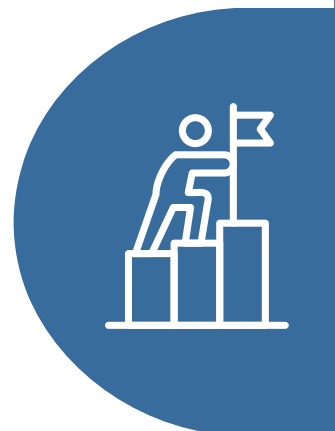
Creating shared value

Our social strategy is guided by a vision of shared value—where business success contributes to social progress. We've established ambitious goals that reflect our commitment to people development, safety excellence, human rights, and community prosperity.

01

Ambitious Goals for 2025

- Zero workplace injuries
- 5% women in leadership positions.
- 30% Saudi nationals in workforce.
- 35% of suppliers meeting social responsibility standards.



02

Progressing to 2030

- Industry-leading employee engagement scores.
- 15% women in leadership positions.
- 50% Saudi nationals in workforce.
- Measurable improvement in community wellbeing indicators.



03

Long-term vision

- An inclusive culture where diverse talent thrives.
- Safest workplaces in the global steel industry.
- Human rights champion recognized for best practices.
- Transformative community partnerships that create lasting change.
- Products that enhance quality of life for end users.



05/ Social

Diversity, Inclusion & People development

Diversity and Inclusion

We are deeply dedicated to cultivating a vibrant and inclusive workplace where every individual feels genuinely valued, profoundly respected, and fully empowered to contribute their unique perspectives and talents. Our comprehensive diversity and inclusion initiatives are meticulously designed to foster a culture of belonging, which in turn drives remarkable innovation, enhances collaborative problem-solving, and truly reflects the rich tapestry of our global community. Through various impactful programs, such as robust Employee Resource Groups (ERGs), dedicated mentorship opportunities, and ongoing unconscious bias training, we ensure that our inclusive hiring practices are complemented by a supportive environment for all. This strategic focus on D&I is fundamental to our success, promoting a dynamic and equitable workspace for every team member.

Non-Discrimination

Our stringent non-discrimination policy stands as a cornerstone of our organizational values, ensuring that all employees and applicants are treated with unwavering equity and fairness throughout their entire journey with us. This commitment extends irrespective of age, gender, race, ethnicity, religion, sexual orientation, disability, veteran status, or any other protected characteristic. We proactively and consistently work to maintain a safe, respectful, and equitable environment, actively implementing measures to prevent harassment, discrimination, and unconscious bias in all forms. Regular training sessions and clear reporting mechanisms are in place to empower employees and uphold our zero-tolerance stance against any form of prejudicial behavior, reinforcing a culture of dignity and mutual respect for everyone.

Equal Pay

We are unwavering in our steadfast commitment to ensuring fair and equitable compensation practices across our entire organization, believing that remuneration should always reflect the true value of an individual's contribution. Our dedication to achieving and maintaining equal pay for equal work is rigorously supported by regular, transparent pay equity analyses and comprehensive market benchmarking. These thorough assessments allow us to identify and proactively address any discrepancies, reinforcing our deep-seated belief in meritocracy, transparency, and fairness. This ensures that remuneration consistently and accurately reflects role responsibilities, outstanding performance outcomes, and relevant experience, thereby attracting and retaining top talent while fostering trust and motivation among our valued workforce.

Our commitment to Diversity, Inclusion, and People Development is not merely a compliance exercise; it is a fundamental driver of our organizational strength and innovation. We believe that a diverse workforce, empowered by inclusive practices and supported by robust development programs, is essential for navigating the complexities of the global market and achieving sustainable growth. Moving forward, we will continue to invest in initiatives that promote a culture where every voice is heard, every contribution is recognized, and every individual has the opportunity to thrive and reach their full potential within our company.

05/ Social

Diversity, Inclusion & People development



People Development: Our commitment to people development goes beyond traditional training. We foster an environment where continuous learning and growth are integral to every employee's journey. Through personalized career pathing, comprehensive mentorship programs, and dynamic leadership development initiatives, we empower our team members to unlock their full potential and contribute meaningfully to our collective success. We believe that investing in our people is investing in our future, ensuring a skilled, motivated, and adaptable workforce ready to meet the challenges of tomorrow. This holistic approach to development includes regular, constructive performance feedback sessions, abundant opportunities for cross-functional collaboration on key projects, and extensive access to both internal and external resources that support both professional and personal growth. Our goal is not just to build a workforce, but to cultivate a vibrant culture of lifelong learning that drives innovation, enhances productivity, and maintains our competitive edge in the rapidly evolving industry landscape. We are dedicated to providing the tools and environment necessary for every individual to flourish.

