SUSTAINABILITY REPORT

FOR A BETTER FUTURE ... FOR A BETTER WORLD

شركة الإسمنت الوطنية ش.م.ع.

NATIONAL CEMENT CO. P.S.C.

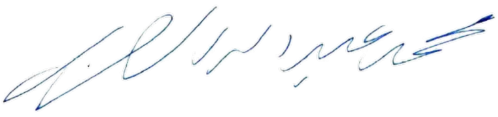
2021





A Message from the General Manager

"Sustainability is a key factor in our business and has many aspects. For me it means maintaining stability, standing by the community and the environment, and continuous development."



Mohamed Abdullah A. Al Ghurair
General Manager

Ladies and Gentlemen,

I'm happy to share with you, the second sustainability report for National Cement Company, Dubai (NCC). The report covers our sustainability journey for 2020-2021, and reinforces our commitment towards sustainable business operations, as we strive to emerge as an organization following the best Environment, Social and Governance practices (ESG). We communicate our efforts towards an inclusive, sustainable, safe and resilient future through this report.

During the year 2021, we had many successes in terms of sustainability, including improved energy efficiency and reduction of emissions across our operations. The sustainability targets were set in light of the long-term strategic priorities of the company, to be achieved by managing the environmental impact of the activities. We will continue to work in harmony with our local communities and challenge ourselves to improve energy efficiency and resources management. We continue to reduce greenhouse gas (GHG) emissions through improved utilization of our facilities and energy saving initiatives. During the reporting period, NCC has successfully commissioned a 6.00 MW Waste Heat Recovery Plant (WHR) as part of its sustainability initiatives to reduce the electricity consumption and the associated emissions.

I would like to thank you all for being crucial participants in NCC's growth journey towards a sustainable future. I reaffirm my words that NCC will continue riding the concrete steps, to achieve a sustainable future. I welcome you to go through this sustainability report, and share your views about the same.

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About The Report

National Cement Company is delighted to publicly disclose on its sustainability performance for the second time for the year 2021 for a better transparency and a better sustainable decision making. NCC has always and will always be a positive contributor to the community and its surrounding, taking the industry to another level of sustainable practices. NCC serves the local market as well as GCC countries.

This report aims to cover NCC's sustainability performance for the period between January 1st till December 31st 2021 in the emirate of Dubai. It has been prepared in accordance with the core options of Global Reporting Initiative (GRI) standards. It also takes into consideration the United Nation Sustainable Development Goals and Dubai Financial Market (DFM) ESG Reporting Guide for the Key Performance Indicators.

The report covers the sustainability performance of NCC with regards to the three main pillars, Governance, Environmental and Social sustainability. The report is structured according to these pillars, making it clear and easy to follow. The material topic has been determined by external and internal stakeholder through a cross department sustainable group, senior management inputs, and materiality assessment workshops.



Overview

1968

Founded in Dubai 1968 under the patronage of late H.H. Sheikh Rashid Bin Sayed Al Maktoum.

1978

- Commissioned with a clinker capacity of 500.000 ton per year
- Wet Process.

1981

- Converted to dry process
- Upgraded, and the capacity increased to 700,000 ton per year.

2021

- Production capacity around 1,200,000 ton per year of clinker.
- Cement grinding capacity of about 1.5 Million tons per year.
- Producing OPC, SRC, MSRPC & GGBS.

Business Overview

How Did We Start?

National Cement Company, Dubai has been founded in 1968 under the patronage of late His Highness Sheikh Rashid Bin Sayed Al Maktoum, the Former Ruler of Dubai. It had been the first serious stride towards setting up heavy industry in the Emirates of Dubai.

Project contracts were awarded in 1974 to M/s. Costain Civil Engineering to design and construct the cement works and to M/s. F.L. Smidth & Co. Ltd. For the supply of equipment and machinery. The design of the plant had taken into consideration the utilization of abundantly available coastal sand and inland sand in this region. The choice of these raw materials had dictated the selection of wet process for the clinker production as the most suitable process for such raw materials. For overcoming the problem of the availability of good water for the process and cooling of the machinery, it was decided to use sewage wastewater in the process. The combination of these raw materials and usage of sewage water as the main source for the process has made National Cement Company, Dubai a unique plant in the Middle East and even maybe in the world using such raw materials.

The plant was commissioned in the month of August 1978 for the production of 1500/- TPD of clinker. However, taking into consideration the soaring cost of energy in 1981 the management decided to convert the kiln from a wet process to a short three-stage pre-heater dry process kiln with an increase in production capacity from 1500 TPD to 1850 TPD. The contracts for this modification were concluded in June 1982 with M/s. SKET Export-Import, East Germany for reducing the energy cost, improving the process, and meeting the cement demand in Dubai in particular and in the U.A.E. in general. The plant had been successfully commissioned in February 1985. Subsequently, National Cement Company took a further step to increase the capacity by a small modification to the kiln pre-heater and the burning process and concluded a contract in 1989 with M/s. KHD Humboldt Wedag, West Germany to produce about 2100 TPD of clinker. Recently a new kiln modification work has been completed, the project was concluded with M/s. F.L. Smidth & Co. Introducing Kiln Feed Calciner and Four Stages Cyclone Preheater with the latest State of Art in clinker cooling technology by introducing SF Cross Bar Clinker Cooler. Moreover, a modern Tyre Burning System has been introduced just to create more savings in energy consumption and to assist in cleaning the environment by getting rid of plenty of used / unwanted rubber tires. Today the plant is producing about 3,300 TPD of clinker and the grinding capacity of the plant is about 1.5 million Mton. per annum. Moreover, during these years National Cement Company has taken a major share in the Dubai Market in particular and U.A.E. in general.

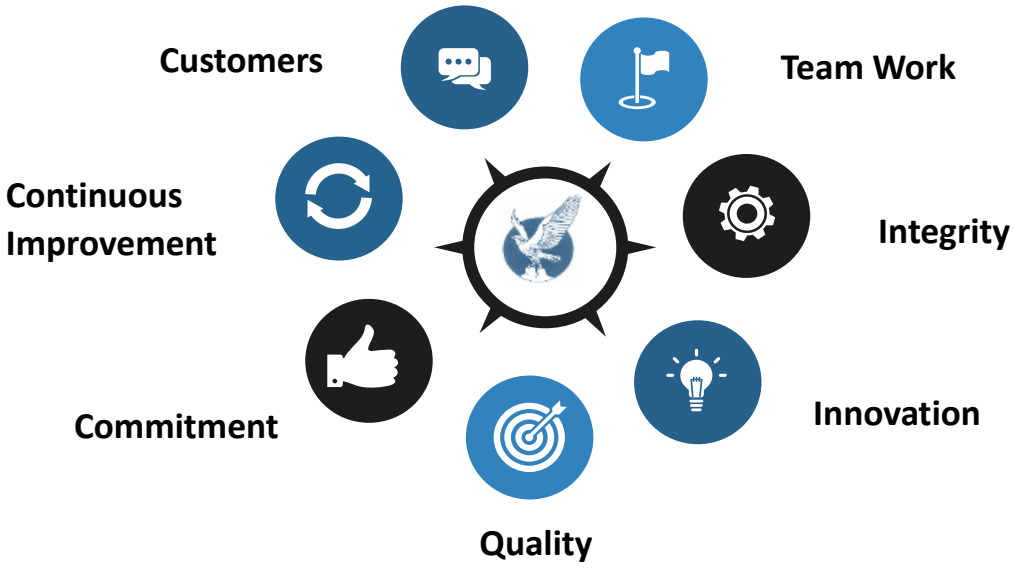


National Cement Company's range of production at present includes four types of cement in addition to grinding of pure granulated blast furnace slag which satisfies all present market demands. Nevertheless, National Cement Company has the potential and technical know-how to meet the future demands for other types of cement. The following types of cement are being produced under a stringent quality control system to meet all the specified specifications.

1. Ordinary Portland Cement,
2. Sulphate Resistant Cement,
3. ASTM type II Cement,
4. Portland Blast furnace slag cement,
5. Ground Granulated Blast Furnace Slag.



