SteelVision

Mobarakeh Steel Group Magazine
Vol.1, No.2 - November 2025

Operational Certainty Meets Environmental Responsibility

Shining on the International Stage: MSC Secures 3 Top Honors

“Mobarakeh Steel Group ensures stability, delivering over 70% of Iran’s flat steel needs, a bedrock for our region’s industries.”

In a world where global supply chains are frequently tested, Mobarakeh Steel Group’s commitment to stability is paramount. This issue of Steel Vision focuses on the foundational investments that guarantee this resilience. We delve into the monumental 914 MW power project—a declaration of energy independence—and explore the rigorous R&D driving the creation of new specialized steel grades. Our narrative is one of controlled growth, technological precision, and an unwavering promise to deliver superior value to our international customers and partners.

Content

گروه فولاد مبارکه

Mobarakeh Steel Group

Steel Vision

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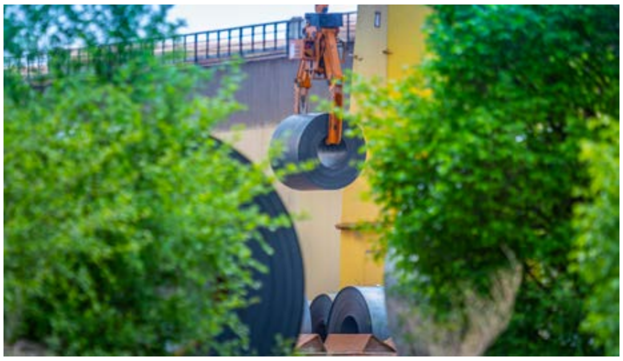


Engineering Stability

The global steel landscape requires suppliers that can ensure stability. In this pivotal issue, we shift our focus from sheer volume to the infrastructure that ensures our operational flow: Resilience. Mobarakeh Steel Group's strategic mandate is clear: Achieving self-reliance by securing core resources like energy and water is the ultimate form of risk mitigation. The following feature articles detail how the Group has systematically invested in its operational autonomy, transforming external constraints into a definitive competitive advantage. This investment provides an unshakeable assurance of supply continuity to our international clientele. We are engineering a future where stability is built in — not dependent.

The Strength of Self-Reliance:

Securing Our Commitment to the Global Market

The CEO outlines the strategic imperative of energy independence through the 914 MW Combined Cycle Power Plant, positioning it as the primary guarantor of MSG's uninterrupted supply to global markets.

For Mobarakeh Steel Group (MSG), the act of sending this message to our esteemed global audience is underwritten by a strong, dedicated focus on achieving and maintaining high levels of operational certainty. The global steel market, while offering immense and continuously growing opportunities for specialized suppliers, is often faced with systemic risks related to resource volatility, particularly in energy supply, and the inherent fragility of external utility networks.
This pressing reality is precisely why our executive decision to invest decisively and strategically in core infrastructure—chiefly the colossal 914 MW Combined Cycle Power Plant—is not merely an economic choice aimed at marginally reducing operating costs; it constitutes a profound strategic declaration of independence and self-reliance. This state-of-the-art facility, built with record-breaking speed and featuring the most advanced available Class-F gas turbine technology, significantly minimizes the Group's exposure to regional grid fluctuations and ensures a continuous, high-quality flow of electricity to our entire integrated production complex.
By internalizing power generation on this massive scale, we gain the critical, strategic ability to secure our operational uptime, which is recognized as a vital factor when securing large-scale, long-term supply contracts with international buyers and high-demand industries such as automotive and energy. This proactive move directly and systematically addresses the key concern of every global partner: predictability in supply volume and quality.
When a partner commits to Mobarakeh Steel, they are committing to a supply chain whose operational flow is now fundamentally and demonstrably insulated from the most critical external constraints. This allows our partners to secure their own complex manufacturing and delivery schedules with greater confidence, free from concerns about our energy dependency. This monumental investment in autonomy is our first and most powerful commitment to stability and global trustworthiness.
Driven by data and strategic foresight, our actions speak louder than words, establishing a new paradigm of secure, independent industrial operation built for the future. This assurance of consistent energy is the foundation upon which all our production quality and reliability metrics rest, and ensures that MSG maintains its foundational role in supplying over 70% of Iran's total flat steel demand and meeting global export targets with an annual 7.3 million tonnes of crude steel production.
The installation of Class F turbines represents an investment in the best available technology, signaling to the market that our commitment to output is matched by our dedication to efficiency. Furthermore, this

"Our investment in the 914 MW Combined Cycle Power Plant is a clear declaration: MSG's commitment to delivery is non-negotiable, and our operational flow is secured against any external constraint.

initiative significantly de-risks our entire operational matrix, providing a competitive edge that transcends price points. Our capability to produce 7.3 million tonnes of steel annually is now backed by a power source that strongly supports its operational feasibility year-round, regardless of external shortages or infrastructure failures. This is the new standard of assurance we offer the world.

Saeed Zarandi

CEO Mobarakeh Steel Group

The Mobarakeh Steel Group at a Glance

Following the Iranian Revolution and the Iran-Iraq War, the original 1975 agreement with an Italian consortium to build a steel plant in Bandar Abbas was completely revised. The project was relocated to Isfahan Province, where the cornerstone was laid in 1981. Under the new contract, the Iranian side assumed responsibility for execution, while the foreign partner provided supervision, equipment, and technical know-how. The first phase, with an annual capacity of 2.4 million tonnes, became operational in 1992. Over the next three decades, the company and its subsidiaries expanded to a massive 10.3 million tonnes of total capacity, transforming the group into the largest steel company in the Middle East and North Africa with more than 130 firms across 24 Iranian provinces.

Financial year ending March 20, 2025

- Crude steel production of Mobarakeh Steel (MSC): **7,300,769 tonnes**
- Mobarakeh Steel Group (MSG): **10,033,430 tonnes**
- Mobarakeh Steel Group (Iranian crude steel production Share): **32.9 percent**
- Production of **26 new grades of steel in the Group**
- Production of special products: **2,254,000 tonnes**
- Export of products: **1,300,000 tonnes**
- Product quality index: **94.4 percent**
- Operational income: **343,635 billion Toman**
- Net Profit of Mobarakeh Steel Company: **108,803 billion Toman**
- Number of Permanent and Contractual Employees at Mobarakeh Steel Company: **29,096**
- Lost-time Accidents per Million Hours Worked (LTIFR): **0.86 Safety Index (FR)**
- Number of Subsidiaries and Affiliates of Mobarakeh Steel Group: **134 companies**
- Number of Steel Grades Produced: **620 steel grades**

Strategic Financial Steering:

Shining on the International Stage: MSC Secures Three Top Honors

The CEO of Mobarakeh Steel Group announced the group's brilliant performance on the international stage by securing three top honors, stating: "Today, we are witnessing the fruition of the efforts of the production frontline champions in Mobarakeh Steel."

Saeed Zarandi, CEO of Mobarakeh Steel Group, in an interview with Foolad correspondent, commented on the new achievements of this major industrial group on the global arena: The inclusion of Mobarakeh Steel's innovative project among the world's top seven steel schemes, receiving the global Climate Action Certificate (monitoring, measuring, and comparing carbon emission intensity in the steel industry) for the 15th consecutive year, and the recognition of Mobarakeh Steel's project, "Smart System for Identifying and Preventing Ergonomic Risks" (Ergonomica AI), by the World Steel Association as one of the top innovative actions in occupational health and safety in 2025, are among the significant honors recently achieved by Mobarakeh Steel Group.

He continued by elaborating on these projects, adding: Following the announcement by the World Steel Association, Mobarakeh Steel's innovative project titled "Conversion of Hot Rolling Clarifier Sludge and Cold Rolling Oxide Powder into 69% Grade Concentrate" was ranked among the world's top 7 steel schemes in the field of sustainability.