Parental Leave: Recognizing the profound importance of family and promoting a healthy work-life balance, we offer comprehensive and competitive parental leave policies that robustly support new parents and caregivers during this significant life transition. Our policies are thoughtfully designed to provide ample, flexible time for bonding with new family members, while unequivocally ensuring job security and a seamless, supported return to work. This unwavering commitment extends to all eligible employees, reflecting our deep-seated belief in fostering an inclusive and profoundly supportive environment for everyone, regardless of their family structure. We deeply understand that supporting parents contributes significantly to overall employee well-being, boosts morale, and is a crucial factor in employee retention. Beyond generous paid leave, we provide a wide array of resources, including access to childcare support networks, flexible work arrangements, and counseling services to help employees navigate the unique challenges of balancing professional responsibilities with family life. This reinforces our dedication to their overall welfare and promotes a pervasive culture of empathy, understanding, and mutual respect throughout the organization.

New Employee Hires and Employee Turnover: We actively monitor new employee hires and turnover rates as key indicators of our organizational health, striving to ensure a healthy, stable, and dynamic workforce. Our strategic recruitment efforts are meticulously designed to attract top-tier talent that not only possesses the necessary skills but also aligns deeply with our core values of diversity, inclusion, and ethical conduct. Our robust, multi-phase onboarding process ensures a smooth transition and rapid, effective integration of new hires into the company culture, setting them up for immediate and long-term success.

Training and Education: Investing strategically in the continuous training and education of our employees is a fundamental cornerstone of our comprehensive people development strategy. We provide a wide and diverse array of accessible learning opportunities, ranging from highly specialized technical skill enhancement programs and advanced leadership training to professional certifications and cutting-edge workshops on emerging industry trends and technological advancements. Our programs are meticulously tailored to meet both individual career aspirations and evolving organizational needs, ensuring our workforce remains highly skilled, supremely adaptable, and future-ready.

05/ Social

Employee Safety, Health & Wellbeing

Safety First, Always

Protecting the safety, health, and wellbeing of our employees is a fundamental responsibility and a core value we take with utmost seriousness. We are deeply committed to cultivating and sustaining safe, secure, and supportive workplaces for every individual who contributes to our success. To consistently reduce health and safety incidents and foster a proactive safety culture, we implement a comprehensive range of initiatives. These efforts are meticulously focused on continuously improving working conditions, vigorously encouraging safe operational practices, and consistently raising awareness through targeted education. Our robust approach includes actively managing the inherent risks associated with industrial operations, the precise handling of hazardous substances, and ensuring compliance with all relevant regulations. We believe that a healthy and safe workforce is the cornerstone of our productivity, innovation, and long-term sustainability, directly contributing to employee morale, retention, and overall organizational resilience.

Safety Management System

ISO 45001 certified occupational health and safety management system: Our system adheres to international best practices, ensuring a systematic approach to identifying, evaluating, and controlling occupational health and safety risks

Comprehensive hazard identification and risk assessment: We conduct regular, thorough assessments across all operational areas to proactively identify potential hazards and evaluate associated risks, enabling us to implement effective control measures before incidents occur.

Detailed safety procedures for all operations: Clear, concise, and regularly updated safety procedures are developed for every task and operation, providing employees with precise guidelines to perform their duties safely and efficiently.

Safety Culture Initiatives

Behavioral safety observation program: Employees are trained to observe and provide constructive feedback on safe and at-risk behaviors, fostering a peer-to-peer safety culture where everyone is accountable and supportive of one another's safety.

Safety leadership training for all supervisors: Our leaders are equipped with the knowledge and skills to champion safety, lead by example, and effectively communicate safety expectations, ensuring safety is integrated into daily operations and decision-making.

Employee safety committees at all facilities: These committees, comprising representatives from various departments, actively involve employees in identifying safety concerns, proposing solutions, and promoting a participatory safety environment.