Our Values



Our Vision, Mission and Commitment

Mission

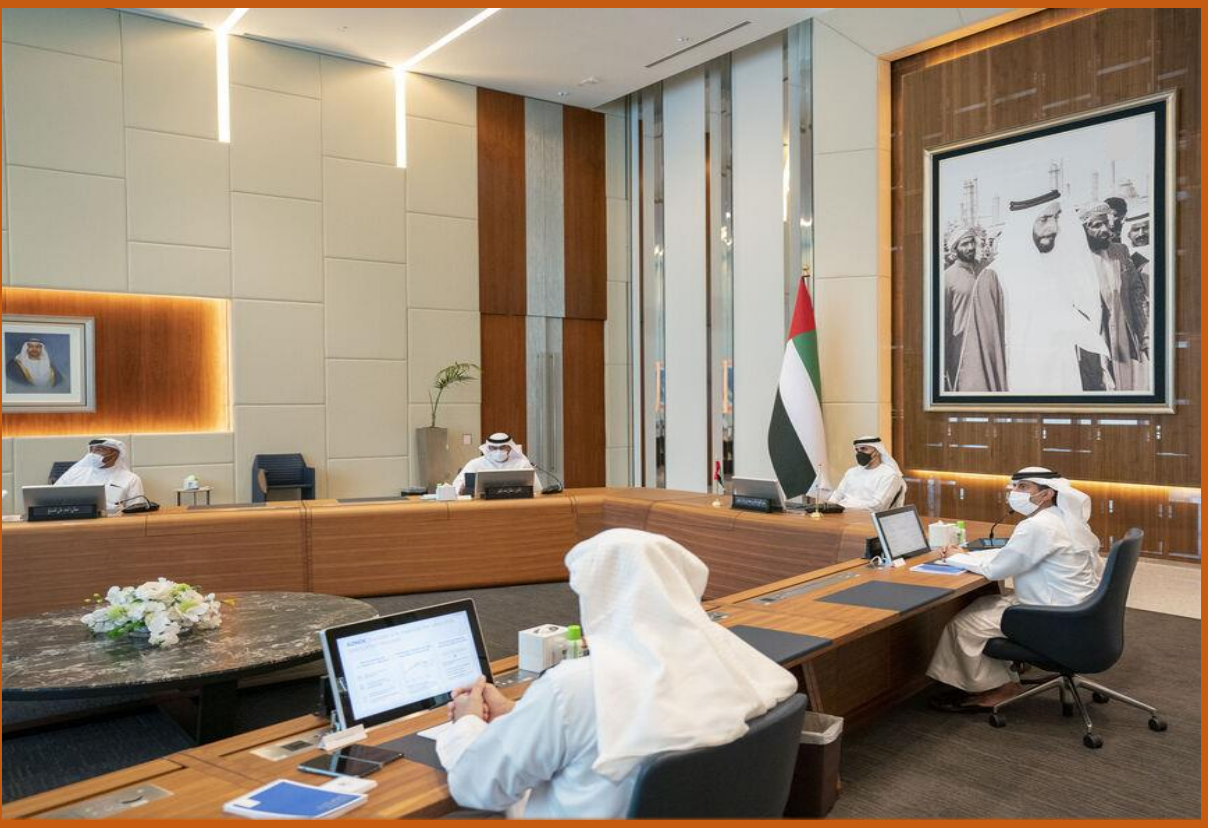
To supply high quality products and services to customers, and to continue to be the leading producer and supplier of cement in the region.

Vision

To be the most sustainable and competitive company in the industry.

Commitment

- To enhance customer satisfaction by providing quality products and services through competent, trained and knowledgeable personnel and state of art technology.
- To promote teamwork and provide our staff with a safe and friendly working environment.



Corporate Governance

The board of directors is consisted of 7 members

4 meeting has been held for the board of directors during the year of 2021

Meet Our Board of Directors



Rashid Saif Ahmad Al-Ghurair

Chairman
Non-Independent
Non-Executive

Duration since first appointment: 4 years.

Currently, Mr. Rashid Saif Ahmad Al-Ghurair is Chairman for Taghleef Industries SAOG. He is also on the board of Mashreq Bank P.S.C., Sahara Petrochemical Co. and Al Jazeera Petrochemical Co.



Iyad Mazhar Saleh Malas

Vice Chairman
Non-Independent
Non-Executive

Duration since first appointment: 1 years.

Mr. Iyad Mazhar Saleh Malas is a member of the Board of Directors and CEO of Al Ghurair Group, and a member of the boards of directors of Al Shafar General Contracting Company, Bin Dawood Holding Company, and many other companies. He has MBA from George Washington University, USA



Thani Abdulla Suhail Al Zaffin

Board Member
Independent
Non-Executive

Duration since first appointment: 1 years.

Mr. Thani Abdulla Suhail Al Zaffin is the Vice Chairman of Emirates Real Estate Solutions and Digital Economy Solutions, and a member of the board of directors of Emirates Technology Solutions and Zajil parcel delivery company. He has a Bachelor's degree in computer science from California State University, USA.



Salem Ali Abdulla Alsharhan Alnuaimi

Board Member
Independent
Non-Executive

Duration since first appointment: 1 years.

Currently, Mr. Salem Alnuaimi is a member of the board of directors of the Dubai International Financial Canter and the American University of Ras Al Khaimah, and Ras Al Khaimah University of Medicine and Health Sciences. He holds Bachelor's degree in accounting and business administration from UAEU.

Meet Our Board of Directors -Cont.



Raja Mohammed Ghanim Almazrouie

Board Member
Independent
Non-Executive

Duration since first appointment: 1 years.

Ms. Raja Almazrouie is a board member at Harvard Business School in the Middle East and North Africa, Dubai Fintech Projects, Afkar Ventures, and the Arab Investment Bank and foreign trade. She has a Bachelor of Business Information Technology from Higher Colleges of Technology.



Omar Issam Ashur

Board Member
Independent
Non-Executive

Duration since first appointment: 1 years.

Mr. Omar Ashur is currently working as Chief Financial Officer of Future Management Group Limited and CEO of the Family Office at Future Holding Group. He holds an MBA in Finance, an MA in Business Economics and a PhD in Business.



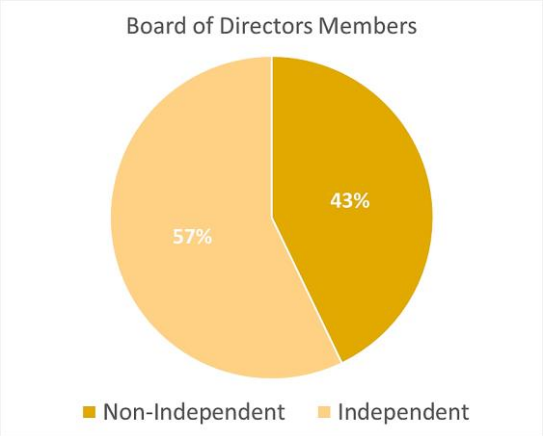
Sultan Abdulla Ahmed Al-Ghurair

Board Member
Non-Independent
Non-Executive

Duration since first appointment: 4 years.

Mr. Sultan Al-Ghurair is a member of the Audit Committee of Mashreq Bank, Director of Abdulla Al Ghurair Holding, CEO of Al Ghurair Properties LLC and Al Ghurair Energy DMCC, Vice Chairman of Libyan Emirates Refinery Company and Board Member of RAK Petroleum plc.

The role of the Board Chairman and the General Manager are distinct, separate and there is a clear division of responsibilities. The Chairman leads the Board and ensures the effective engagement and contribution of all Directors. The General Manager has responsibility for all the company and its strategy, policy and operational management.



NCC Board of Directors Overview

National Cement Company Board of directors currently comprises of seven directors as mentioned above. All the Board Members are non-executive. Out of the seven directors, four board members are independent and three board members are non-independent, fulfilling to the criteria of Article (40/2) of Resolution No.7 of 2016 of The Chairman of Authority's.

Currently, six out of seven board of directors of NCC are males and one director is a female as NCC is looking to increase the participation of women in the governance body of NCC. The female presence in NCC board of directors for the year 2021 was 14.30%.

NCC Committees

A total of three board committees has been appointed to look after specific takes. In addition to that a fourth internal committee consisting of 3 members of NCC executives appointed to oversee the board decisions implementation as well as preparing and reviewing the financial statements of the company.

The three board committees and their members together with their main tasks are as follow:

The Audit Committee

Salem Ali Abdulla Alsharhan Alnuaimi: Chairman
Iyad Mazhar Saleh Malas: Member
Thani Abdulla Suhail Al Zaffin: Member
Sultan Abdulla Ahmed Al-Ghurair: Member

Main Tasks:

- Follow up and monitor the external auditor.
- Monitoring the integrity of the company's financial statements.
- Reviewing the company's financial control, internal control and risk management systems.
- Monitoring the extent to which the company adheres to the rules of professional conduct.

Nomination and Remuneration Committee

Raja Mohammed Ghanim Almazrouie: Chairman
Thani Abdulla Suhail Al Zaffin: Member
Omar Issam Ashur: Member

Main Tasks:

- Ensure the independency status of the independent board members.
- Make recommendation on rewards, benefits and remuneration to the company's senior executive management.
- Prepare, monitor and review the company's human resources and training policies.

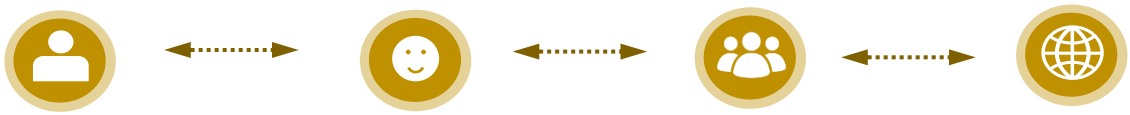
Investment Follow-up Committee

Iyad Mazhar Saleh Malas: Chairman
Rashid Saif Ahmad Al-Ghurair: Member
Salem Ali Abdulla Alsharhan Alnuaimi: Member
Raja Mohammed Ghanim Almazrouie: Member

Main Tasks:

- Follow up with the company investments.
- Oversees the company investment plans and strategies.
- Asses investment performance.

NCC Stakeholders



Shareholders

NCC engages with its shareholders through committee and board meetings, formal reports and updates.

Guiding principles:

- To conduct our business in conformance with all legal requirements and to the highest moral and ethical standards.
- To plan and undertake all business opportunities in a professional manner, weighing risk exposure against identified returns.
- To deliver a planned and progressive increase in financial returns to our owners.

Customers

NCC engages with its customers through online platforms, newsletters and regular customer satisfaction surveys.

Guiding principles:

- To provide value added assistance that consistently meets agreed requirements and specifications.
- To accept contracts only if we can meet our customers' requirements and where those requirements are compatible with our expertise and business activities.
- To provide products and services that meet and exceed the customer expectation.

Employees

NCC engages with its employees through surveys, newsletters, and performance assessment.