The CEO of Mobarakeh Steel Group noted: This project, executed with the aim of recovering valuable materials from industrial waste, succeeded not only in resolving an environmental challenge for the hot and cold rolling lines but also in producing high-purity iron concentrate and chlorine-free by-products. The outcome of this innovation prevents the annual consumption of 125,000 cubic meters of fresh water and stops the emission of approximately 1,291 tonnes of CO_2 gas in the region.

Mobarakeh Steel Project Among the 7 Selected Schemes for the Steelie Awards 2025 in Sustainability

He further asserted: By creating over 100 stable job opportunities, this project is considered a successful example of realizing the circular economy and green steel on an industrial scale. The World Steel Association has announced this project as one of the selected schemes for the prestigious Excellence in Sustainability (Steelie Awards 2025).

Zarandi emphasized: Mobarakeh Steel's place-

ment on the final shortlist for this global award is a clear testament to the company's commitment to innovation, sustainability, and environmental responsibility, and another honor on Mobarakeh Steel's path toward green steel production and the realization of sustainable development in the country's steel industry.

Global Climate Action Certificate Awarded to Mobarakeh Steel Group Among the World's Top 28 Steel Producers

He stated: In today's world, where the climate change crisis has become one of the most critical global challenges, Mobarakeh Steel has moved environmental sustainability from the level of mere slogans to the realm of action with a data-driven, scientific, and responsible approach. Mobarakeh Steel has solidified its position among the world's leading players in the steel industry through continuous and transparent performance in reducing greenhouse gas emissions.

The CEO of Mobarakeh Steel Group noted: Based on the latest report published by the World Steel Association, nearly 200 steel companies participate in the international "Climate Action" program.

He asserted: The international "Climate Action" program is one of the most credible global mechanisms for monitoring, measuring, and comparing carbon emission intensity in the steel industry.

Zarandi clarified: Among these, only 58 companies have successfully received the Climate Action Certificate, and of those, only 28 companies globally have managed to participate in this program for 15 consecutive and uninterrupted years.

He stated: Mobarakeh Steel now proudly stands alongside these 28 companies"— a position achieved only through consistency, data transparency, and a genuine commitment to sustainability.

The CEO of Mobarakeh Steel Group added: The official certificate issued by Worldsteel for 2025 not only confirms Mobarakeh Steel's 15-year participation in the Climate Action program but also indicates that the company's data has been accepted as part of the global benchmark for carbon emissions in the steel industry.

He expressed: This certificate is not merely a symbol; it is an official document of international trust in Mobarakeh Steel's environmental performance.

Zarandi emphasized: This success has been achieved while Mobarakeh Steel, through the implementation of targeted projects including the development of solar power plants, improvement of energy efficiency, execution of greenhouse gas accounting, and calculation of the carbon footprint, has successfully obtained certificates related to the international standards ISO 14064 and ISO 14067, and is scientifically and long-term pursuing the Decarbonization Pathway and achieving Green Steel.

He recalled: In Mobarakeh Steel's vision, sustainability is not a claim; it is a strategic, data-driven, and continuous choice that lies at the heart of future operational decisions and investments. Mobarakeh Steel's inclusion among the world's top 28 companies is not only an honor for Iran's steel industry but also a clear indication of this complex's global capacities in moving toward a sustainable, responsible, and green future.

Mobarakeh Steel's Ergonomica AI Scheme as the World's Top Steel Industry Safety and Health Scheme

The CEO of Mobarakeh Steel Group also announced Mobarakeh Steel's inclusion among the world's top safety and health companies, stating: Mobarakeh Steel's scheme, "Ergonomica AI – Smart System for Identifying and Preventing Ergonomic Risks," was selected by the World Steel Association as one of the top innovative actions in occupational health and safety in 2025 and was published in the association's official journal. He further added: This achievement is the result of the efforts of specialists in Mobarakeh Steel's Safety and Health Unit in employing a smart system that uses Artificial Intelligence technology and image analysis to monitor the physical condition of employees during work. It then uses accredited ergonomic models (such as REBA and RULA) to identify movement risks and automatically reports them.

The CEO of Mobarakeh Steel Group noted:

Based on the data recorded in this system, the number of days resulting from musculoskeletal disease leave in Mobarakeh Steel decreased from 2,697 days to 1,553 days in 2024, which means a 42.41% reduction in this type of injury.
He continued: Furthermore, the average time for assessing employees' physical condition has dropped from 25 minutes to less than 5 minutes, and overall, the analysis speed has increased by over 80%. This transformation, in addition to a direct saving of 5.5 billion Rials, has also provided the basis for reducing occupational fatigue, increasing satisfaction, and enhancing employee productivity.
Zarandi clarified: This system operates without the need for wearable equipment, using only the existing CCTV cameras in the work environments, and allows for the simultaneous, real-time assessment of several individuals. Moreover, the establishment of a specialized Ergonomics Laboratory at Mobarakeh Steel enables the combination of physical, cognitive, and physiological assessments, leading the acquired data to preventive measures and the modification of workstation designs. He expressed: In the introduction section of the Worldsteel global report, Mobarakeh Steel's special focus on "ergonomics, employee health, and prevention culture" was mentioned as an inspiring example for other steelmakers worldwide. The publication of this project alongside companies such as ArcelorMittal, POSCO, and Tata Steel solidifies Mobarakeh Steel's position as a pioneer of innovation in occupational safety and health at the international level.
The CEO of Mobarakeh Steel Group emphasized: The goal of developing Ergonomica AI is not merely to design a software but to create a culture of smart care and the integration of technology with human responsibility.
He concluded: This is a path that will continue in the future with developed versions of this system in other units. Undoubtedly, this success is another golden page in the global record of Mobarakeh Steel Group and a symbol of Iranian technical capability and innovation in the field of industrial health and safety.

The News Desk

Mobarakeh Steel Group Leads National Non-Oil Exports

The CEO of Mobarakeh Steel Group announced that the company has cemented its position as a pioneer in the nation's non-oil exports, having successfully generated over $450 million in foreign currency revenue from exporting more than 1.2 million tonnes of its products during the first six months of the current Iranian year.

Saeed Zarandi, CEO of Mobarakeh Steel Group, commented on the occasion of October 21st (Mehr 29th), National Export Day, stating that Mobarakeh Steel Group has created significant foreign currency revenue for the country in pursuit of its export targets, effectively fulfilling its role as the leading non-oil exporter.

He further elaborated on the significant growth achieved: "While the overall export volume across the nation's entire iron and steel chain only grew by 45% in the first half of the current year compared to the same period last year, the export of flat steel products experienced a 270% surge during the same period. Mobarakeh Steel, as the largest steel producer in the country, played a critical role in achieving this success."

- **The Impact of Mobarakeh Steel's Direction on Value-Added Exports**

The CEO noted that the Group's strategic direction has significantly influenced the quality and value of the country's overall exports. He highlighted the comparative growth figures, stating: "From the perspective of export value, compared to the first six months of last year, the entire iron and steel chain experienced a 26% growth. However, the export value of the country's flat steel products grew by 186%. This clearly indicates that the focus of enterprises like Mobarakeh Steel on exporting higher value-added products has been instrumental in realizing this high growth rate."

He continued: "Fortunately, Mobarakeh Steel Company successfully met its export targets during the first half of the current year, shipping over 750,000 tonnes of products—including slab, hot rolled coil, cold rolled coil, galvanized, and colored sheets—to global markets. This volume represents a 120% growth compared to the corresponding period last year."

- **Mobarakeh Group Exports Exceed 1.2 Million Tonnes in Six Months**

Zarandi emphasized the Group's robust performance, confirming: "At the Mobarakeh Steel Group level, exports of over 1.2 million tonnes of products were achieved during the first six months of the current year, resulting in over $450 million in foreign currency earnings for the entire Group."