Health & Wellbeing Programs

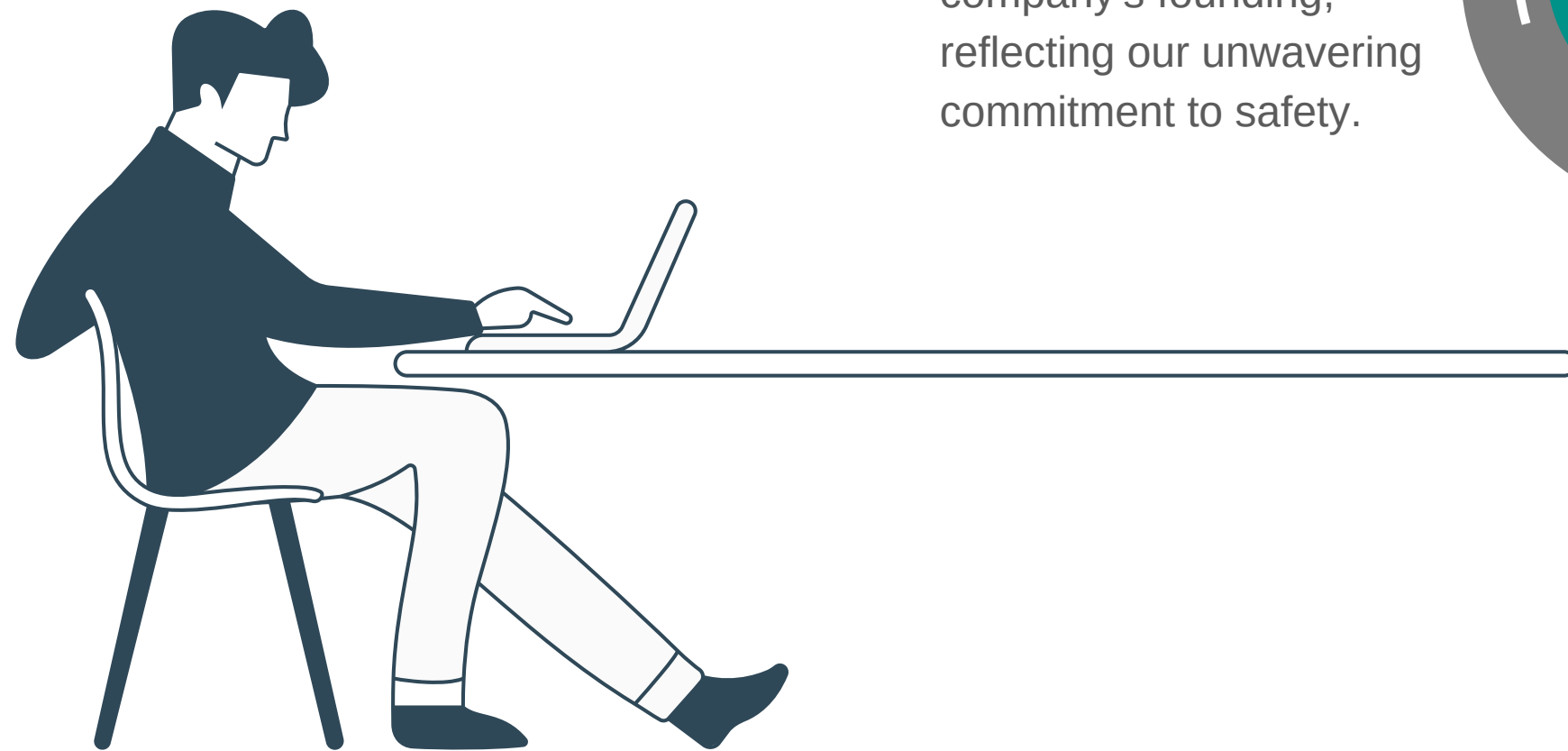
Comprehensive health insurance: We provide a robust health insurance package that covers a wide range of medical services, ensuring our employees and their families have access to quality healthcare when needed, promoting peace of mind.

Annual health check-ups: Regular health screenings are offered to all employees, enabling early detection of potential health issues and encouraging preventative care, contributing to long-term employee wellness.

Wellness programs and fitness facilities: We promote holistic wellbeing through various initiatives, including onsite or subsidized fitness facilities, nutritional counseling, and wellness challenges designed to encourage healthy lifestyles.