Guiding principles:

- To ensure that the working environment and conditions are conducive for effective working and constitute minimum hazards for all employees
- To provide a climate where employees are given the opportunity to maximize their potentials and to participate fully in the operation of the business.

Community

NCC engages with its community through volunteering, sponsorships and lead by example.

Guiding principles:

- To create job opportunities for the local community and support causes.
- To minimize any adverse impact on the environment that results from our business.
- To create awareness regarding sustainability.
- To help divert waste from landfilling as per UAE vision 2030.



Suppliers

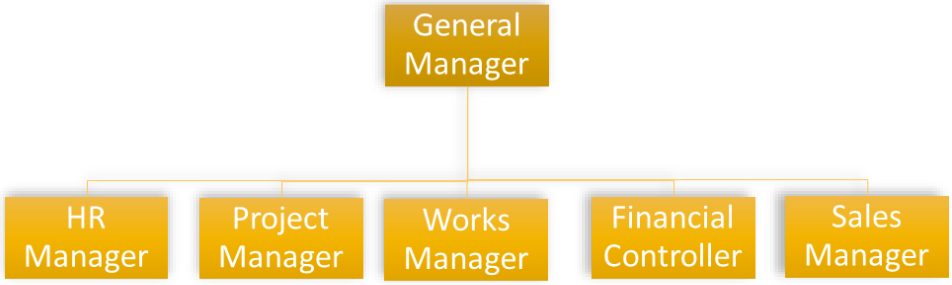
NCC engages with its suppliers through procurement process, code of conduct, meetings and workshops.

Guiding principles:

Partnership with reliable suppliers and provide a long-lasting partnership.

Ensure that every supplier is compliance to NCC procurement process and code of conduct. In 2021 100% of the suppliers were compliant.

NCC Organizational Structure

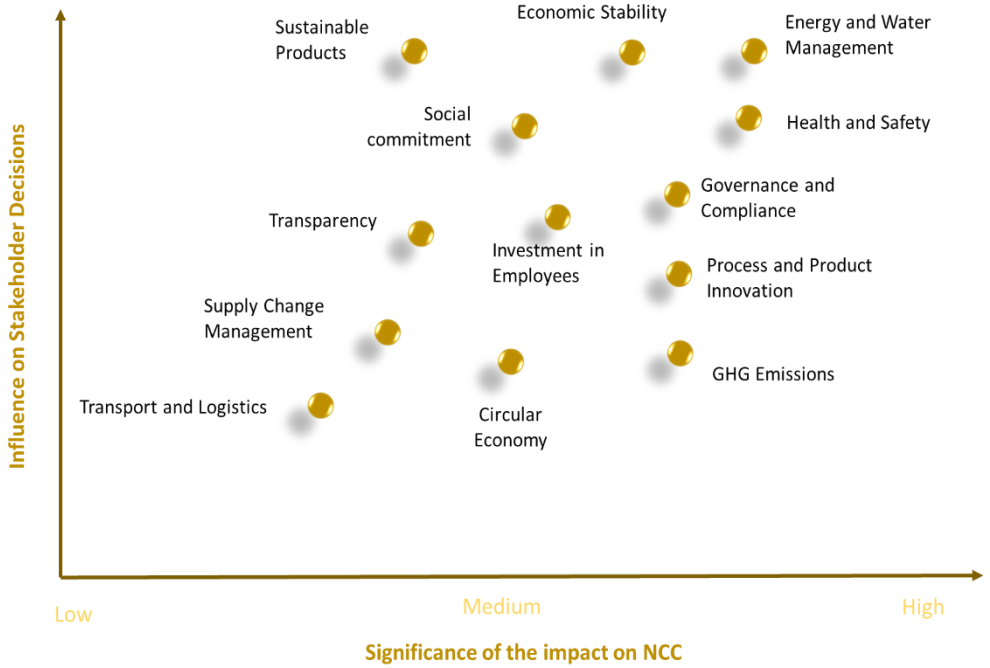


What Matters to Us the Most?

Materiality Assessment

NCC understands the importance of engaging with its stakeholders as a key for success, and that our sustainability journey is not one we make in isolation. It is influenced and driven by both our internal and external stakeholders, ranging from our employees, our partners and to the communities in which we operate. Our material topics are determined by workshops held regularly. The objective of these workshops is to identify and priorities issues or material topics and better support our reporting and decision making. Addressing key questions will enable us to have smart, sustainable and inclusive growth that is both profitable and sustainable.

During 2020, internal and external key stakeholders took part in a materiality survey to identify key topics that may impact on the way we do business. These workshops gave us great insight into how we can continue to serve and build a stronger long-term relationship with our stakeholders, in return creating shared value for everyone involved. The following matrix shows the most important materiality topics for National Cement Company.





Environmental Sustainability

01 Alternative Fuel

9.50 thousand MTons of Alternative Fuel used in NCC in 2021.

02 Water

208 thousand m3 of water used in NCC in 2021 which represent a reduction of 8.5% from the previous year.

03 Green House Gases

In 2021 CO_2 the emissions factor was 0.755 ton CO_2 per ton clinker which represents 5% reduction from previous year.

Environmental Overview

Energy Alternative Fuel and GHG

National cement company (NCC) is one of the oldest and the leading companies for cement manufacturing in the UAE. Minimization of resource consumption and recycling of waste are important factors for ensuring the future welfare of humankind. That's why NCC has taken the lead step by collaborating with Dubai municipality for recycling some of the industrial wastes that are being produced from other industries. Waste recycling is taking place along with the production of cement; therefore, a very strict quality control system is applied to ensure that the quality of the final product (cement) is not being compromised when incorporating waste recycling.

NCC monitors closely GHGs emitted from its cement factory with a continuous online analyzer for these gases. In addition to that, one of the main points in the management strategy is the utilization of alternative fuel which helps in reducing GHGs. It also monitors closely the soil quality and air quality and noise levels in the surrounding area where it assignees an external laboratory to carry out these tests regularly throughout the year.

In addition to the government regulations and Ministerial decree number (137) for 2012, NCC has developed its guidelines and policies for waste recycling. Moreover, it possesses ISO 14001 certification for environmental management which certifies that NCC is following the international best practice in its environmental operations.

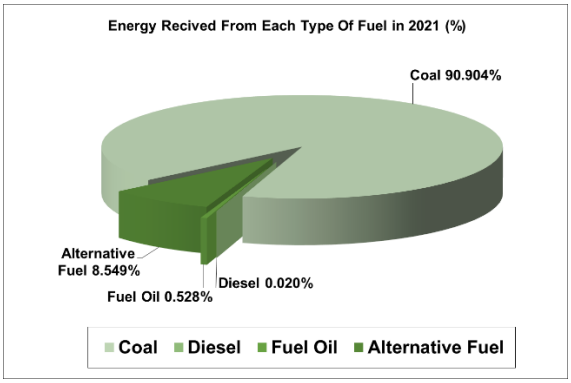
In terms of energy performance, NCC is having a daily management meeting where the energy performance and review are being discussed daily.

Energy and Fuel

There are four main sources for thermal energy in the NCC factory, these are:

- Coal, (the main source of energy)
- Fuel Oil,
- Diesel,
- Alternative Fuel.

The following figure shows the percentage of total energy received from each type of fuel used in NCC:



When we look at the energy in terms of the total thermal energy consumed in NCC, putting into consideration coal as the prime source of energy we find that the total thermal energy consumed in 2021 was around 2.61 million GJ

In terms of energy consumption for clinker manufacturing, in 2021 an average of 756 kcal/kg of clinker was recorded.

Water Consumption

Water is a vital element for any industry, it is mainly used in NCC for process uses and domestic uses. The process uses mainly involves the cooling tower for machinery cooling. It also involves cooling gasses and capturing dust particles in kiln gases conditioning towers along with other miner uses. In NCC, water consumption for the year 2021 was recorded to be around 208 thousand m^3 which represents a reduction of 8.50% from the previous year. In addition to that.

Alternative Fuel

National Cement Company is aspiring to be one of the most environmentally friendly plants in the region, therefore, several projects have been executed to reduce the consumption of fossil fuel and substitute it with alternative fuels to reduce its carbon footprint and preserve national resources.

Some of the current projects that are taking Place in NCC factory are the following:

Waste Heat Recovery

NCC is equipped with a Tire Derived Fuel (TDF) system, and gravimetric weigh feeder (Pfister). The choice of feeding strategy depends upon the type, physical and chemical characteristic of the fuel. Some of these fuels are:

- Food items and chocolate,
- Plastic products and cotton rags
- Grease and waste oil,
- Tires and rubber pieces,
- Paint sludge, paint powder and resins,
- Waste paper and cartons,
- Wood, carbon dust, tobacco,
- Other burnable.

Mineral Industrial Waste Used as Raw Materials

These are industrial wastes that are being generated from different companies and being incorporated with raw materials. The waste material will be mixed with the raw materials in a calculated manner before processing it in the plant. Mixing of the waste material will be according to its chemical composition which will determine the type of raw material that will be mixed with.

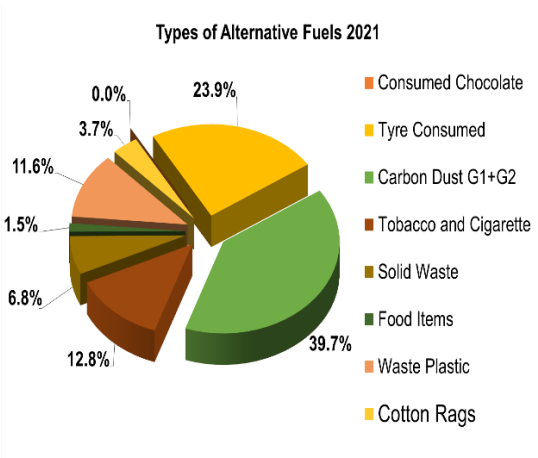
The total Industrial (non-burnable) waste materials consumed in NCC in 2021 is estimated to be around 22 thousand metric tons.