He further clarified the rationale behind the aggressive export push: "While prioritizing the supply of the domestic market and adhering to the Market Regulation Headquarters' directives, Mobarakeh Steel has developed its exports and presence in global markets, driven by the crucial need to secure foreign currency. This initiative was particularly vital given the prevailing recession in the domestic market and the lack of demand on the Mercantile Exchange (Bourse-e Kala), where a lack of export focus could have otherwise led to production cutbacks across the company's lines."

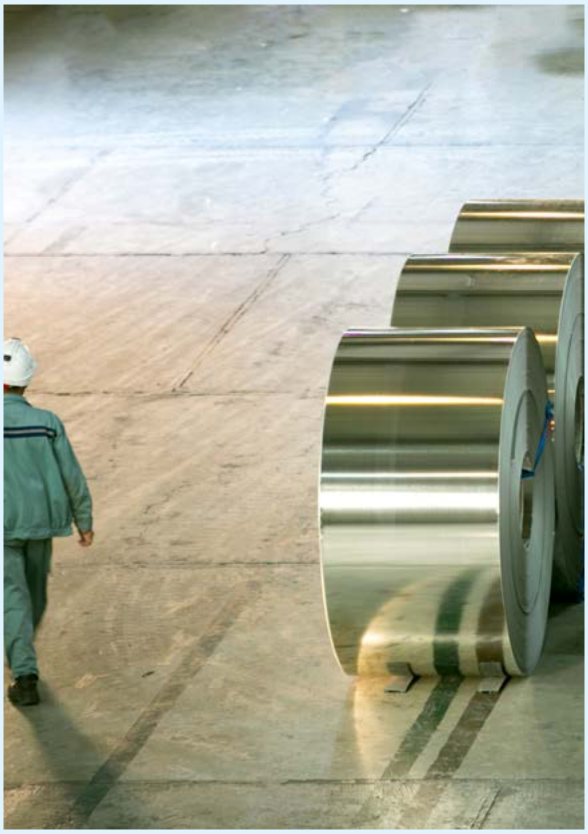
Mobarakeh Steel Offers Hot Rolled Coil on Export Ring for the First Time

In a move signaling product diversification and higher value generation in the export arena, the CEO announced an important market innovation: "Mobarakeh Steel entered new markets through export marketing and product diversification, offering its Hot Rolled Coil product for the first time on the Export Ring of the Mercantile Exchange, in addition to slab. This innovation is aimed at creating higher value through new market penetration."

- **Policy Support Needed for Export Strategy**

Concluding his remarks, Zarandi underscored the necessity of governmental support: "Facilitating the sale of foreign currency earned from Mobarakeh Steel's exports in the Second Hall of the Exchange Center is essential to compensate for a portion of the costs associated with the exports of this major industrial Group. This requires the support of officials for the country's export policies."

He added: "We also anticipate that current regulations will be amended to prevent the unofficial export of steel to neighboring countries. It is our hope that, with the continued support of export policymakers and the dedication of Mobarakeh Steel Group employees, the second half of the current year will see improved business conditions, allowing us to meet production targets and achieve new records in Group exports."



TavanAvar Asia Co. Targets Global Tinplate Market

Foulad TavanAvar Asia Co., one of Iran's leading high-quality tinplate producers, has officially announced its entry into the international export market. The announcement was made at the Tabriz International Metafo Exhibition. Leveraging its 150,000-tonne annual capacity and modern technologies, the company asserts its products are globally competitive.

The initial export phase targets high-growth markets, including Iraq, Pakistan, Oman, and Eurasian countries, focusing on their expanding food packaging and can-making industries. TavanAvar Asia is actively securing international certifications and establishing a foreign sales network to ensure a sustainable presence.

According to the company's sales manager, a strategic plan is in place to allocate a significant portion of production to exports within the next three years. This move aims to bolster the "Iranian brand" and capture a substantial share of the global tinplate market, aligning with technological updates in the chemical and food packaging sectors.

CEO of MSG Announces Readiness for Expanding Joint Cooperation with China's Steel Industry

The Deputy Minister of Industry, Mine, and Trade (IMID) and Chairman of the Board of IMIDRO (Iranian Mines and Mining Industries Development and Renovation Organization), accompanied by the CEO of Mobarakeh Steel Group, attended the China International Mining Conference and Exhibition 2025, which is being held from October 23 to 25, 2025, at the "Meijiang" Convention and Exhibition Center in Tianjin, China. They discussed and exchanged views on strategies for expanding joint cooperation between Iran and China in the steel industry sector.

Saeed Zarandi, CEO of Mobarakeh Steel Group, in his speech at the China International Mining Conference 2025, while presenting a performance report of the Group's sustainability activities, announced the Mobarakeh Steel Group's readiness for cooperation with China's steel industry in three priority areas: Digital Transformation, Production of New High Value-Added Products in the Cold Rolling downstream sector, and Green Steel Production.

He went on to introduce Mobarakeh Steel Group as the largest producer of diverse steel products in Iran and considered the establishment of an office in Beijing essential to provide a platform for greater cooperation with China and its steel industries.

Zarandi noted: "Iran ranks tenth among the world's steel producers, with 31.4 million tonnes of crude steel production in 2024, and Mobarakeh Steel Group, with a production of over 10 million tonnes of crude steel, ranks forty-fourth among the world's steelmakers."

It is worth mentioning that during this business trip, Mohammadmasoud Samieinejad, Deputy Minister of IMID and Chairman of the Board of IMIDRO, heading a delegation of managers from major mining and mineral industries companies, held a joint meeting with Abdolreza Rahmani Fazli, Iran's Ambassador to Beijing, to discuss areas for developing cooperation with China and the path for collaboration in achieving Iran's macro goals for the mining and mineral industries.

Saba Steel Breaks Daily Production Record for Third Time in October

Saba Steel and Rolling Company achieved a new daily production record for hot coil, producing 6,234 tonnes on October 20. This milestone marked the third time the record was broken in October, surpassing the previous high of 6,167 tonnes set earlier in the month.

This achievement is attributed to the exemplary coordination, high motivation, and collective effort of all production and support teams. Key operational factors included maximizing equipment capacity, reducing downtime for maintenance (like roll changes), and optimizing rolling conditions.

Contributions from all support units were critical: the refractory unit ensured high-quality materials and safe operations; the casting maintenance workshop's preventive actions guaranteed stability; and the overhead crane teams operated with full safety and coordination. The company stated that this success stems from leveraging indigenous knowledge, strong team spirit, and a commitment to continuous, safe production.

MSC Achieves First-Time Production of S235J2W Weathering Steel

Mobarakeh Steel Company (MSC) has successfully produced S235J2W atmospheric corrosion-resistant steel for the first time in Iran, meeting the EN10025-5 standard across a wide range (2-16 mm thickness). This "Weathering Steel" uses copper and chromium to form a protective "Patina" layer, offering a lifespan over five times longer than standard steel without needing paint.

This complex production required precise control across all units, including secondary metallurgy for refining non-metallic inclusions and continuous casting to manage segregation risks from the alloy elements. The product meets strong market demand from the construction sector for humid and coastal areas, making Iran self-sufficient and reducing reliance on imports from China and Turkey. Aligned with MSC's "green steel" goals, this durable product will drastically reduce lifetime maintenance, VOC emissions, and the overall CO_2 footprint, matching the sustainability benchmarks set by global leaders like SSAB and Nucor.

Atieh Foolad Advances Domestic Seamless Pipe Technology

Atieh Foulad Naghshe Jahan Holding is pioneering the localization of seamless pipe technology through its subsidiary, Atieh Looleh Partak. The company is successfully transitioning its 150,000-tonne capacity line, which initially used German and Polish equipment, to a cost-effective and efficient domestic model. This knowledge-based initiative was accelerated by local engineers who established an independent technical office to complete the project after pandemic-related delays. The facility produces pipes (0.5 to 6 inches) for strategic sectors like oil, gas, aerospace, and military industries.