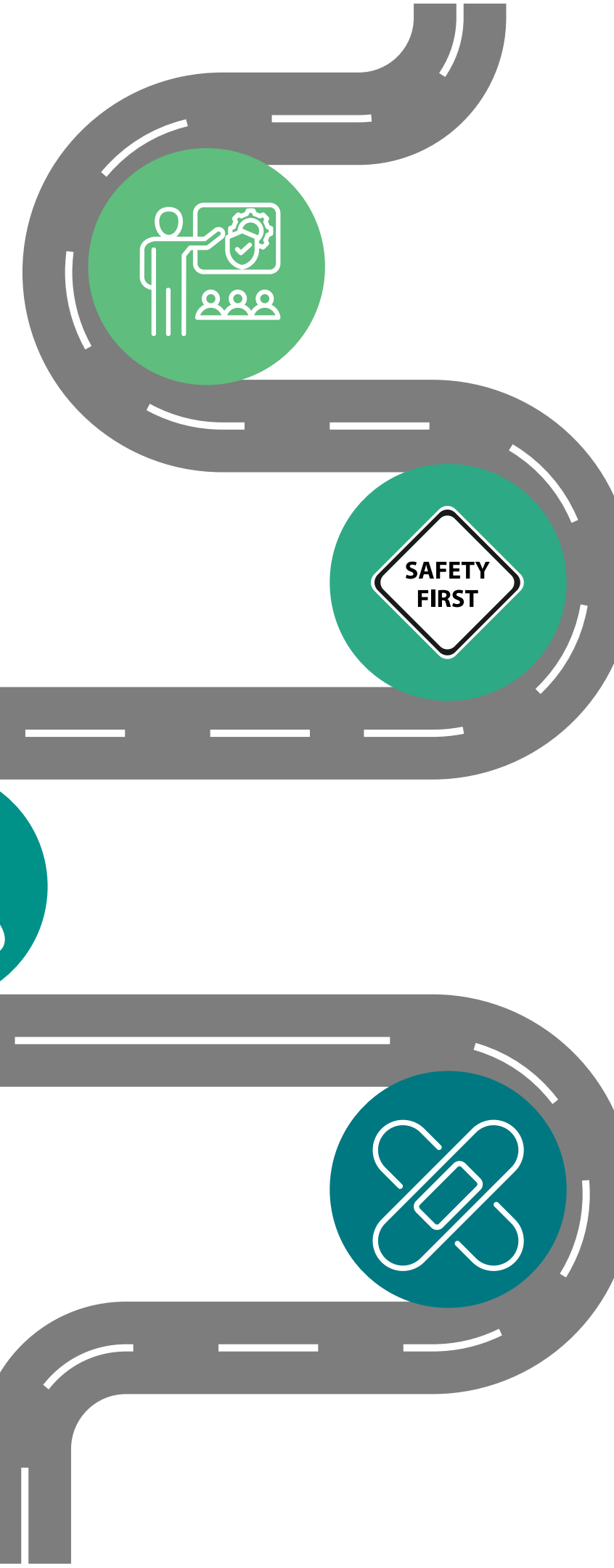
05/ Social

Employee Safety, Health & Wellbeing - The Numbers



10,000

Safety training hours delivered in 2023, averaging 5 hours per employee.



0

Zero work-related fatalities since the company's founding, reflecting our unwavering commitment to safety.

92%

Percentage of employees who agree that safety is a top priority at UNICOIL in our annual culture survey.

0.35

Total Recordable Injury Rate per 200,000 hours worked, representing a 40% improvement over three years.

05/ Social



Consumer Health & Wellbeing

Safety Products for Healthy Lives

As a leading manufacturer of high-quality materials used extensively in buildings, critical infrastructure, and a diverse range of consumer goods, UNICOIL bears a significant responsibility to ensure our products contribute positively to the health and wellbeing of end-users. We recognize that our materials become foundational elements in daily life, impacting everything from the air people breathe in their homes to the safety of the food they consume. Our comprehensive approach to product stewardship is therefore centered on proactively eliminating hazardous substances, rigorously ensuring product safety throughout its entire lifecycle—from raw material sourcing to manufacturing, installation, and end-of-life disposal—and actively promoting applications that genuinely enhance the overall quality of life for communities and individuals worldwide.