Bailing and Wood Shredding Machines

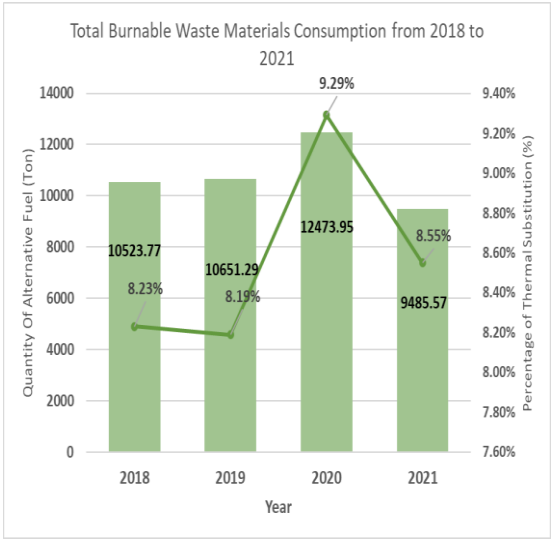
As per the NCC vision which aims to reduce fossil fuel and increase the use of alternative fuel to provide a clean source of energy, another strategy was made to get rid of the in-house waste internally by burning them inside the system. This plan came to life in August-2017 after which 100% of NCC-generated waste is being disposed internally. Wastes from NCC factory and labor camp are being accumulated bailed into blocks and then fed to the kiln through the TRF system. In 2021 the quantity of domestic waste disposed internally is around 347 ton.

In addition to that, a wood shredding machine was installed in 2018 to increase the utilization of alternative energy. It is being used as means of preparation to shred big pieces of wood into a fine powder which is being fed through a Pfister weigh feeder.

The following figure shows the distribution of the main streams of Alternative fuel used in NCC kiln in the year 2021, where the highest percentage of waste was recorded for carbon dust with a percentage of 39.70% followed by scraped tires with a percentage of 23.90%.



In terms of the overall alternative fuel (burnable) consumed in the kiln, the highest percentage achieved of waste utilization was recorded in 2021 with a quantity of 9.50 thousand metric tons. This quantity is equivalent to a thermal substitution percentage of about 8.55% of the total required thermal energy for the kiln in 2021. The following graph shows the amount of alternative fuel used in NCC Factory Between the years 2018 to 2021 along with the thermal substitution achieved at that year.





Green House Emissions

One of the direct results of using Alternative Fuels as a source of energy in cement factories is the reduction of greenhouse gases as a result of fossil fuel reduction.

For scope 1 GHG emissions include the CO_2 emissions from fuel consumption and limestone calcination. In 2021, the total emissions from NCC factory were 623.27 Gg of CO_2.

For scope 2 GHG emission includes emissions resulting from the generation of purchased or acquired electricity. In NCC, the total indirect CO_2 emissions from purchased electricity for the year 2021 were recorded to be 40.67 Gg of CO_2.

In terms of the CO_2 emission associated with clinker production. In 2021 the CO_2 emission recorded for NCC was 0.755 ton CO_2 per ton clinker which represents a reduction of 5% from the previous year.



Social Sustainability

Total Number of employees 435 in 2021.

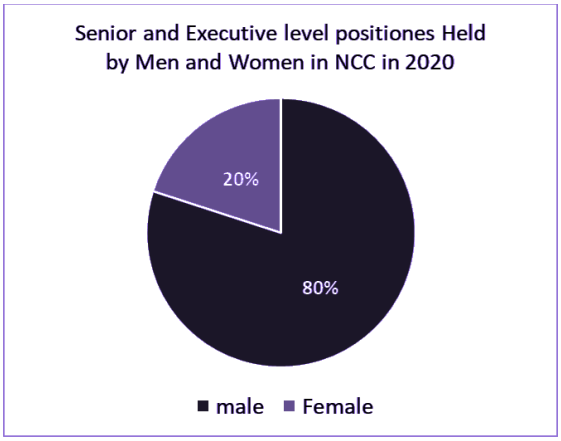
12,200 total man-hours of training in 2021.

Our Employees

At National Cement Company, we consider employees to be our strengths. We understand how employee satisfaction translates into direct economic and social impacts for a company. Efficient employee management also improves employee retention, productivity, and overall engagement. We owe a lot of our achievements to the dedication, determination, and passion exhibited by our employees. Our employees have taken up our sustainability initiatives with purpose, enabling us to grow sustainably and responsibly. Consequently, we are dedicated to ensuring a safe and satisfactory work environment for our employees. In this line, our Healthcare Policy and EHS Policy was put in place with the efforts of the Human Resources Department and safety office to ensure that our employees are taken care of. We make continual efforts to provide a conducive environment to our employees for their growth and development which helps in building their careers. We aim to continue to improve our performance while focusing on employee engagement, interaction, training programs, etc.

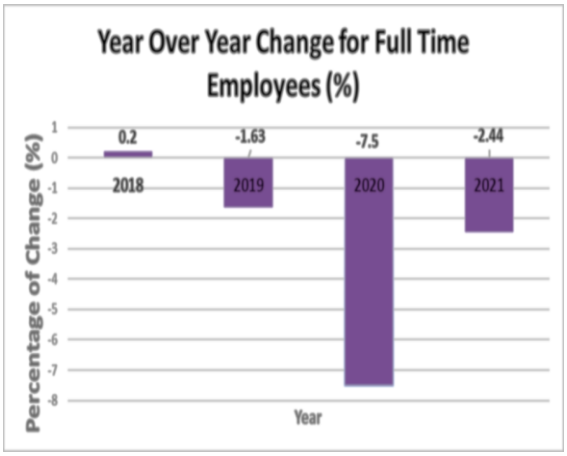
Employee HeadCount

NCC Cement recognizes that employee diversity in terms of multiple factors such as gender and age are important to facilitate sustainable, profitable, and responsible growth. As a growing company, we are constantly looking out for fresh talent along with experienced minds. By 2021, our total number of employees was recorded to be 435 employees. Out of which 99.30% were male and 0.70% were females. However, the representation in the senior and executive levels was about 20% for females and 80% for males, and we are looking for ways to increase this percentage furthermore in the future. The median compensation for males and females is equal. All of NCC employees were full-time employees





In 2021 the percentage of change for the headcount was recorded to be -2.44%. This decrease in headcount came naturally for many reasons. First, NCC is well known for its high retention ratio during its +50 years of operation, and most of the staff were there throughout the entire journey which resulted in an increased percentage of retired staff and translated into a decreased headcount during the last two years. Secondly, the impact of Covid-19 on the market and the industrial sector prevented NCC from compensating for this decrease with new recruitments. However, no employee has been laid off as a result of the Covid-19 impact. The entry and mid-level positions percentage for the year 2021 was recorded to be 6.15% of the total headcount all of which were males.



Health and Safety

Our occupational health and safety policy is applied all over the company. The basic principles governing this policy are detecting and managing the possible risks arising from our occupational activity, internal communication, and generating a safe and healthy working culture. It is also important to constantly search for solutions to prevent risks and improve working conditions and comply with health and safety legislation. In order to apply these principles, a formal occupational risk management system exists and a follow-up in the form of internal and external audits. On the other hand, our safety office has run a program called Committed to Safety aimed at reaching zero damage and injury to people.

Our Health and Safety Policy follows the United Arab Emirates Regulations, including ISO-14001 and International Best Practice Standard. The Policy covers all employees, contractors, and visitors to all our production units, office buildings, workers' accommodation, and workshops, with our goal to prevent all accidents, injuries, and occupational illnesses. We also display safety bulletins and safety hazard posters in strategic areas around our factories to emphasize the importance of health and safety.



The Environment, Health, and Safety Office (EHSO) team are responsible for the day-to-day management of our health and safety systems. In 2021, the injury rate relative to the total workforce was recorded to be 0.23%.

Employee Benefits

- All employees are provided with medical insurance covering all work-related and non-work-related health issues or injuries and free health check-ups. Moreover, we have a monthly awareness campaign carried out by the Health and safety office on a variety of topics including health and risks inside the workplace and outside the workplace.
- Retirement benefits such as gratuity are considered as defined benefit obligations; it is provided following UAE Laws.
- Women employees are entitled to maternity leave. All female employees are eligible for 45 days of maternity leave following UAE Laws and can be extended to other 45 days subject to management approval.
- Local minimum wage rules are followed, and employees are paid above the local minimum wages. Merit is the main parameter for recruitment. We are an equal opportunity employer providing equal remuneration for women and men.
- All employees are granted leave travel allowance, graded according to their Company designation, paid at prevalent market rates.
- Employees are provided with accommodation following NCC accommodation Policy. If no accommodation is provided, employees are provided with an accommodation allowance determined by their respective pay grades. Free transportation is provided to all employees residing in the emirate of Dubai.
- An annual bounce is being paid to the employees depending on the profit and as per the board of directors' decision. In 2021 no bounce has been announced due to the impact of covid-19 on the industrial sector. However, the bounce was given regularly during the last decade. In 2019 a bounce equivalent to one month was given to every employee.

Long Service Awards

Employees who spend more than a decade with the organization are felicitated with 'Long Service Awards. There are two categories for these awards, these are 15 years awards and 25 years awards. The award is being granted to the employees regardless of their grad.