A crucial partnership with Isfahan University of Technology is enhancing the production line's durability by focusing on the MPM process, advanced surface coatings for key components like mandrels, and developing novel nano-lubricants (containing graphene and copper) to reduce friction, wear, and energy consumption in high-temperature areas.

MSG Prioritizes Green Steel, AI, and High-Value Products in New Strategy

Mobarakeh Steel Group (MSG) has defined its future technology priorities in three strategic pillars: Circular Economy and Green Steel, Digital Transformation and AI, and the production of High-Value-Added Products. During a meeting with Isfahan elites, the company stressed its goal of transitioning from a technology user to an exporter of industrial knowledge and licenses.

A strong, "agile" collaboration is underway with the National Elites Foundation, supporting 65 research projects (34 in implementation). MSG, a recent Steelie Award winner for a sustainability project recycling sludge into high-value material, plans to increase its total investment from 8.5 billion to 12 billion Euros. This partnership with the elite foundation will be reformed to better serve industrial needs. The approach will shift from "supply-driven" to "demand-driven," utilizing methods like reverse-pitch events to identify and fund solutions for the company's specific technological challenges.

Green Steel Goals Advanced by New Domestic Waste Recovery Unit at MSC

Mobarakeh Steel (MSC) is ensuring its sustainable development and enhancing product quality by implementing knowledge-based projects, overcoming challenges from sanctions. A key part of its "green steel" strategy is the circular economy, marked by the launch of Iran's first steel industry waste recovery unit.

This new facility processes clarifier sludge and oxide powders using an advanced, fully domestic technology. The knowledge-based process boasts an efficiency of over 90% and an annual recovery capacity of over 25,000 tonnes of process waste.

Using nanostructure materials, advanced oxidation, and microfiltration, the unit converts this waste into high-purity iron concentrate for reuse in the pelletizing plant. The system is designed to be zero-waste, as the separated, non-polluting impurities can be repurposed for use in construction materials like bricks and flooring.

AMCO Targets Eurasia Market for Export Growth

The Chaharmahal and Bakhtiari Automotive Sheet Company (AMCO) has identified the Eurasia and Caspian Sea region as a key opportunity for export growth. The company views the recent signing of a free trade agreement in the region as a significant event that provides a new path for developing Iran's steel product exports.

Company sources note that groundwork in the export sector has removed many obstacles, revealing strong demand from foreign markets for its automotive sheets. AMCO's participation in the region's Trade Cooperation Council summit is expected to further develop cooperation with these growing markets.

The company considers exports crucial for production sustainability. With many domestic steel products currently facing a surplus, managing this excess supply through exports is essential to prevent potential production stoppages. Exports are viewed as the key to ensuring the continuity of production within the steel industry.

MSG Products Receive High Praise from Home Appliance Manufacturers

Mobarakeh Steel Group (MSG), a key sheet supplier, showcased its capabilities alongside subsidiaries at the 25th International Home Appliances Exhibition (Hamex 2025). The group received significant feedback from major industry customers.

A long-standing home appliance manufacturer (producing heaters and coolers) praised the consistent high quality of MSG's galvanized and cold-rolled sheets, noting their entire production line is designed around them. They also indicated that a new smart heater project will increase their future demand.

Another customer, a refrigerator producer, also confirmed the high product quality but urged MSG to expand its color diversity—specifically in black and crimson—to boost competitiveness in export markets. This manufacturer also appealed for solutions to enable the direct procurement of sheets, which would bypass the open market and make production more economical.

The Dual Benefit:

Operational Certainty Meets Environmental Responsibility

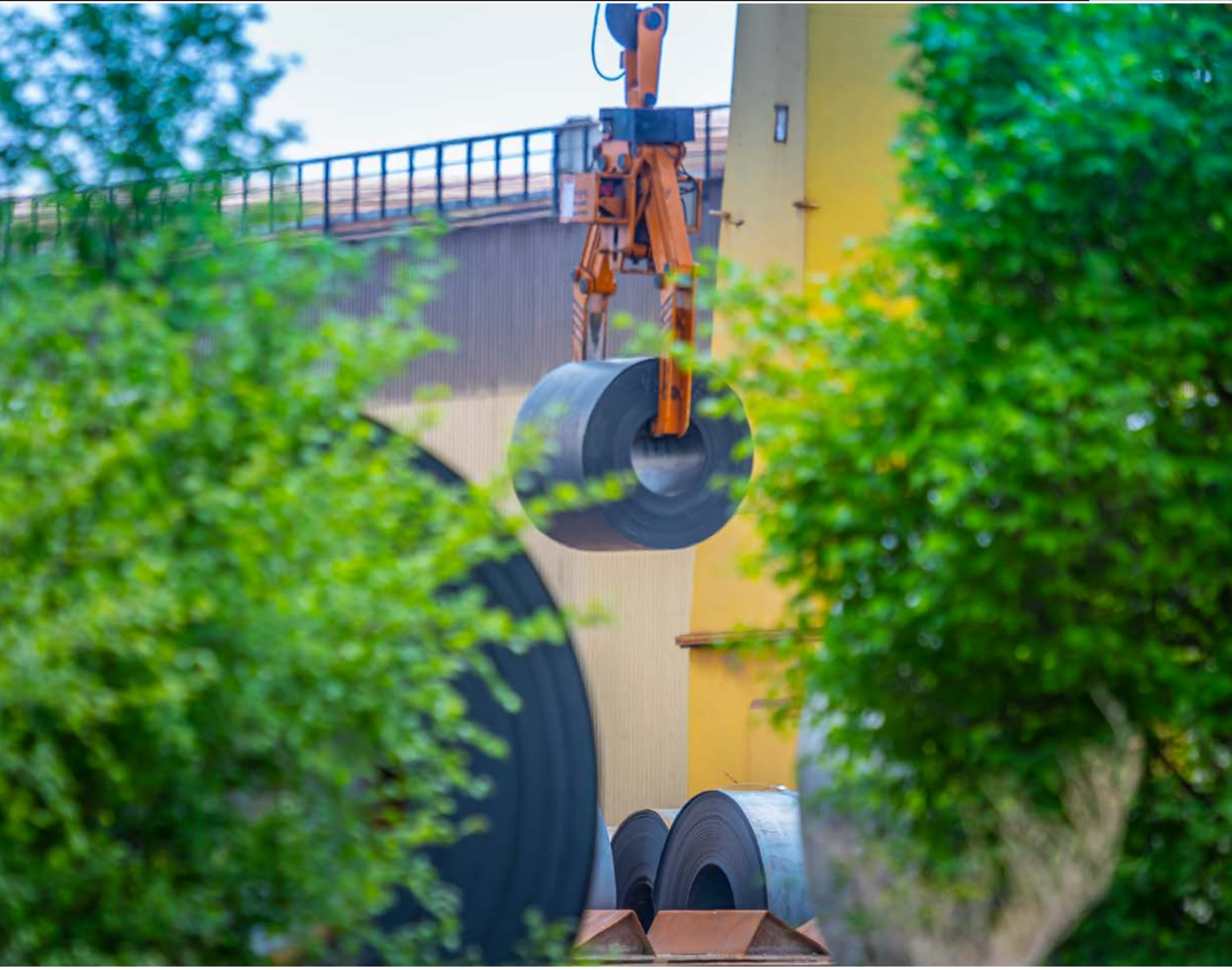
The dual strategy—energy independence via the 914 MW power plant and water efficiency via the "Blue Steel Strategy"—demonstrates MSC's ability to ensure operational certainty while fulfilling environmental and social responsibilities.