Key Initiatives

Non-toxic coatings: We have made significant and sustained investments in research and development to proactively eliminate lead, hexavalent chromium, and other heavy metals from all our coating formulations. These substances have historically posed considerable health risks, and our commitment ensures that our coated steel products are not only exceptionally durable and aesthetically pleasing but also inherently safe for manufacturing processes, installation, and long-term use in various applications.

Indoor air quality: Recognizing the critical importance of healthy indoor environments—where people spend up to 90% of their time—we meticulously engineer our products, particularly those intended for interior applications, to be remarkably low in Volatile Organic Compounds (VOCs). VOCs are chemical compounds that can off-gas from building materials and negatively impact indoor air quality, potentially leading to respiratory issues, headaches, and other health concerns. Through rigorous third-party testing and unwavering adherence to international standards such as LEED (Leadership in Energy and Environmental Design) and GREENGUARD certifications, our materials are proven to minimize off-gassing.

Food safety: For applications involving direct or indirect food contact, we develop and produce specialized coatings that adhere to the most stringent international food safety standards, including those set by the U.S. FDA (Food and Drug Administration) and equivalent European regulations. These advanced coatings are meticulously designed to be chemically inert and non-reactive, preventing any migration of substances or contaminants into food products. This critical feature ensures the purity, integrity, and safety of stored or packaged goods, which is vital not only for consumer health and trust but also for preserving the quality and shelf-life of food items.

Antimicrobial solutions: In environments where hygiene is paramount and the risk of microbial proliferation is high, such as healthcare facilities, educational institutions, public transportation, and food preparation areas, we offer innovative coatings with advanced antimicrobial properties. These specialized surfaces are engineered to actively inhibit the growth of bacteria, fungi, molds, and other harmful microorganisms upon contact, significantly reducing the spread of pathogens.

Life Cycle Assessment (LCA): To comprehensively understand and mitigate the environmental and health impacts of our products, UNICOIL employs robust Life Cycle Assessment (LCA) methodologies. This scientific approach evaluates the environmental footprint of a product from raw material extraction through manufacturing, distribution, use, and disposal or recycling. By conducting LCAs, we identify critical points for improvement in terms of resource consumption, energy use, and emissions, including those that could affect human health.

Human Rights

Respecting Dignity and Fundamental Rights

At UNICOIL, respect for human rights is not merely a policy but a deeply ingrained core value that underpins all our business activities. We are unequivocally committed to upholding internationally recognized human rights standards throughout our entire operational footprint and across our complex global supply chain. Our steadfast dedication is meticulously guided by foundational frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organization's (ILO) fundamental conventions, ensuring our practices align with global best practices for ethical conduct and social responsibility. This commitment reflects our belief that all individuals, regardless of their role or location in our value chain, deserve to be treated with dignity and respect.

Human Rights Policy

Our comprehensive Human Rights Policy is publicly available and meticulously covers a broad spectrum of rights, including robust protections for labor rights, community rights, and specific provisions for vulnerable groups, ensuring no one is left behind.

We enforce a zero-tolerance stance against any form of forced labor, child labor, human trafficking, and discrimination based on race, gender, religion, or any other characteristic, upholding equality and non-exploitation.

We unequivocally recognize and respects the fundamental rights to freedom of association and collective bargaining, ensuring our employees have the liberty to organize and engage in constructive dialogue.

We are committed to providing fair compensation, living wages, and safe, healthy working conditions that not only meet but often exceed legal requirements, fostering a supportive and equitable work environment for all.

Due Diligence Process

We conduct regular and rigorous human rights risk assessments across all our operations and value chain, utilizing both internal expertise and external independent evaluations to identify potential impacts proactively.

Our supplier screening and auditing processes are robust, designed to thoroughly evaluate adherence to our human rights standards before and during partnerships, ensuring compliance throughout our supply chain.

Mandatory training programs on human rights principles and responsible business conduct are provided to all employees and key suppliers, fostering a culture of awareness and accountability across the organization.

We have established accessible and transparent grievance mechanisms, allowing all stakeholders, including employees, community members, and suppliers, to report concerns confidentially and without fear of retaliation.

Focus Areas

Ensuring worker safety and promoting occupational health is paramount, with continuous investments in safety protocols, equipment, and training to prevent accidents and safeguard well-being.

We uphold principles of fair wages and reasonable working hours, complying with national laws and international standards, and strive to provide compensation that supports a decent standard of living.