Training and Development

in 2021, around 12,200 man-hours were spent undertaking employee education for all factory employees. The largest initiative was Manufacturing Excellence, which included the principles of lean manufacturing and Total Productive Maintenance cutting across various management levels. External industry webinars were widely attended by employees.

All employees receive regular performance and career development reviews. At the start of any year, employees along with their managers set out specific key performance indicators that the employee will work towards throughout the year, and employees are reviewed based on these metrics.

As for the new joiners, the Human Resources team leads a general induction program for new starters, followed up by a departmental-specific

training organized by individual departments. For factory employees, the induction training also covers detailed guidelines from the EHS office regarding health and safety at work. New starters are also provided with a copy of the Employee Code of Conduct during induction. Furthermore, all new employees receive a performance review upon completion of their probation period.

Sports & Leisure

A big part of employee wellbeing is to live an active life that involves exercising and practicing sport, therefore NCC has provided recreational facilities for the employees in both the factory and the worker's accommodation, including a gym, volleyball, badminton courts, and a football field. NCC also organizes regular sports tournaments in chess, badminton, cricket, and football to stimulate the employees mentally and physically.

This initiative inspires the next generation, who may wish to work in the cement industry in the future.



NCC has also participated in and sponsored several environmental initiatives organized by Dubai Municipality such as "Our Place, Our Planet, Our Responsibility" and "clean up the world" initiatives.

In addition to that, NCC is listed as an accredited recycler for Dubai Municipality where it helps in Dubai's vision to achieve 100% of waste diversion from landfilling, being the only cement factory in Dubai with a scope of waste recycling and management.





Community Engagement

NCC offers internship-training programs for talented students from local and international universities and hosts educational tours for students with visits to our manufacturing plants.







Appendix

3 key indicators
(ESG)

GRI Index

Performance Indicators

Governance

GRI Indicator	GRI Ref	2021	2020
Sales			
Net sales (million AED)	201-1	147.5	183
Cement (million tonnes)		0.744	0.85
Clinker (million tonnes)		0.300	0.444
Aggregates (thousand tonnes)		0.92	5.30
Materials			
Total clinker production – all segments (million tonnes)	301-1	0.81	1.01
Total cement production – all segments (million tonnes)		0.74	0.85
Total raw material consumption – all segments (million tonnes)		1.43	1.60
Alternative raw materials substitution rate – cement production (%)	301-2	2.93	3.77
Waste-derived resources – all segments (thousand tonnes)		31.30	44.20
Financial			
Revenue (million AED)		147.50	183
Profit/Loss (million AED)		48.97	(3.39)

Social

GRI Indicator	GRI Ref	2021	2020
Workforce			
Injury rates (%)	403-2	0.23	0.70
Deaths (%)		0.0	0.0
Full-time employees (%)	102-8	100	100
Part-time employees (%)		0	0
Employee turnover and retention			
Overall employee turnover rate (%)	401-1	7.70	7.50
Hirings (%)		6.15	1.13
Hours of training per employee	404-1	12,200	12,500
Diversity: Female workforce			
Senior management level (%)	405-1	20	20
Non-management level (%)		0.44	0.44
Women in total workforce (%)		0.68	0.67

Environmental

GRI Indicator	GRI Ref	2021	2020
Waste and recycling			
Burnable hazardous waste disposed of (thousand tonnes)	306-2	9.49	12.15
Mineral Hazardous waste disposed of (thousand tonnes)		21.80	32.05
CO_2 emissions			
Specific CO_2 emissions – gross (kg/tonne clinker)	305-4	755	796
Total Scope 1 emissions (thousand tonnes of CO_2) (Cement, aggregates, ready-mix and own-power generation)	305-1	623	801
Total Scope 2 emissions (thousand tonnes of CO_2) (From the generation of purchased or acquired electricity)	305-2	41	48
Energy			
Total power consumption – all segments (MWh)	302-1	11.32	13.34
Total fuel consumption – all segments (million GJ)		2.62	3.16
Clinker production (Kcal/tonne clinker)		757	750
The thermal energy mix of clinker production (%)			
Dry Coal (thousand tons)		100.47	113.63
Oil (thousand tons)		0.35	0.40
Alternative fossil fuels (thousand tons)		9.49	12.15
Water			
Total water consumption – all segments (thousand m^3)	306-1	208	228
From treated effluent municipal water supplies (thousand m^3)		122	139
From drinking municipal water supplies (thousand m^3)		41	34
From other water sources (thousand m^3)		45	54



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شركة الإسمنت الوطنية .ش.م.ع.
National Cement Co. p.s.c.

National Cement Co. P.S.C
شركة الأسمنت الوطنية (شركة مساهمة عامة)

ASSOCIATED IN 1968 (G) – 1388 (H)
تأسست سنة 1968 م الموافق لعام 1388 هجري

Corporate Governance Report for 2021

Commercial Registration No. 41150
Authorised and paid up Share Capital
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E-mail: cement@nationalcement.ae

سجل تجاري رقم ٤١١٥٠
رأس المال المصرح به والمدفوع ٣٥٨،٨٠٠،٠٠٠ درهم
ص.ب : ٤٠٤١ دبي – الإمارات العربية المتحدة
هاتف : ٣٣٨٨٨٨٥-٤-٩٧١+ ، فاكس : ٣٣٨٨٨٨٦-٤-٩٧١+

1 - Statement of procedures taken to complete the corporate governance system, during 2021, and method of implementing thereof:

- In National Cement Co. P.S.C., we have the pleasure to apply the highest standards and the best practices according to the resolution of the Chairman of the Authority Board of Directors No. (3/RM) for the year 2020 on the standards of institutional discipline and governance of public joint companies and the SCA-approved guide on the procedural measures of the National Cement Co., and according to the Governance Report form of 2021 issued by SCA, so that such practices would achieve proficiency at work to serve the best interests of the concerned parties including the human resources and clients, and to best serve the UAE economy.
- National Cement Co. has developed the Governance guide, and the same has been approved by the Company Board of directors regarding its constitution, authorities of its committees, and efficiency of the internal control in addition to abiding by the principle of transparency in all the Company's transactions.

2 - Statement of ownership and transactions of Board of Directors (Board) members, their spouses, and their children in the company securities during 2021, according to the following schedule:

There are no transactions for the members of the Board of Directors, their spouses, and children, in the company's securities during 2021 and their ownerships are according to the following table:

	Name	Position / Kinship	Owned shares as on 31/12/2021	Total sale	Total purchase
1	Mr. Rashed Saif Ahmad Al Ghurair	Chairman	624,000	-	-
2	Mr. Iyad Mazhar Saleh Malas	Vice Chairman	0	-	-
3	Mr. Thani Abdullah Suhail Juma Al-Zaffin	Member	31,200	-	-
4	Mr. Sultan Abdullah Ahmad Al Ghurair	Member	0	-	-
5	Mr. Salem Ali Abdullah Alsharhan Alnuaimi	Member	0	-	-
6	Mrs. Raja Mohammed Ghanim Saeed Almazrouei	Member	0	-	-
7	Mr. Omar Issam Ashur	Member	0	-	-

3 - Board Formation:

a. Board Formation according to the Categories of the members:

	Member Name	Category	Experiences and qualifications	The period he spent as a Board member from the date of his first election	Memberships in other Joint Stock Companies	Positions in any other important supervisory, governmental and business entities
1	**Mr. Rashed Saif Ahmad Al Ghurair**	Non-Executive	Chairman and Managing Director of Taghleef Industries Company, CEO of Saif Al Ghurair Investment Group LLC and Al Ghurair Private Company, and a member of the Board of Directors of Saif Al Ghurair Industrial Group	Four Years	BOD Member of Mashreq Bank	-
2	**Mr. Iyad Mazhar Saleh Malas**	Non-Executive	MBA from George Washington University, USA Member of the Board of Directors and CEO of Al Ghurair Group and a member of the Boards of Directors of Al Shafar General Contracting Company, Bin Dawood Holding Company, and many other companies	One Year	BOD Member of Mashreq Bank	-
3	**Mr. Thani Abdullah Suhail Juma Al-Zaffin**	Independent Non-Executive	Bachelor's degree in Computer Science from California State University, USA Vice Chairman of Emirates Real Estate Solutions and Digital Economy Soul Operations, And a member of the board of directors of Emirates Technology Solutions and Zajel parcel delivery company	One Year	-	-
4	**Mr. Sultan Abdullah Ahmad Al Ghurair**	Non-Executive	Bachelor's degree from Suffolk College in Massachusetts, USA CEO of Al Ghurair Real Estate Company and Board Member of Al Ghurair Investment and Al Ghurair Holding Company Limited	Four Years	-	-
5	**Mr. Salem Ali Abdullah Alsharhan Alnuaimi**	Independent Non-Executive	BSC in accounting and Business administration, UAE university Member of the Board of Directors of the Dubai International Financial Center, the American University of Ras Al Khaimah, and the Ras Al Khaimah University of Medicine and Health Sciences	One Year	Chairman of Ras Al Khaimah National Insurance Company And Board Member of Ras Al Khaimah Bank	-
6	**Mrs. Raja Mohammed Ghanim Saeed Almazrouei**	Independent Non-Executive	Bachelor of Business Information Technology from Higher Colleges of Technology Board Member of Harvard Business School in the Middle East and North Africa, Dubai Fintech Ventures, Afkar Ventures, Arab Bank for Investment and Foreign Trade	One Year	-	-
7	**Mr. Omar Issam Ashur**	Independent Non-Executive	Doctor of Philosophy (Business Economics) Chief Financial Officer of Future Management Group Limited and CEO of the Family Office of Future Group Holdings.	One Year	-	-

b. Statement of the percentage of female representation in the Board for 2021:

- The female representation is 14.3% of the total members of the Board Members for the year 2021.

c. Statement of the reasons for the absence of any female candidate for the Board membership for 2021:

- Only two women were nominated, and only one was elected in the 2021 elections.

d. Board Members:

1- The total remunerations paid to the Board members for 2020:

- No remuneration was paid to the Board members for 2020.

