

Subject: CARBON POLICY STATEMENT

Our policy is to reduce the environmental impacts of our energy use and cut our energy costs where practical and consistent with our businesses' operational needs. National Cement Factory will help mitigate climate change through the use of sustainable plant and machinery which includes company cars. However, we recognise that our own energy use contributes to climate change and is a significant operating cost to our business.

Over time, low carbon technologies will evolve to power our plant and we are participating in developing these through involvement in bodies like the Manufacturers/industry forums.

In the meantime, we will aim to deliver our policy by improving the energy efficiency of our plant and machinery, investing in energy efficient technologies as they become available and through good energy management.

We will also reduce our carbon emissions by purchasing low carbon energy, such as electricity generated from renewable sources and bio-diesel, where this is possible and cost effective.

Using 2019 as our base year, we will reduce CO₂ emissions by 1 per cent across all operations. We will achieve our target through:

- A Company Management Forum called "**NCF Management**" meets regularly to coordinate activities, review performance, and share best practice reporting to the board on a six-monthly basis or sooner if changes are required.
- Setting interim annual targets to reduce energy consumption or improve efficiency will implement action plans to achieve our annual targets and include the necessary budgets and resources to enable investment in cost-effective technical improvements.
- Monitoring and analysing energy consumption data for premises and vehicles to establish performance and identify trends and opportunities to further reduce consumption or achieve efficiency improvements.
- Training drivers to operate plant and machinery as energy efficiently as possible. Drivers and vehicles are regularly monitored to establish benchmarks and identify opportunities for improvement.
- Maintaining vehicles and energy-intensive plant and equipment in an energy/fuel efficient manner.
- Ensuring energy efficiency is a key component of major capital expenditure projects, especially those relating to vehicles, premises, plant and equipment.
- Raising awareness of our energy efficiency targets amongst staff.
- Lobbying plant manufacturers to make their products more energy efficient.

Our energy efficiency initiatives will be supported by providing high quality services. We will work closely with all stakeholders, including industry partners and regulators. This Energy Policy compliments and reinforces other Company Policies and Procedures, notably the Company Environment and Procurement Policies. The aims of this Policy are fully supported by NCF Management who will review it on a regular basis.



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Statement on climate change disclosure

1.1 Statement of Intent:

- As a responsible corporate citizen National Cement Factory (NCF) –Abu Dhabi aims to own and manage the greenhouse gas emission inventory due to its operations. Through this exercise, the NCF site intends to
- Volunteer its resources to adopt sustainability as a core business value and thereby showcase its commitment towards clean and green future to its stakeholders.
- To monitor, inventories, report and own the Greenhouse Gas emissions due to its operations.
- Lay the foundation for future roll up of the inventory to arrive at corporate inventory for NCF.
- **Keep Scope -1 GHG emissions below 800 tCO_{2e} and Scope-2 less than 30,000 tCO_{2e}**

1.2 Emission Summary:

The overall emission inventory has been calculated as aggregated emissions from the NCF operations. The table below presents the emission inventory for the **year-2021**:

Table 1.1: Absolute GHG emissions in tCO_{2e} for NCF

Emissions	Classifications	tCO _{2e}
Direct Emissions (Scope 1)	Total CO ₂ from Raw Materials Total CO ₂ from fossil-based kiln fuels	0
	Total CO ₂ from non-kiln fossil fuels	0
	Total Direct Emissions –Company own vehicles	760*
Indirect Emissions (Scope 2)	CO ₂ from External Power Generation	27129
Other Indirect Emissions (Scope 3)	the extraction and production of purchased materials and fuels (such as clinker), transport-related activities in vehicles not owned or controlled by the cement company, electricity related activities (e.g. transmission and distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc.	309112

**Increase in own diesel consumption due to company more focusing to use own transport rather contractors vehicles*

The emission sources have been referenced from WBCSD Cement Sustainability Initiative Version 3.1

2. Background and Scope:

2.1 VISION

The company's vision is to participate in the development of the UAE's economy and be recognized and respected as a leading cement company by all stakeholders. The company believes that its success is rooted in its contribution to the development of the UAE community and environment.

2.2 MISSION

The Company's mission is to achieve its vision by delivering the highest quality products and reliable services corresponding to the requirements of its customers. To protect our staff and our community in general by adopting safe procedures as well as environmentally friendly practices.

2.3 Health, Safety and Environment:

OH&SE is a vital part of NCF's journey towards sustainable development. There is a continuous effort to measure and improve safety management systems to avoid any kind of incidents or accidents. Safety audits are being carried out at regular intervals for evaluation and improvement. Local regulations and rules for safety constitute the main guidelines of NCF OH&S policy. NCF not only applies OH&S standards and guidelines, provides the necessary resources, training and education to its employees, but also measures performance for continuous improvement.

2.4 GHG Footprint Assessment: Drivers and Benefits

To create value for our customers and our shareholders. Greenhouse gas emissions being one of the key concerns of "cost to environment" for modern businesses, NCF wishes to embark on a low carbon growth trajectory in its operations. Managing GHG emissions is only possible with effective monitoring set-up and practices to measure, record, calculate and report emissions over a period of time. Hence, NCF has decided to calculate the GHG inventory of NCF site with following objectives:

1. Review its monitoring set-up and improve it to enable a corporate level replication for future.
2. Increase know-how of the employees for future repetitions of the exercise.
3. Capitalize on the benefits of GHG inventory estimation.

Various business goals that may be served by GHG footprint estimation include:

- Managing GHG risks and identifying reduction opportunities – By becoming cognizant to the current emission status of the organization a company can:
- Public reporting and participation in voluntary GHG programs – Voluntary GHG abatement initiatives are globally acknowledged.
- Participating in GHG markets – GHG emission profile also helps in participating in carbon trade.
- Recognition for early action and associated intangible benefits.

3. Approach and Methodology

3.1 Approach:

The GHG Inventory assignment was carried out in the below mentioned way:

- Understanding on GHG Inventory
- An understanding of the cement manufacturing process was developed.
- Determination of operational boundary and emission sources
- This was followed by data collection for the exercise and subsequent analysis.
- Determination of GHG Inventory and Submission of Results

3.2 Methodology:

The methodology for GHG Footprint Estimation has been designed in line with ISO 14064-1:2006 Guidelines. The key steps followed in the determination of the GHG Footprint are as follow:

- Confirmation of Organizational Boundary
- Determination of Operational Boundary
- Quantification of GHG emission and removal
- Quantification of directed actions in the organization.
- Reporting of GHG emissions and removals