Specific protections are in place for migrant workers, including fair recruitment practices, non-discriminatory treatment, and access to support services, recognizing their unique vulnerabilities.

We meticulously assess and mitigate the community impacts of our operations, engaging in transparent dialogue and investing in local development initiatives to foster positive relationships.

Responsible Sourcing & Traceability

Building a Sustainable Supply Chain

Our commitment to sustainability extends throughout our entire value chain, from the raw materials we procure to the final product delivered to our customers. Through comprehensive and responsible sourcing practices, we aim to ensure that every material and service we acquire is produced in ways that deeply respect people, communities, and the environment. This dedication not only mitigates risks but also creates significant economic value for all participants across our complex global supply network, fostering a truly sustainable ecosystem.

Key Elements of our Approach

- **Supplier Code of Conduct:** We enforce a robust Supplier Code of Conduct that clearly articulates our expectations for environmental stewardship, social responsibility, and ethical business performance. All our suppliers are required to adhere to these stringent standards, which cover areas such as labor rights, fair wages, environmental protection, and anti-corruption measures.
- **Risk Assessment & Due Diligence:** We conduct regular, comprehensive evaluations of our suppliers based on a wide range of sustainability risk factors. This includes assessing potential environmental impacts, social compliance, and governance practices using a combination of internal expertise, third-party audits, and industry data to proactively identify and address vulnerabilities within our supply chain.
- **Supplier Engagement & Collaboration:** We believe in fostering long-term relationships with our suppliers. We actively engage in collaborative initiatives to continuously improve their sustainability performance, offering guidance, sharing best practices, and working together to overcome challenges. Our engagement programs aim to build capacity and drive collective progress towards shared sustainability goals.
- **Advanced Traceability Systems:** We leverage cutting-edge traceability systems that allow us to track key materials and components from their original source all the way through to the final product. These systems enhance transparency, verify the origin and integrity of our ingredients, and ensure compliance with responsible sourcing criteria, providing critical data for informed decision-making.
- **Capacity Building & Training:** We are committed to empowering our suppliers to meet and exceed our sustainability standards. We provide targeted training programs, resources, and technical assistance to support their development in areas such as environmental management, labor practices, and ethical conduct. This investment strengthens our entire supply chain's resilience and sustainability capabilities.
- **Performance Monitoring & Reporting:** We implement rigorous performance monitoring frameworks to regularly assess our suppliers' sustainability metrics. This includes collecting data on environmental footprints, social compliance, and ethical performance. The insights gained from this monitoring are used for continuous improvement, public reporting, and recognizing top-performing partners.

05/ Social

Responsible Sourcing & Traceability

Our 2025 Responsible Sourcing & Traceability Progress reflects a phased approach to enhancing sustainability across our supply chain. We categorize our achievements into distinct levels, indicating the depth and maturity of our efforts.

Active Level: At the Active Level, we focused on foundational elements, ensuring all critical suppliers were screened against our core sustainability criteria. This involved establishing a baseline understanding of their environmental and social performance and initiating initial dialogues on compliance with our Supplier Code of Conduct.

Engaged Level: The Engaged Level saw us deepen our collaboration with key suppliers. We conducted initial on-site audits and provided targeted training on specific areas like labor rights and environmental management. This stage emphasized active participation from our suppliers in improving their practices and addressing identified risks.

Committed Level: Reaching the Committed Level signifies a stronger integration of sustainability into supplier operations. Suppliers at this stage demonstrated consistent compliance with our stringent standards and actively engaged in our capacity-building initiatives. We saw measurable improvements in their sustainability metrics, reflecting a shared commitment to responsible practices.

Advanced Level: The Advanced Level represents our most mature partnerships. Suppliers at this level not only consistently met and exceeded our expectations but also became proactive partners in driving innovation and best practices. This includes joint efforts on advanced traceability, circular economy principles, and achieving leading performance in environmental and social responsibility.

05/ Social

Local community development



Education & Skills Development

We are dedicated to supporting vital STEM education and vocational training programs. Our initiatives aim to build robust local capabilities and enhance the employability of young people and adults within our communities, preparing them for future economic opportunities and contributing to a skilled workforce pipeline. This includes scholarships and partnerships with local educational institutions.

Community Infrastructure & Housing Development

UNICOIL contributes significantly to critical community infrastructure projects that directly enhance the quality of life for residents. This includes investments in essential facilities such as schools, community centers, roads, and supporting housing initiatives, creating tangible improvements that benefit a wide array of community members and future generations.