2-The total remunerations of the Board members, which are proposed for 2021, and will be presented in the annual general assembly meeting for approval:

- The Board of Directors proposed to distribute the remuneration for each board member 250 thousand dirhams, two hundred and fifty thousand UAE dirhams only.

3-Allowances for attending sessions of the Board and the committees emanating from the Board:

- There are no allowances for attending meetings.

4-Details of the additional allowances, salaries, or fees received by a Board member other than the allowances for attending the committees and their reasons:

- There are no additional salaries or fees received by any Board Member.

e. The number of the Board meetings held during the 2021 fiscal year:

- The Board held Four (5) meetings in 2021 as follows:

No.	Date of Meeting	No. of attendants	Attendants by Proxy	Name of Absent Members
1	10 / 05 / 2021	Seven members	-	-
2	06 / 06 / 2021	Seven members	-	
3	11 / 08 / 2021	Seven members	-	-
4	07 / 10 / 2021	Six members	-	Mrs. Raja Mohammed Ghanem Saeed Al Mazrouei
5	10 / 11 / 2021	Six members	-	Mr./ Rashid Saif Ahmed Al Ghurair

f. The number of the Board resolutions passed during the 2021 fiscal year:

- None.

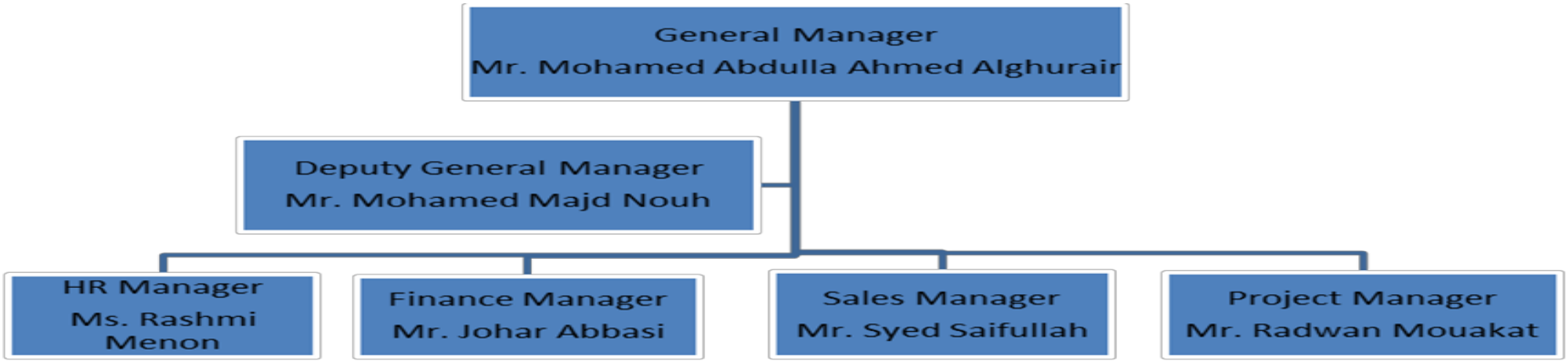
g. Statement of Board duties and powers exercised by Board members or the executive management members during 2021 based on the authorization from the Board, specifying the duration and validity of the authorization:

- None.

h. Statement of the details of transactions made with the related parties (Stakeholders) during 2021:

Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction (2021) (AED'000)
Al Ghurair Construction - Concrete LLC	Exercising control over management by a member of the board of directors	Cement Sales - rental fees	2,606
Al Ghurair Real Estate - Dubai	Exercising control over management by a member of the board of directors	Cement Sales	4
Al Ghurair Construction - Cement Products LLC	Exercising control over management by a member of the board of directors	Cement Sales	643
Al Ghurair Construction - Aluminum LLC	Exercising control over management by a member of the board of directors	Rental amounts and fees	0
Emirates Commercial Agency LLC	Exercising control over management by a member of the board of directors	Rental amounts and fees	241
Al Raudha Quarries Company (LLC), Sultanate of Oman	Exercising control over management by a member of the board of directors	Materials supplied to Al Raudha	22
Al Raudha Quarries (LLC), Sultanate of Oman	Exercising control over management by a member of the board of directors	Purchase of Materials	-20
Berber Cement Company Ltd. - Republic of Sudan	Exercising control over management by a member of the board of directors	Loan Interests Returns	12,079
Berber Cement Company Ltd. - Republic of Sudan	Exercising control over management by a member of the board of directors	Partner company loan	316,000
Arabian Concrete Company	Exercising control over management by a member of the board of directors	Concrete	-1
Modern Building Maintenance Company LLC	Exercising control over management by a member of the board of directors	Services	-214
Al Ghurair Construction - Concrete LLC	Exercising control over management by a member of the board of directors	Purchase of material	-22

i. The organizational structure of the company:



j. Company Directors:

Name	Position	Date of Appointment	Total Salaries and Allowances paid in 2021 (AED)	Total Bonuses paid in 2021 (AED)	Any other in-kind Bonuses for 2021 or payable in the future
Mohammed Abdullah Al Ghurair	General Manager	1978	1,910,000	-	-
Mohammed Majd Nouh	Works Manager	1998	414,400	-	-
Johar Abbasi	Financial Manager	1985	588,190	-	-
Radwan Mouakat	Projects' Manager	1983	333,000	-	-
Sayed Saif Allah	Sales Manager	2009	293,320	-	-
Rashmi Menon	HR Manager	2012	327,523	-	-

4 - External Auditor:

a. An overview of the company auditor to shareholders:

- Ernst & Young (E&Y) is one of the largest professional companies in the world and one of the Big Four. It is a global organization consisting of a group of member companies. Its global headquarter is in London, Britain, while the headquarters of its branch in the United States of America is located in New York, 5 Time Square. It is headquartered in four areas around the world, subdivided into 33 regions, and regarding the company's Dubai office, it is distinguished by a strong base of professionals with extensive experience and high competencies and more than 50 partners worldwide.

b. Statement of fees and costs for the audit or services provided by the external auditor:

Name of the audit office and partner auditor	**Ernst & Young (E&Y) - Mr. Ashraf Abu Sharkh**
Number of years he served as the company external auditor	**Two Years**
Total audit fees for 2021 in (AED)	**Three hundred and forty thousand UAE dirhams only**
Fees and costs of other private services other than auditing the financial statements for 2021 (AED)	**None**
Details and nature of the other services	**None**
Statement of other services that an external auditor other than the company accounts auditor provided during 2021.	**None**

c. The Qualifications that the company auditor included in the interim and annual financial statements for 2021:

1- The company has an investment in an unquoted equity classified at fair value through other comprehensive income, amounting to 41,868 thousand dirhams. We were not provided with sufficient and appropriate audit evidence to support the fair value measurement as at the reporting date. As a result, we were unable to determine whether any adjustment was required to the carrying amount of the investment at March 31, 2021.

2 - The allowance for expected credit losses includes trade and other receivables in the amount of 43,819 thousand dirhams, as disclosed in note (12) to the condensed interim financial statements, an additional provision of 32,239 thousand dirhams. If the company had reversed the additional provision, the company's results and total comprehensive income for the three-month period ending on March 31, 2021 would have increased by 32,239 thousand dirhams, and the trade and other debits and total equity as on March 31, 2021 would have increased by the same amount.

5- Audit Committee:

a. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism, and ensuring its effectiveness:

- Mr. Salem Ali Abdullah Alsharhan Alnuaimi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism, and ensuring its effectiveness.

b. Names of the Audit Committee members and clarifying their competencies and tasks assigned to them:

Name	Adjective	Category	position
Mr. Salem Ali Abdullah Alsharhan Alnuaimi	Board Member	Independent - Non-Executive	Chairman
Mr. Iyad Mazhar Saleh Malas	Deputy Chairman	Non-Executive	Member
Mr. Thani Abdullah Suhail Juma Al-Zaffin	Board Member	Independent - Non-Executive	Member
Mr. Sultan Abdullah Ahmad Al Ghurair	Board Member	Non-Executive	Member

C- Audit Committee Charter:

1- Purpose of the Audit Committee:

The Audit Committee of the Board of Directors is responsible for overseeing the quality and integrity of accounting, auditing and financial reporting, as well as oversight and review of the internal audit function. The Audit Committee is also responsible for recommending to the Board of Directors the appointment of the external auditor. The Audit Committee shall communicate this information to the Board of Directors and make recommendations regarding actions to be taken by the Board and Executive Management in order to strengthen the Company's system of internal control, compliance procedures and the financial reporting process. The audit committee also oversees the internal auditor and the external auditor, and monitors management's progress in responding to the findings of the internal and external auditors

2- Membership:

- The committee consists of four members of the board Members appointed by the board of directors.
- The committee appoints the head of the audit committee.

3- Meetings:

- The committee meets at least four times annually. However, the Committee may also call additional meetings as necessary.
- The minimum quorum for a meeting is three members.
- The committee may assign the secretary of the board of directors as a rapporteur for the audit committee.
- The committee may request the CEO to attend the audit committee meetings.