The strategic imperative to achieve comprehensive resource self-reliance is meticulously executed through foundational investments explicitly designed to yield a critical and powerful dual benefit: absolute operational certainty for the core business and measurable resource relief for the wider community and environment. Forthcoming features will emphatically demonstrate how the colossal 914 MW Combined Cycle Power Plant acts not only as an indispensable, dedicated power source for the vast production complex, but also functions as a highly responsible industrial entity that actively mitigates pressure on the national electricity grid. This power contribution constitutes a vital and integral aspect of the Group's Corporate Social Responsibility (CSR), as reducing massive energy withdrawal from the national infrastructure effectively helps stabilize energy access for general citizens and other essential sectors, creating a powerful external benefit that enhances social stability.

Concurrently, the Group's comprehensive "Blue Steel Strategy" directly addresses the perennial challenge of industrial water scarcity through the rigorous implementation of cutting-edge recycling technologies and sophisticated closed-loop systems. These systems dramatically boost internal water recovery rates to near-optimal levels, thereby significantly reducing the Group's overall environmental footprint and successfully securing the water supply independently of external fluctuations. This proactive approach ensures that production is resilient to regional droughts and climate challenges.

These two massive initiatives, focusing on energy self-sufficiency and resource efficiency, are intrinsically linked and unified under the Group's larger, overarching umbrella of Sustainable Resilience. By pioneering and implementing these integrated, data-driven strategies, Mobarakeh Steel Group distinguishes itself as an exceptionally reliable global partner that successfully manages large-scale industrial production with both acute commercial necessity and unwavering environmental responsibility, setting a new international benchmark for integrated industrial sustainability.

This holistic approach proves the Group's commitment to not sacrificing environmental integrity for industrial output; rather, it demonstrates that superior environmental management is a prerequisite for superior industrial performance, reflecting the principles articulated in the



*"MSC **relies on its internal resources to guarantee not only our own sustainability, but the stability of our entire supply chain network.**"*

Group's latest Sustainability Report. The stability engineered internally through these complex, comprehensive infrastructure projects directly translates into the supply confidence required by global partners to secure their own complex manufacturing schedules and successfully meet their internal and external sustainability commitments, proving the significance of ESG factors in every strategic decision. The incorporation of ESG metrics into the long-term strategy demonstrates a commitment to sustainable value creation, moving beyond short-term profit motives to ensure enduring success for all stakeholders. This dual focus is the very definition of modern industrial leadership.

The Power Mandate:

Securing Uptime with Class F Technology

The plant utilizes advanced Class F gas turbine technology to ensure superior thermal performance and maximize resource utilization through its combined cycle configuration, aligning operational stability with "Green Steel" objectives.

In a decisive action that redefines industrial security, Mobarakeh Steel Group has taken the strategic step of internalizing complete and independent control over its most critical resource: electricity. The 914-megawatt Combined Cycle Power Plant is the physical and strategic embodiment of this shift—a massive, forward-looking investment in the Group's long-term resilience and market credibility. This project is an emphatic declaration to the global steel market that Mobarakeh's operations are now systematically secured against the volatility of external grid vulnerabilities.

The strategic selection of state-of-the-art Class F gas

turbine technology for the plant was a deliberate choice, dictated by an executive mandate for maximum long-term operational efficiency and a reduced environmental footprint.

Representing a pinnacle of modern engineering, Class F technology provides superior thermal performance, maximizing the electrical power generated from fuel input compared to older models. This superiority is critical for controlling long-term operational costs and ensures operations are consistent with Best Available Technology (BAT) standards.

Furthermore, the plant's combined cycle configuration inherently maximizes resource utilization. It achieves this by capturing the vast waste heat from the primary gas turbines and repurposing it to generate substantial additional steam power without supplementary fuel. This highly efficient, two-stage conversion process directly aligns with the Group's overarching "Green Steel" objectives, proving that energy self-reliance can be achieved alongside stringent international sustainability standards.

This investment in technical excellence translates directly into market certainty. By guaranteeing the precise flow of electricity needed for 100% operational uptime, a major source of supply uncertainty is eliminated. This is vital for fulfilling Mobarakeh's foundational role: supplying over 70% of Iran's total flat steel demand and meeting international export quotas of 1.375 million tonnes. Crucially, this is not just about power quantity, but quality. The stability provided by Class F turbines is essential for maintaining the metallurgical precision required for high-value steel grades, directly supporting the Group's 91.2% Product Quality Index. This comprehensive energy solution removes operational risk from the customers' supply chain, delivering a higher value proposition than price alone.

This plant is not viewed as an expense but as a strategic investment in process quality and long-term market security. It is the strongest possible demonstration of Mobarakeh's ability to control its destiny and, fundamentally, an investment in the certainty and peace of mind of its global partners.

Project Management Excellence:

Record-Breaking Construction and Social Benefit

The 914 MW power project set a national record for the fastest construction time, demonstrating MSG's organizational agility and project management excellence in executing grand-scale strategic mandates with speed and precision.

The execution timeline of the 914 MW Combined Cycle Power Plant is as strategically significant as its core technological specifications. The successful and remarkably rapid completion of this project is a powerful and verifiable testament to the Mobarakeh Steel Group's exceptional executive efficiency, robust project management capabilities, and unwavering resolve. Specifically, a national record for the fastest completion time for a facility of this immense scale and technical complexity was set by the project, clearly underscoring the Group's unique and proven ability to execute complex, grand-scale infrastructure mandates with superior speed, pinpoint precision, and unyielding adherence to world-class quality standards. This demonstrated organizational agility and effectiveness is a key, non-technical indicator of the Group's capacity to deliver swiftly and decisively on its most critical strategic mandates—a capability highly valued and prioritized by global investors and commercial partners who demand timely delivery.

Beyond its vital internal industrial function, the rapid commissioning of the plant fulfills a crucial, quantifiable aspect of Corporate Social Responsibility (CSR). By immediately injecting 914 MW of dedicated power into its own operations, Mobarakeh Steel strategically mitigates a substantial portion of the enormous industrial demand previously placed on the fragile national electricity grid. This proactive measure provides an indispensable public service by significantly reducing strain on the external infrastructure, thereby contributing strategically to the overall stability of energy access for general citizens and other essential sectors across the country. This action creates a powerful, demonstrable dual benefit: absolute operational certainty for the Group's business and critical resource relief for the wider community. The successful and record-setting completion of the power plant is regarded as definitive proof of the Group's executive strength and commitment to both economic profitability and social stability.

Furthermore, the technological advantage of this facility is being extended through the integration of Artificial Intelligence (AI) into its energy management systems. This use of AI for optimizing consumption and predicting demand is a testament to the Group's commit-

ment to innovation beyond product and into core infrastructure. AI integration enhances efficiency, reduces fuel waste, and minimizes operational risk, which directly contributes to the stability required for maintaining the product quality. The Group is continuously striving to leverage technology for dual value creation: industrial efficiency and environmental sustainability, which fully aligns with the Group's CSR principles. This proactive and technologically advanced governance of the energy supply differentiates Mobarakeh Steel as a reliable partner prepared for the future energy landscape.

RESOURCE MANAGEMENT

The Blue Steel Strategy:

Redefining Resource Efficiency in a Water-Stressed Region

MSC's "Blue Steel Strategy" focuses on rigorous water management, maximizing recycling rates through closed-loop systems, and reducing dependency on freshwater—a strategic move that ensures sustainable, predictable production.

For Mobarakeh Steel Group, which operates in a region facing increasing environmental constraints and perennial water scarcity challenges, rigorous resource management is not regarded merely as a regulatory compliance measure, but as a critical and urgent strategic imperative for long-term operational resilience and securing the social license to operate.