Economic Empowerment & Local Business Support

We actively support local entrepreneurship and the development of small and medium-sized businesses within our value chain. Our programs provide mentorship, training, and access to markets, fostering economic growth and creating job opportunities directly within the communities we serve. This strengthens the local economy from the ground up.

Environmental Stewardship initiatives

We actively promote environmental awareness and support community-based conservation initiatives. Our efforts include sponsoring local clean-up drives, tree-planting campaigns, and educational workshops focused on sustainable practices, contributing to a healthier and more resilient local environment for all residents. We strive to instill a sense of shared responsibility for our planet.

Health & Wellbeing Programs

Improving access to essential healthcare services and promoting healthy lifestyles are cornerstone elements of our community strategy. We support various public health campaigns, facilitate access to medical screenings, and partner with local clinics to enhance overall community wellbeing, ensuring that our neighbors have the resources they need to thrive.





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Principles of UN Global Compact

Our Commitment to Universal Principles

UNICOIL is a proud signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative. We are committed to aligning our operations and strategies with the UNGC's ten principles in the areas of human rights, labor, environment, and anti-corruption. This report serves as our annual Communication on Progress (COP), demonstrating our ongoing commitment to implementing and advancing these principles throughout our operations and sphere of influence.



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.



Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms including extortion and bribery.

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The Sustainable Development Goals (SDGs)

Contributing to global priorities

The Sustainable Development Goals (SDGs), launched by the United Nations and effective since January 1, 2016, build upon the progress made under the Millennium Development Goals (MDGs). These ambitious targets aim to be achieved by 2030, calling for coordinated efforts from governments, businesses, and communities across the globe. As a responsible global citizen, UNICOIL is dedicated to contributing to these universally agreed-upon goals, integrating them into our strategic vision and daily operations. Our commitment reflects a deep understanding that sustainable development requires collective action and a holistic approach to environmental, social, and economic challenges.

Our Priority SDGs

SDG 2: Zero Hunger

UNICOIL recognizes the critical importance of food security. While our primary business is not directly in food production, we contribute to ending hunger through responsible sourcing practices that support fair wages for agricultural workers in our supply chain, and by participating in local community development initiatives that address food insecurity in the regions where we operate. We actively engage with programs that strengthen local food systems and ensure sustainable livelihoods for farmers, indirectly supporting access to nutritious food for vulnerable populations.

SDG 6: Clean water and sanitation

Water is a precious resource, and UNICOIL is dedicated to responsible water stewardship. We implement efficient water management practices in our facilities to minimize consumption, treat wastewater to ensure compliance with environmental standards, and explore innovative technologies for water recycling and reuse.

SDG 3: Good Health and wellbeing

Promoting health and well-being is fundamental to our operations and community engagement. We prioritize the safety and health of our employees through robust occupational health programs, ensuring a safe working environment and providing access to wellness initiatives.

SDG 8: Decent work and Economic Growth

UNICOIL is a strong advocate for decent work and sustainable economic growth. We strive to create stable, fair, and safe employment opportunities, adhering to international labor standards and upholding human rights throughout our operations and supply chain.

SDG 3: Gender Equality

UNICOIL is committed to fostering a diverse and inclusive workplace where everyone has equal opportunities to thrive. We actively promote gender equality in our hiring, promotion, and leadership development processes, working to eliminate gender-based discrimination.

SDG 9: Industry, Innovation, and Infrastructure

Innovation and resilient infrastructure are at the core of sustainable development. UNICOIL is committed to investing in sustainable industrial processes, promoting research and development of environmentally friendly technologies, and upgrading our infrastructure to be more resource-efficient and resilient.

06/ Appendix

The Sustainable Development Goals (SDGs)

SDG 12: Responsible consumption and production

UNICOIL is committed to minimizing its environmental footprint by promoting sustainable consumption and production patterns. We focus on optimizing resource efficiency in our operations, reducing waste generation through recycling and reuse initiatives, and developing products that are designed for durability and circularity. Our efforts include responsible sourcing of raw materials, promoting eco-friendly packaging, and educating our stakeholders on sustainable practices, ensuring that our growth contributes positively to a circular economy.