4- Powers:

- The Audit Committee is authorized by the Board of Directors to obtain any information it needs regarding the purpose and responsibilities of the company's management.

5- Responsibilities:

(a) For Internal Audit and Oversight:

- Reviewing the internal audit plan and recommending it to the Board of Directors. Reviewing the internal audit organizational structure and recommending it to the Board of Directors.
- Ensuring the efficiency of the internal audit performance and the adequacy of resources.
- Reviewing and recommending to the Board of Directors the appointment or removal of the Head of Internal Audit.

Reviewing internal audit reports and monitoring the implementation of accepted recommendations.

(b) Finance:

- Reviewing the periodic financial position of the company and recommending it to the Board of Directors.
- Reviewing and recommending to the Board of Directors any changes in accounting policies.
- Reviewing the audited annual financial results and making recommendations to the Board of Directors.
- Reviewing the management’s external auditor’s letter, the management’s response, and follow-up implementation.

(c) External Audit:

- Submitting a recommendation to the Board of Directors regarding the appointment or dismissal of the external auditor.
- Reviewing and recommending to the Board of Directors the terms of compliance and the scope of the audit.

- Evaluating the independence and objectivity of the external auditor.
- Meeting with the external auditor on an annual basis to discuss any relevant matters that the committee believes should be discussed.
- Approving the appointment of an external auditor for any services other than auditing accounts and the related rewards.

(d) Other responsibilities:

- Reviewing all related party transactions to avoid any conflict of interest.
- Review and approve the whistleblowing policy that enables employees to confidentially report potential violations in financial reporting, internal controls, or other issues and establish procedures to conduct independent and fair investigations into such violations.
- Monitoring the company's compliance with the code of professional conduct.
- Providing advice to management as it deems appropriate within the scope of the Audit Committee's job.
- The committee is formed for a period of three years concurrent with the term of the council.
- The committee may request outside advice/assistance if it is necessary for the performance of its duties with the prior approval of the Board of Directors**.**

D- The Audit Committee held four (3) meetings in 2021 as follows:

NO.	Date of Meeting	No. of attendants	Attendants by Proxy	Name of Absent Members
1	30 / 06 / 2021	Four members	-	--
2	09 / 08 / 2021	Four members	-	-
3	08 / 11 / 2021	Three members	-	Mr. Thani Abdullah Suhail Juma Al-Zafin

6 - Nomination and Remuneration Committee:

A - The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism, and ensuring its effectiveness:

- Mrs. Raja Mohammed Ghanem Saeed Almazrouei, Nomination and Remuneration Committee Chairman acknowledges his responsibility for the committee system in the Company, her review of its work mechanism, and ensuring its effectiveness.

B - Names of the Nomination and Remuneration Committee members and clarifying their competencies and tasks assigned to them:

Name	Adjective	Category	position
Mrs. Raja Mohammed Ghanem Saeed Almazrouei	Board Member	Independent - Non-Executive	Chairman
Mr. Thani Abdullah Suhail Juma Al-Zaffin	Board Member	Independent - Non-Executive	Member
Mr. Omar Issam Ashur	Board Member	Independent - Non-Executive	Member

C - Charter of the Nomination and Remuneration Committee:

1- Purpose of the Nomination and Remuneration Committee:

- The Board Nomination and Remuneration Committee aims to assist the Board of Directors in fulfilling its oversight responsibilities in the nomination and independence of Board members and the integrity of the company's remuneration, benefits, incentives, and salary strategy.

2- Membership:

- The committee consists of three members of the board of directors appointed by the board of directors.
- The committee appoints the head of the nominations and remuneration committee.

3- Meetings:

- The committee meets at least once a year. However, the Committee may also call additional meetings as necessary.
- The minimum quorum for a meeting is two members.
- The Committee may assign the Secretary of the Board of Directors as a rapporteur for the Nominations and Remunerations Committee.
- The Committee may request the CEO to attend the meetings of the Nomination and Remuneration Committee.

4- Powers:

- The Nomination and Remuneration Committee is authorized by the Board of Directors to obtain any information it needs regarding the purpose and responsibilities of the company's management.

5- Responsibilities:

- Ensure the independence of the independent members on a continuous basis. If the committee finds that one of the members has lost the conditions for independence, it must submit the matter to the company's board of directors.
- Preparing the policy for granting remunerations, benefits, incentives, and salaries to the company's board members and employees and reviewing it annually. The committee must verify that the remunerations and benefits granted to the senior executive management of the company are reasonable and commensurate with the company's performance.
- Determining the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
- Preparing the company's human resources and training policy, monitoring its implementation and reviewing it annually.
- Organizing and following up the procedures for nomination for membership of the Board of Directors in accordance with the applicable laws and regulations and the provisions of the system.
- The committee considers any other matters referred to it by the board of directors.

a. The Nomination and Remuneration Committee held One (1) meeting in 2021:

NO.	Date of Meeting	No. of attendants	Attendants by Proxy	Name of Absent Members
1	30 / 12 / 2021	Two members	-	Mrs. Raja Mohammed Ghanem Saeed Almazrouei

7 - The Supervision and Follow-up Committee of insiders' transactions:

A - An acknowledgment by the Chairman of The Supervision and Follow-up Committee of insiders' transactions that he is responsible for the committee's system in the company and for his review of his work mechanism and to ensure its effectiveness:

- Mr. Zakir Shabir Hussein and Mr. Ahmed Ali Abdel Dayem acknowledge their responsibility for the committee system in the company and for their review of its work mechanism and to ensure its effectiveness.

B. Names of the members of The Supervision and Follow-up Committee of insiders' transactions, and a statement of its functions and tasks assigned to it:

Name	Adjective
Mr. Zakir Shabir Hussain	Member
Mr. Ahmed Ali Abdel Dayem	Member

C- Responsibilities of The Supervision and Follow-up Committee of insiders' transactions:

The Insiders Committee shall establish an effective system that enables regular maintenance of an updated register of Insiders and monitors their compliance with the Company's policy on the dealings of Insiders and undertakes the following tasks:

- Preparing a private and comprehensive register of all prospects who are entitled or have access to the company's internal information prior to publication.
- Managing, monitoring, and supervising the transactions of the prospective persons and their ownership of the company's shares and keeping a special record for that.
- Notifying the Authority and the Market of the updated list of prospective persons, upon their request, and of any amendments that may occur during the fiscal year.
- Comply with any other requests requested by the Authority in this regard.

D - No meetings of the committee were held during 2021, and the committee continued to keep and update the register of the aspirants and notify the market and the authority of that according to their request.

8 - Investments Follow-up Committee:

A - The Investments Follow-up Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism, and ensuring its effectiveness.

- Mr. Iyad Mazhar Saleh Malas, Investments Follow-up Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism, and ensuring its effectiveness.

B - The Board of Directors approved the establishment of a committee to follow up on investments, and it consists of:

Name	Adjective	Category	position
Mr. Iyad Mazhar Saleh Malas	Board Deputy chairman	Non-Executive	Chairman
Mr./ Rashid Saif Ahmed Al Ghurair	Board chairman	Non-Executive	Member
Mr. Salem Ali Abdullah Al Sharhan Al Nuaimi	Board Member	Independent - Non-Executive	Member
Mrs. Raja Mohammed Ghanem Saeed Al Mazrouei	Board Member	Independent - Non-Executive	Member

C - Charter of the Investment Follow-up Committee:

1- Purpose of the Investment Follow-up Committee:

The Investment Monitoring Committee aims to oversee the company’s investment transactions, management, policies and guidelines, including reviewing the selection of the investment manager, setting investment standards, reviewing investment performance, and supervising exposure policies and guidelines for investment risk management.

2- Membership:

- The committee consists of at least three members of the board of directors appointed by the board of directors.
- The committee appoints the head of the investment follow-up committee.

3- Meetings:

- The committee meets at least once a year. However, the Committee may also call additional meetings as necessary.
- The minimum quorum for a meeting is three members.
- The committee may assign the secretary of the board of directors as a rapporteur for the investment follow-up committee.
- The committee may request the CEO to attend the meetings of the investment follow-up committee.

4- Powers:

The Investment Monitoring Committee is authorized by the Board of Directors to obtain any information you need regarding the purpose and responsibilities of the company's management.

5- Responsibilities:

1 - Work with the executive management to develop a strategy and policy for investment in the company, in line with the nature of its business, activities and risks it is exposed to, and make a recommendation thereon.

2 - Reviewing the investment strategy and policy periodically to ensure its suitability to changes that may occur in the external environment in which the company operates, or the legislation regulating its business, or its strategic objectives, or others, and recommending the Board of Directors regarding the proposed changes to this policy.

3- General supervision of the company's investment activities and setting appropriate procedures for measuring and evaluating investment performance.

4 - Studying and evaluating the investment opportunities proposed by the company's management in relation to automated transactions and making recommendations about them:

- Mergers or acquisitions of companies, businesses, or assets.
- Any termination, sale, transfer of ownership, exit from or disposal of an existing investment.
- Investing in new or existing projects or in expansion projects and expansions of projects in which the company has an interest.
- Any investment opportunity that the company's management would like to enter.
- Studying the financing possibilities for the above-mentioned transactions.

5 - Ensure that the proposed investment opportunities comply with the relevant rules, regulations, and instructions.

6 - Determining and prioritizing the proposed investment offers.
7 - Studying periodic reports from the executive management on the progress of the approved investment opportunities.