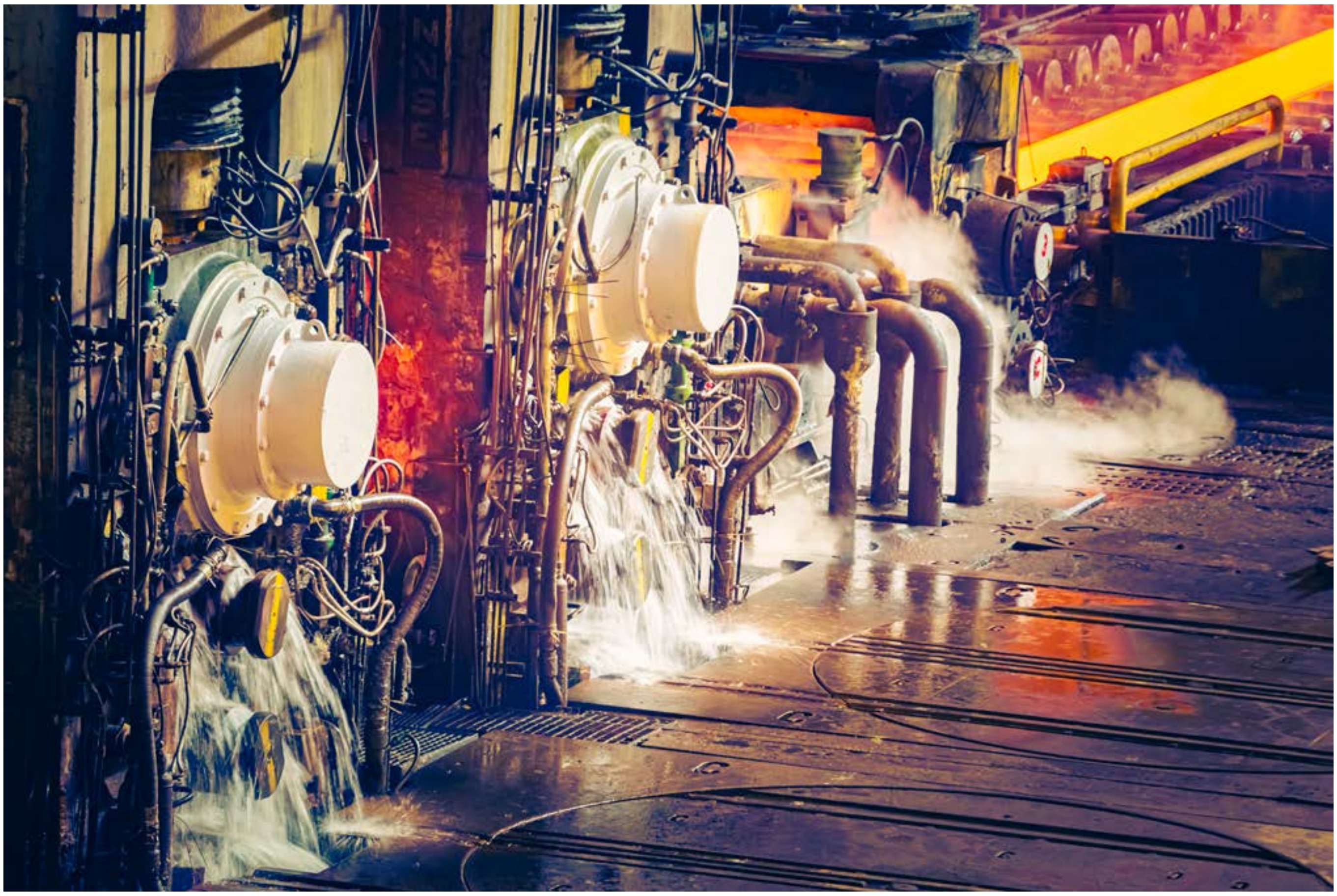
The "Blue Steel Strategy" has been developed by the Group as a comprehensive, science-based, and forward-thinking approach to water security, which explicitly acknowledges that the future of large-scale, sustained industrial production is inextricably linked to the responsible stewardship of shared and finite resources. This strategy is focused on deep and continuous process optimization, the objective of which is to achieve a drastic reduction in reliance on freshwater inputs supplied from external sources.

An unwavering commitment to maximize the recycling and reuse of water across all stages of the production cycle is being pursued, an action deemed essential for minimizing the Group's overall environmental footprint and demonstrating leadership in sustainable industrial practices. This resource-conscious approach is vital for assuring international partners, especially those focused on strict ESG (Environmental, Social, and Governance) compliance, that Foolad Mobarakeh's exceptional production volume is being maintained while the highest standards of environmental responsibility are simultaneously adhered to.

By pioneering solutions to water stress, a regional vulnerability is being converted into a decisive competitive advantage, thereby strengthening Foolad Mobarakeh's position as a sustainable global supplier. The success of the Blue Steel Strategy is not measured solely by volume reduction but is also gauged by the technological sophistication employed. This includes the implementation of advanced membrane filtration technologies and meticulously designed closed-loop systems, through which near-optimal water recovery is achieved.

This systemic approach constitutes a fundamental pillar of Foolad Mobarakeh's commit-

ment to its stakeholders and customers: that resource limitations will not impair the company's capacity to consistently deliver high-quality flat steel. The Group's commitment extends directly to maintaining the stability of the national economy by supplying over 70% of Iran's total flat steel demand, a role that mandates unquestionable operational stability.



Data-Driven Management Guarantees Predictable Supply

MSC uses advanced monitoring and data analytics to track water usage in real-time, ensuring superior efficiency and translating water security from a local challenge into a verifiable global competitive advantage.

The operational effectiveness, integrity, and scalability of the Blue Steel Strategy are heavily reliant upon the continuous application of advanced analytics and real-time data monitoring systems across the entire production cycle. Technological investments in this area are meticulously designed to guarantee, with high certainty, that resource availability will never compromise the fundamental ability to fulfill critical global supply commitments.

Highly sophisticated monitoring systems are utilized to track water quality, flow rates, and consumption patterns in real-time across every single major zone of the steelmaking plant. This allows for immediate process adjustments and the maintenance of superior efficiency levels. This robust, data-driven strategy is instrumental in elevating water security from what could be perceived as a mere local operational challenge into a definitive, verifiable global competitive advantage. By providing international clients with access to transparent and accurate data on resource consumption metrics, confidence is actively instilled that the steel production operations of Mobarakeh Steel are both sustainably managed and highly predictable—two qualities that are non-negotiable in long-term commercial partnerships.

Predictability in resource management is just as critical a factor as capacity itself in the overarching supply chain assurance offered. Furthermore, the dedicated R&D teams are actively exploring the integration of Artificial Intelligence (AI) models to predict fluctuations in resource availability and optimize recycling parameters proactively, allowing peak efficiency to be maintained even under varied external conditions. This proactive use of technology ensures that the production schedule is shielded from external resource crises. This commitment to transparency and data-driven resource control is viewed as a cornerstone of the promise made to global partners, demonstrating a high degree of corporate governance and foresight. The successful implementation of these monitoring protocols allows processes to be continuously optimized, reducing the energy required for water treatment and transport, thereby creating a powerful synergistic effect with the energy self-sufficiency efforts. This integration underscores the holistic nature of Mobarakeh's resilience strategy. Every unit of water saved and recycled is viewed as a tangible increase in operational capacity, directly supporting the ability to meet ambitious global export targets year after year.

ESG Compliance and Securing Long-Term Viability

Mobarakeh Steel's proactive water management secures long-term operational viability by demonstrating unwavering adherence to stringent ESG benchmarks, confirming its status as an ethically responsible and low-risk global supplier.

The comprehensive efficacy of the Blue Steel Strategy is directly reflected in the unwavering adherence to stringent Environmental, Social, and Governance (ESG) benchmarks, which is paramount to securing long-term operational viability and maintaining broad international market access. Internal environmental compliance records are meticulously maintained and demonstrate an absolute commitment to meeting or consistently exceeding these sustainable targets, providing international partners with the necessary due diligence assurance required for ethical sourcing. This commitment is viewed as an investment in the social license to operate, a non-financial asset that guarantees operational continuity.