SDG 13: Climate Action

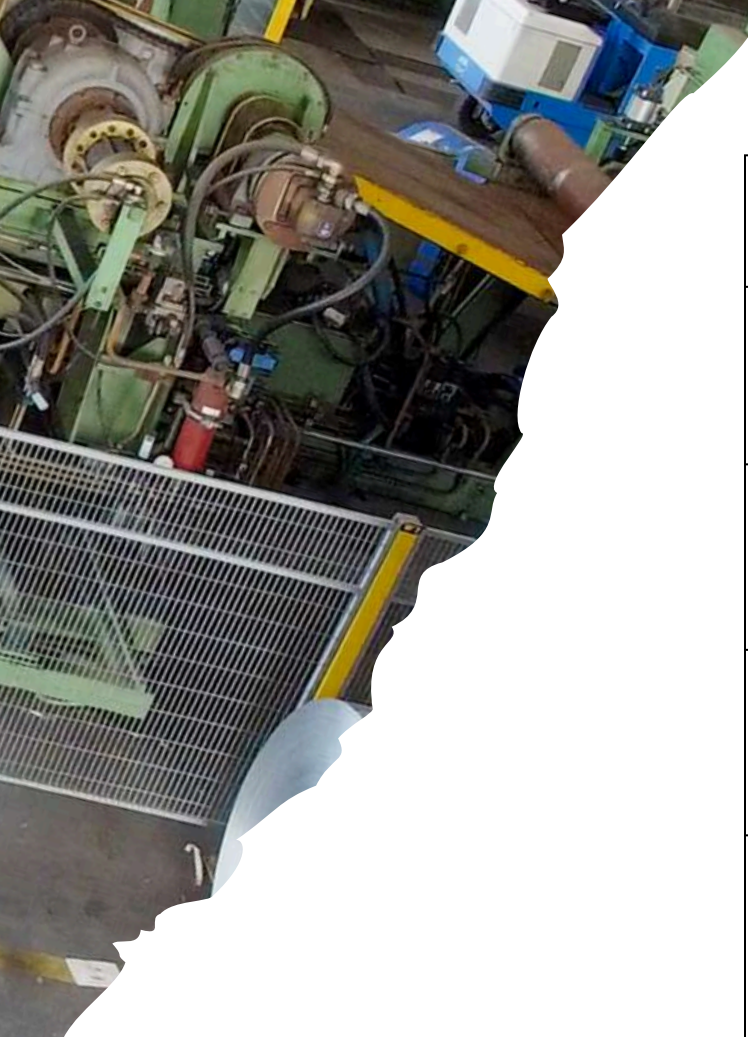
Recognizing the urgency of climate change, UNICOIL is dedicated to taking significant action to combat its impacts. We are actively working to reduce our greenhouse gas emissions across our value chain by investing in renewable energy sources, improving energy efficiency, and adopting low-carbon technologies.

SDG 15: Life on Land

UNICOIL understands the vital importance of protecting, restoring, and promoting sustainable use of terrestrial ecosystems. While our direct operations may not be land-intensive, we ensure our supply chains do not contribute to deforestation or biodiversity loss. We engage in responsible land management practices at our facilities and support initiatives aimed at conserving biodiversity and restoring degraded ecosystems in the regions where we operate, ensuring a healthy planet for future generations.

SDG 17: Partnerships for the Goals

Achieving the Sustainable Development Goals requires collaborative action. UNICOIL is a strong believer in the power of partnerships, forging alliances with governments, civil society organizations, industry peers, and local communities to amplify our collective impact. We share knowledge, resources, and expertise to address shared sustainability challenges, fostering innovative solutions and strengthening the global partnership for sustainable development.



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Our Reporting Suite



Annual Report

Comprehensive overview of financial performance, strategy, and governance, including sustainability as a value driver.

Governance Report

Detailed information on our corporate governance structure, board composition, and risk management approach.

Climate Action Plan

In-depth presentation of our climate strategy, including transition plans, scenario analysis, and emissions reduction roadmap.

Comprehensive Disclosure

This Sustainability Report is part of a broader suite of disclosures that together provide a complete picture of UNICOIL's approach to creating long-term value. We encourage stakeholders to explore these complementary resources for a deeper understanding of our strategy, performance, and outlook.

Thank you for your interest in UNICOIL's sustainability journey. We welcome your feedback and look forward to continued engagement as we work toward a more sustainable future for our company, our industry, and our world.



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