

CARBON POLICY AND CLIMATE CHANGE 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. Abdullah Abdin Factory will help mitigate climate change through the use of sustainable plant and machinery which includes company cars. However, we recognize 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 this 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 plan to reduce our carbon emissions by purchasing low carbon energy, where this is possible and cost effective.

Starting 2024, we will reduce CO2 emissions by across all operations. We will achieve our target through:

- 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.
- We will monitor and analyze energy consumption data for premises and vehicles, identifying trends and opportunities for further reduction or efficiency improvements.
- Drivers will receive training to operate plant and machinery efficiently. Regular monitoring will establish benchmarks and identify improvement opportunities.
- 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 CN Management who will review it on a regular basis.

1.1 Statement of intent:

As a responsible corporate citizen Abdullah Abdin Factory aims to own and manage the greenhouse gas emission inventory due to its operations. Through this exercise, it 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.
- 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.

2. Background and scope:

2.1 Vision

The company's vision is to participate in the development of the KSA's economy and be recognized and respected as a leading ready-mix company by all stakeholders. The company believes that its success is rooted in its contribution to the development of the KSA 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&S is a vital part of AAF'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 guide lines of AAF OH&S policy. AAF 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, AAF 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, AAF has decided to calculate the GHG inventory 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
- Public reporting and participation in voluntary GHG programs
- Participating in GHG markets
- 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 ready-mix 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 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.



Tariq Abdullah Abdin
Chief Executive Office
Abdullah Abdin Factory