By proactively managing resource risks, Mobarakeh is effectively future-proofing its expansive operations against two major, interconnected threats: evolving global climate challenges, particularly drought, and the imposition of increasingly stricter international environmental regulations. This strategic approach to resource management is critical not only for regulatory compliance but also for securing and maintaining the continued confidence of international stakeholders, ethical funds, and commercial partners who prioritize verified environmental stewardship and responsible sourcing. Furthermore, the success in water recycling and efficiency serves as a powerful testament to the technological capability to solve complex industrial problems, a core trait highly valued in any sophisticated partnership. The implementation of closed-loop systems, for instance, dramatically reduces the volume of discharge into local ecosystems, mitigating potential environmental liabilities and reinforcing the dedication to regional ecological health. The Blue Steel Strategy ensures that Mobarakeh Steel remains a stable, ethically responsible, and low-risk supplier in an increasingly resource-conscious world, transforming a potential regional weakness into an undeniable financial and ethical asset.

This commitment is a core part of the pledge to sustainability, guaranteeing that economic prosperity is intrinsically linked to measurable ecological protection and resource optimization for the benefit of all. The leadership in water management is a clear sign that Mobarakeh is prepared to operate successfully under the most demanding global criteria, establishing itself as the responsible partner of choice in the global steel sector.

From Waste to Value: MSG's Circular Economy Mandate

Mobarakeh Steel Group is championing a circular economy, turning process waste into high-value assets. This strategy enhances self-sufficiency, adheres to environmental standards, and drives new, sustainable revenue streams.

Mobarakeh Steel Group is redefining resource management through its Process Waste Processing unit, transforming a traditional cost center into a strategic pillar of its circular economy ambitions. This comprehensive approach is divided into two key streams: metallic and non-metallic processing, both aimed at maximizing value and minimizing environmental impact.

On the metallic front, the unit is executing a decisive plan to achieve 100% self-sufficiency in scrap metal. By optimizing the processing of internal scrap, Mobarakeh has systematically reduced its reliance on external purchases. Purchases fell from 100,000 tonnes annually to 23,000 tonnes in 2024, with a goal of zero external procurement in 2025. In 2024, the unit processed 490,000 tonnes of internal scrap, targeting 520,000 tonnes in 2025. In 2024, the unit processed 490,000 tonnes of internal scrap, and it is targeting 520,000 tonnes in 2025. This move not only insulates the company from market volatility but also represents a multi-million dollar cost-saving initiative. "We are shifting our culture to see these materials not as "waste," but as valuable "by-products"—a core principle of the circular economy."

Non-metallic innovation drives ESG compliance. The unit's slag processing operations are a prime example. In 2024, 360,000 tonnes of slag were processed, with a significant portion used in internal development projects as a substitute for natural aggregates. This practice simultaneously preserves natural resources and reduces project costs.

Furthermore, advanced R&D has turned industrial sludge into a valuable asset. The hot rolling clarifier sludge project, now operational, produced over 20,000 tonnes of high-grade 69% iron concentrate in its first year alone, which is returned directly to the iron-making unit.

Addressing environmental challenges remains a priority. To manage difficult-to-process heavy scrap, the company is investing in new infrastructure, including enclosed cutting rooms with advanced dust collection systems, ensuring full compliance with envi-

ronmental regulations.
This strategic pivot to a circular model is foundational to Mobarakeh's future. The financial target for the Process Waste Processing unit in 2025 is to create approximately 5 trillion Toman in value through cost savings and sales, proving that sustainable, responsible operation is also smart business.

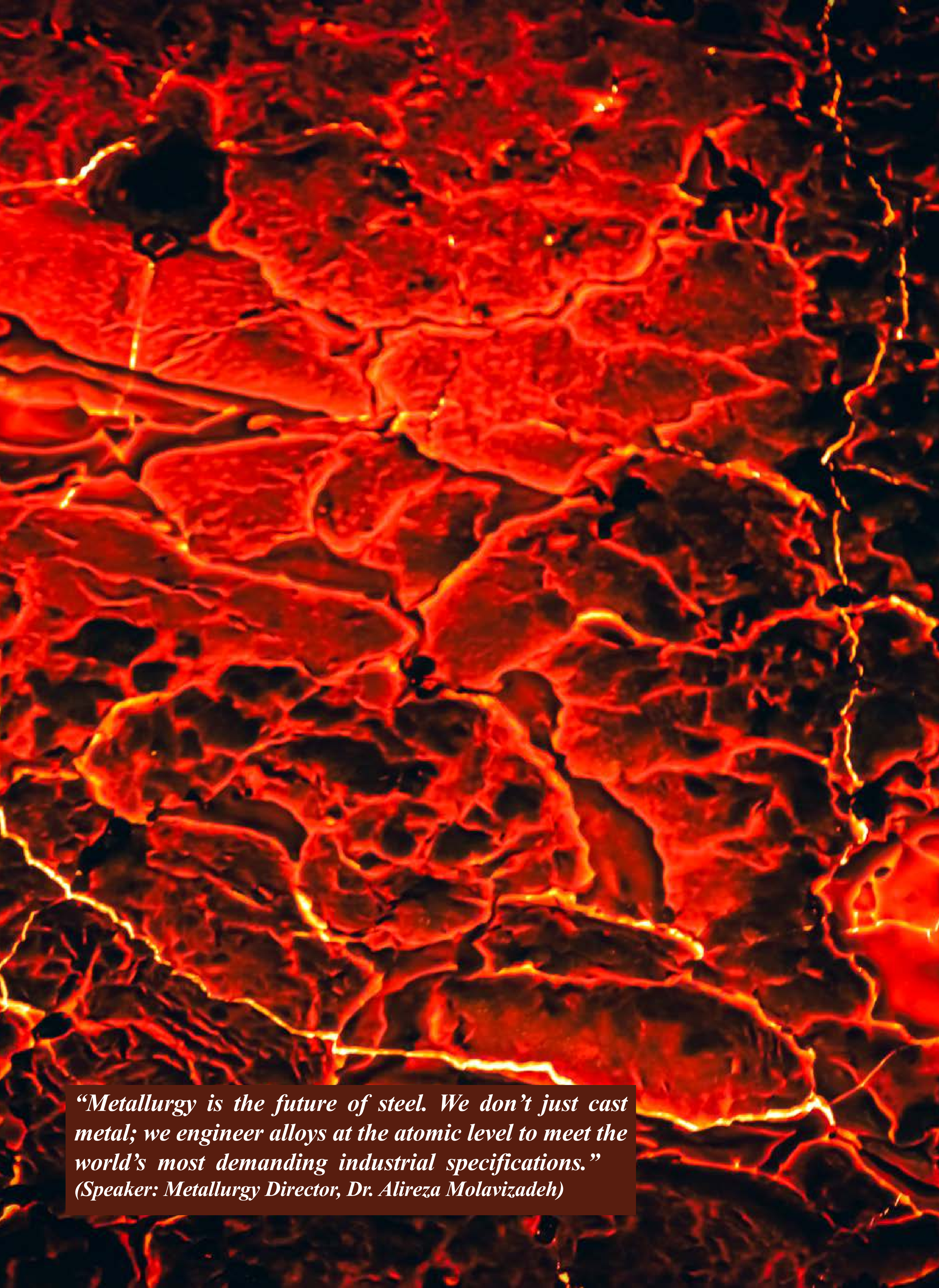
The Precision of Process:

MSC’s Mandate for Next-Generation Steel Grades

MSC’s R&D in Metallurgy focuses on creating next-generation steel grades for high-stress applications globally, guaranteeing product excellence (PQI 91.2%) through continuous process optimization and scientific rigor.

The competitive edge in the global steel market is no longer defined only by raw production tonnage, but by the sophistication of metallurgical precision and the ability to tailor materials for specific, high-demand applications. Mobarakeh Steel Group is strategically allocating substantial capital and elite expertise directly into the Metallurgy and Production Methods Unit, focusing its intensive R&D efforts on process optimization and the rigorous creation of specialty steel grades that consistently meet or exceed stringent international performance criteria. This internal mandate is designed to ensure MSC evolves rapidly and decisively from a high-volume commodity producer to an indispensable, high-value solutions provider on the global stage. The primary focus is to tailor steel properties at the microstructural level, providing advanced materials that perform optimally under the most extreme conditions, such as high temperatures, pressures, and corrosive environments.