D - The Investments Committee held One (1) meeting in 2021:

No.	Date of Meeting	No. of attendants	Attendants by Proxy	Name of Absent Members
1	01 / 09 / 2021	Four members	-	-

9 - Internal Control System:

The Board Internal Control Department is comprised of:

Member Name	Capacity	Qualification
Zakir Shobeir Hussain	Auditor and Head of Internal Control Department	Bachelor's Degree in commerce major: accounting (1990) Chartered Accountant Certificate (1997)
Ahmed Ali Abdul Dayem	Compliance Officer	Bachelor's Degree in law (2009)
Betawala Zoeb Mohammed Hussain	Accountant	Bachelor's Degree in commerce major: Accounting (1993)

The Board acknowledges its responsibility for the Internal Control System in the Company, and that the Internal Control Department has carried out its duties as follows:

1) Ensuring the compliance of the Company and its employees to the applicable laws, regulations, and resolutions.
2) Laying down the internal policies and procedures used to prepare the financial statements.
3) Reviewing the financial statements including the main control elements, financial affairs, operations, and risk management.
4) Reporting the results of auditing to the Board and enabling it to assess the internal control and efficiency of risk management.
5) The Company had no problems in 2020.
6) The Board and its Committees were informed that there were no emergency unexpected conditions that substantially affected the Company's financial position.
7) The Internal Control Department has prepared the Corporate Governance Report (CGR) of 2021.

- Number of reports issued by the Internal Control Department to the Company's Board of Directors

None

10 - Violations:

- No violations were reported against the Company in 2021.

11 - The Company's Contribution in 2021 to the Local Community Development and Environmental Conservation:

- The main objective of National Cement Co. (P.S.C.) - Dubai is to effectively contribute to the urban boom adopted by UAE as the cement industry is one of the strategic industries for the establishment of comprehensive urban development in the State.

- National Cement Co. has acted upon the instructions of Dubai Municipality on the internal and external cleanliness around the factory, and the landscapes have been increased inside the Company and around the external walls, applying the method of Drip Irrigation in order as much water as possible.

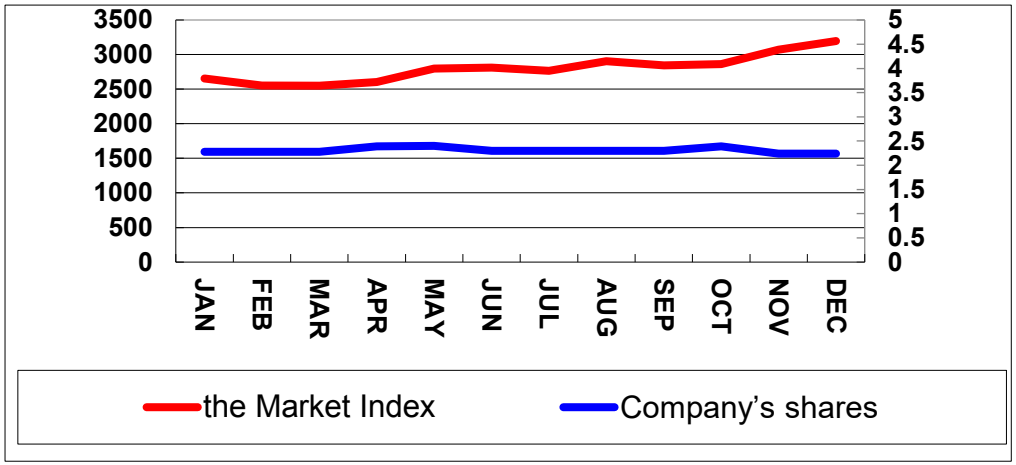
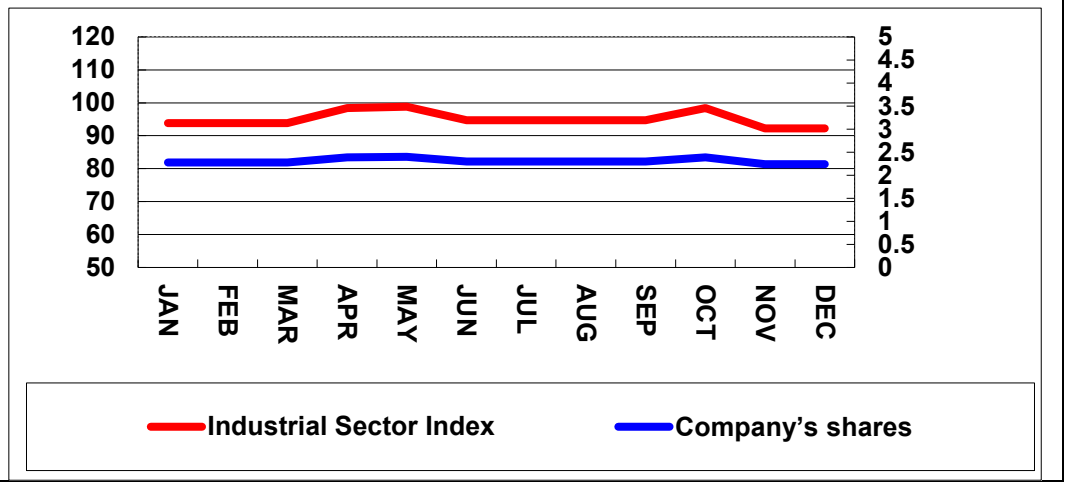
- To maintain the environment, according to the local and international criteria and standards, the factory was provided with dust filters to avoid environmental pollution.

12 - General Information:

A - Company Share Price in 2021:

Month	Closing Price	Highest Price	Lowest Price
January	2.28	No Trade	No Trade
February	2.28	No Trade	No Trade
March	2.28	No Trade	No Trade
April	2.39	2.390	2.380
May	2.4	2.400	2.380
June	2.3	2.300	2.300
July	2.3	No Trade	No Trade
August	2.3	No Trade	No Trade
September	2.3	No Trade	No Trade
October	2.39	2.390	2.390
November	2.24	2.350	1.950
December	2.24	2.240	2.220

B - Comparative Performance:

A statement of the comparative performance of the Company's shares with the Market Index	A statement of the comparative performance of the Company's shares with the Industrial Sector Index
	

C - Statement of the shareholders ownership distribution as on 31/12/2021:

S.N.	Category	Local	Arab	Foreign	Total
1	Companies	78.11%	2.36%	%0.13	80.60%
2	Individuals	11.52%	7.59%	%0.29	19.40%
3	Governments	%0	%0	%0	%0
Total		89.63%	9.95%	0.42%	100%

D - Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2021:

Shareholder Name	Number of Shares	% Of Shares Held
Al Ghurair Private Co.	136,245,302	37.97%
Al Ghurair Investment	104,411,910	29.10%

E - Statement of how shareholders are distributed according to the volume of property as on 31/12/2021:

S/N	Shares Owned	Number of Shareholders	Number of Shares Held	% Of Shares Held to the Capital
1	Less than 50.000	165	1,813,271	0.505%
2	From 50.000 to less than 500.000	101	17,310,370	4.824%
3	From 500.000 to less than 5.000.000	36	50,640,511	14.113%
4	More than 5.000.000	7	289,035,848	80.556%

F - Statement of measures taken regarding the controls of investor relationships:

An investors' relations webpage has been established, providing all the contact information of the Investors' Relations Officer. Furthermore, the Corporate Governance Report and the of Association are available on the Company's website.

Name and Contact Information of the Investors' Relations Officer:

Name	Tel.	Direct Line	Mobile	Email	Investor Relations link
Ahmed Abdel Dayem	00971 4 3388885	00971 4 3047295	00971 52 9186583	PRO@NATIONALCEMENT.AE	WWW.NATIONALCEMENT.AE

I - Statement of the special decisions presented in the General assembly held during 2021 and the procedures taken in their regard:

- No special decisions were taken in the General Assembly held in 2021.

J - Rapporteur of the Board meetings:

- Name of the Rapporteur of the Board meetings: Ahmed Abdel Dayem.
- Date of Appointment: 29/12/2012.

K - Significant Events that the Company encountered during 2021:

- No significant events the Company encountered during 2021.

L - Statement of the transactions that the company has made with related parties during 2021 that are equal to or more than 5% of the company's capital:

- None.

M - Statement of Emiratisation percentage in the Company at the end of 2019,2020,2021:

- The Emiratization percentage at the end of 2019,2020 and 2021, after excluding workers, reached about 1.72%.

شركة الإسمنت الوطنية ش.م.ع.
National Cement Co. p.s.c.

N - Statement of innovative projects and initiatives carried out by the company or being developed during 2021:

1 - To reduce the cost, the National Cement Company is studying the development of technology to reduce the specific heat consumption, which will be implemented in three stages. As a first stage, the cement company will contract with the best developers of the cement industry at the global level , We are currently in the first stage of this development.

2 - The National Cement Company, to complete the operation of the lost thermal energy recovery project to generate electric power, cooperates with DEWA, and implements all requirements to complete the connection with the DEWA network Currently, we are in the final stages of implementing the requirements of the Dubai Electricity and Water Authority.

May Allah Guide us to the Right Path,

Chairman	Head of Audit committee	Head of Nomination and Remuneration Committee	Director of Internal Control Department
Rashid Saif Al Ghurair	Salem Ali Abdullah Al Sharhan Al Nuaimi	DocuSigned by: Raja Mohammed Ghanem Saeed Al Mazrouei 78EFD84CE79F475...	Zakir Shobeir Hussain
Date: 23 / 03 / 2022	Date: 23 / 03 / 2022	Date: 23 / 03 / 2022	Date: 23 / 03 / 2022