

# INDEPENDENT GREENHOUSE GAS (GHG) EMISSIONS VERIFICATION STATEMENT

## Statement for **Steel Manufacturing Facility, Abu Dhabi**

Arabian Gulf Steel Industries (AGSI) LLC, Plot Number 105HR9A, ICAD II, Musaffah, PO BOX 92819, Abu Dhabi, UAE

has prepared its GHG data in accordance with the requirements of

### Verification Criteria

- GHG Protocol: A Corporate Accounting and Reporting Standard, 2015,

and calculated GHG emission intensity from the GHG emissions and production data of crude steel.

DNV has carried out independent verification of AGSI's GHG emissions in accordance with the verification principles and requirements outlined in ISO 14064-3:2019 and provides a limited level of assurance of AGSI's GHG performance data based on the principles of Relevance, Completeness, Consistency, Transparency, and Accuracy applying a  $\pm 5\%$  materiality threshold for errors and omissions.

### Verification Objective

The objective of this verification is to assess compliance with the above-mentioned verification criteria of AGSI's GHG Emissions and derived emission intensity contained in the Excel calculation sheet "AGSI - GHG Data Sheet\_Rev1\_20231118" for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 (Year 2022).

### Conclusion

Based on the verification process, procedures, and scope of work agreed upon, nothing has come to our attention to believe that the GHG emissions intensity (calculated based on GHG emissions and production data) as brought out in the table below are not materially correct and are not a fair representation of the Scope 1, and Scope 2 GHG emissions of AGSI's GHG Emissions as per the verification criteria mentioned above.

GHG Sources	Verified GHG Emission Intensity for the year 2022 (tCO <sub>2</sub> e/t Crude Steel) <sup>1</sup>
Scope 1	0.017
Scope 2	0.183
<b>Total</b>	<b>0.200</b>

For DNV Business Assurance Group AS – Dubai Branch,

Sandeep Lele

Vikas Bankar

Tushar Chaudhari

Project Manager

Lead Verifier

Technical Reviewer

Date: 04<sup>th</sup> December 2023

<sup>1</sup> GHG emission intensity is calculated based on verified data of Crude Steel Production

## Introduction

DNV Business Assurance Group AS – Dubai Branch ('DNV') has been commissioned by the management of Arabian Gulf Steel Industries LLC, hereafter referred to as 'Company' or 'AGSI' to carry out a verification of its Greenhouse Gas ('GHG') data of scopes 1, and 2 for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 (Year 2022).

AGSI has prepared its GHG data and GHG emission intensity in accordance with the requirements of the GHG Protocol: A Corporate Accounting and Reporting Standard, 2015. DNV has carried out this customized engagement in accordance with the verification principles and requirements as per ISO 14064-3:2019 and relevant sections of DNV VeriSustain™, version 5.0. This verification provides a limited level of assurance of AGSI's GHG performance data based on the principles of Relevance, Completeness, Consistency, Transparency, and Accuracy applying a  $\pm 5\%$  materiality threshold for errors and omissions.

## Scope, Boundary, and Limitations of Verification

The scope of work agreed upon with the Company includes verification of its GHG Emissions and GHG emission intensity as below:

- Direct GHG emissions (Scope 1 emission) cover
  - Stationary Combustion due to consumption of Diesel, LPG, and Propane
  - Mobile Combustion from own vehicles and equipment through combustion of petrol and diesel
  - Fugitive Emissions due to consumption of refrigerants in Air Conditioning equipment and CO<sub>2</sub> release from Fire Extinguishers
  - Process Emissions calculated based on the mass balance approach
- Indirect GHG emissions (Scope 2 emissions) cover the GHG emissions on account of electricity consumption.
- Verification was carried out at the AGSI's facility in Abu Dhabi as part of the process of reviewing the Company's internal protocols, processes, and controls related to the collection and collation of its GHG emissions assertions.

AGSI is responsible for the collection, analysis, aggregation, and presentation of data and information related to its GHG assertions using its "Basis of Reporting" of GHG emissions by adopting the 'operational control' model as a performance data consolidation approach. The boundary covers AGSI's operational crude steel production facility in Abu Dhabi which AGSI owns or has operational control. During the verification, DNV did not come across any limitations to the agreed scope of work.

Our responsibility for performing this work is to the management of AGSI only and in accordance with the scope of work agreed with the AGSI. DNV's assurance engagements are based on the assumption that the data and information provided by the company to us as a part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. For assessment, the assessment team is dependent upon the quality and completeness of the information provided to us during our engagement, including interaction with key personnel of the AGSI and respective site personnel. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out from October 2023 - November 2023 by a team of qualified GHG assessors. No external stakeholders were interviewed as part of this verification engagement.

## Verification Methodology

DNV planned and performed verification work in accordance with the verification principles and requirements as per ISO 14064-3:2019 and relevant sections of DNV VeriSustain™, version 5.0 to obtain the evidence that was considered necessary to provide a limited level of assurance while adopting a risk-based approach toward the selection of samples for assessing the robustness of the underlying data management system, information flow, controls, quality assurance and check procedures. DNV carried out the following activities:

- Desk review of the Scope 1, and Scope 2 emissions from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 (Year 2022).
- Obtained an understanding of the standard operating procedures for GHG management including formats, assumptions, as well as associated emission factors, and calculation methodologies, as well as the Company's GHG data management processes used to generate, aggregate, and report the GHG data, as well as assessment of the completeness, accuracy, and reliability of the data.
- Carried out site verifications with data owners and management teams across AGSI's facility for reviewing the procedures for measuring validating and verifying the identified activities and emission sources and related evidence maintained by the management teams.
- Interaction with key managers and data owners to review data consolidation systems related to the GHG emissions including reviews of emission factors and assumptions used for calculation methodology.
- Evaluated the GHG emissions data using the reliability principle together with AGSI's methodologies (which are based on GHG Protocol) on data analysis, aggregation, measurement, and reporting.
- Verification of calibration status of equipment used to monitor and generate activity data on a sample basis.

## Conclusion

Based on our verification methodology and scope of work agreed upon, nothing has come to our attention to believe that the GHG emissions as brought out on the first page are not materially correct and are not a fair representation of Scope 1, and Scope 2 GHG emissions of AGSI's GHG Emissions as per GHG Protocol and covering the emissions from its operations across the facility in the year 2022.

## DNV's Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DNV has complied with the DNV Code of Conduct during the verification engagement and maintains independence where required by relevant ethical requirements as detailed in DNV VeriSustain™, version 5.0. This engagement work was carried out by an independent team of GHG assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement and Verification Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. DNV did not provide any services to AGSI in the scope of verification during 2022 that could compromise the independence or impartiality of our work.