Our scientific rigor extends across the entire production chain. Key R&D efforts include pioneering micro-alloying techniques, utilizing advanced rolling schedules controlled by precise automation, and implementing highly controlled cooling processes to achieve superior mechanical properties in critical applications. This scientific rigor is the bedrock of our quality assurance, extending to ensuring the highest, most consistent quality in every single batch produced. This dedication is externally validated by our impressive internal quality metrics, confirming that every product leaving our mill is a testament to cutting-edge material science and rigorous quality control. This sustained excellence is officially reflected in our consistently high internal Product Quality Index (PQI) of 91.2%. By investing deeply in the science of steelmaking and advanced production methodologies, Mobarakeh guarantees its international partners access to the most stable and technologically advanced flat steel products available. This focus on premium grades ensures that our products are not easily substituted and maintains a strong, defensible position in high-margin export markets. The stability of our internal energy supply is crucial here, as even minute power fluctuations can destroy the delicate thermal balance required for advanced metallurgical processes, confirming the interdependence of our resilience and innovation strategies.



"Metallurgy is the future of steel. We don't just cast metal; we engineer alloys at the atomic level to meet the world's most demanding industrial specifications."
(Speaker: Metallurgy Director, Dr. Alireza Molavizadeh)

Strategic R&D Focus:

From Volume to High-Value Solutions

MSC's strategic R&D aims to shift the portfolio from high-volume commodities to specialized solutions, focusing scientific resources on creating 12 new grades for high-stress applications in energy and automotive sectors.

The R&D mandate at Mobarakeh Steel Group is explicitly designed to execute a critical shift in the product portfolio: moving decisively from high-volume, lower-margin commodities toward a strategic focus on specialized, high-value-added solutions. This transformation is essential for securing long-term profitability and maintaining a defensible position against global competitors.

The core function of the Metallurgy and Production Methods Unit is the rigorous development and refinement of next-generation steel grades that anticipate and successfully exceed the technical demands of the most sophisticated industries globally. The scientific efforts of the Group are systematically concentrated on materials engineered specifically for applications subjected to the highest stresses, including high-pressure energy pipelines (demanding superior toughness and weldability) and advanced lightweight automotive construction (requiring optimal formability and crash safety).

This commitment has already yielded significant, quantifiable results, notably the successful development and commercial launch of 26 new specialized steel grades in the last fiscal year. These grades are not mere variations; they represent distinct metallurgical breakthroughs achieved through precise control over chemical composition and thermomechanical processing.

This dedication to scientific mastery translates directly into measurable, tangible benefits for global partners: superior and guaranteed material performance, significantly reduced risk of material failure in critical components, and increased efficiency and yield in their final manufacturing and assembly processes. The position of Mobarakeh Steel is clear: investment is being made in the future product quality and competitive differentiation of its partners.

Furthermore, the focus on high-value products ensures the efficient utilization of the Group's enormous production capacity. By maximizing the revenue generated per tonne of steel, the economic sustainability required to fund further infrastructural and R&D expansion is ensured. The stability supplied by the internal power generation is the essential backbone supporting this entire R&D mandate, as precise temperature control—critical for achieving the microstructural properties of these new grades—is only possible with an uninterrupted, high-quality energy supply.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Implementing Industry 4.0:

The Digital Core of Operational Excellence

MSC is pioneering the shift to Industry 4.0, leveraging AI, automation, and real-time data analytics across its massive plant to optimize energy usage, enhance process predictability, and establish a foundation for smart, efficient steel production.

The scale and complexity of Mobarakeh Steel Group's integrated operations necessitate a transformative shift toward Industry 4.0 principles, positioning the entire plant as a "smart manufacturing" ecosystem. This digital transformation is not simply about adopting new hardware; it is a fundamental strategic overhaul that centers on harnessing the power of real-time data analytics, sophisticated automation, and predictive modeling powered by Artificial Intelligence (AI). The integration of AI is particularly crucial in optimizing energy management, as evidenced by its application in the power generation and consumption network. This intelligent oversight allows for instantaneous adjustments to process flows, ensuring that energy is consumed with peak efficiency, thereby minimizing both waste and operational cost—a critical factor in maintaining global competitiveness and aligning with our ESG (Environmental, Social, and Governance) commitments.

The adoption of advanced automation and sensor technology across the Hot Rolling Mill (HRM) and Cold Rolling Mill (CRM) ensures a level of precision that is impossible to achieve through manual control. Thousands of data points are continuously analyzed to predict and prevent variations in steel gauge, temperature uniformity, and material composition before they can impact product quality. This shift toward predictive maintenance and manufacturing minimizes unplanned downtime, maximizes operational uptime, and directly contributes to our consistently high Product Quality Index (PQI). Furthermore, the digitalization of the supply chain—from the integration with key suppliers for raw material quality control to the automated tracking of finished goods—enhances transparency, traceability, and the overall efficiency of our delivery logistics.

This rigorous, data-driven approach is also a cornerstone of robust governance and risk management. By automating decision-making processes based on empirical evidence, the Group reduces operational uncertainty and ensures that all activities strictly adhere to both internal quality protocols and stringent international regulatory requirements. The long-term vision of this transformation is to create an entirely adaptive, resilient, and virtually self-optimizing steel complex, where the flow of information is as crucial as the flow of molten steel, ensuring MSG's enduring technological superiority and its role as a stable, predictable partner in the global steel landscape.

Mastering the Local Mandate:

Supplying Over 70% of Iran's Flat Steel Demand

MSC prioritizes the domestic market, successfully supplying over 70% of Iran's flat steel needs. The sales strategy emphasizes transparency, direct distribution to SMEs, and a unified focus on high-quality customer experience to stabilize the national industrial chain.

The strategic function of Mobarakeh Steel Group within the national economy extends far beyond mere commercial transaction; it is the industrial backbone of Iran, a responsibility profoundly reflected in our unwavering commitment to prioritize the domestic market. Our operational mandate is centered on ensuring supply security and price stability for downstream industries, thereby supporting national manufacturing growth and employment. The fact that MSG successfully supplies over 70% of Iran's total flat steel demand underscores the massive scale of this domestic commitment and the intricate logistics required to manage such a critical resource flow. The Sales and Marketing division has strategically overhauled its approach, moving from a transaction-based model to one intensely focused on a customer-centric experience, ensuring that every customer, irrespective of their scale, receives consistent, high-quality material on time.

The complexity of serving a market of this magnitude necessitates a robust, transparent, and equitable distribution system. This commitment to fairness is critical, as it directly impacts the ability of small and medium-sized enterprises (SMEs) to access vital raw materials without market distortion or predatory pricing. By creating direct channels of communication and eliminating unnecessary intermediaries, the Group ensures that its pricing and delivery schedules are transparent, fostering trust and stability throughout the national manufacturing ecosystem. The strategic vision is to manage the domestic supply with such predictability and quality assurance that local manufacturers can confidently expand their operations, knowing that their foundational material source is secure, reliable, and technologically advanced. This dual focus on high volume and high integrity allows MSG to maintain its social license to operate while simultaneously driving national industrial progress. This focus is directly driven by the leadership of the Sales and Marketing team, which views every delivery as a promise kept to the national economy, reinforcing the belief that the health of the Group is inextricably linked to the prosperity of the nation's entire manufacturing base.

“Our mission is to serve all customers, from the smallest workshops to the largest industrial complexes, with the same level of commitment and transparency. No segment of the national industry is too small to be supported.”
(Domestic Sales Manager, Younes Hamzavi)

Stabilizing the Export Core:

MSC as a Predictable Partner in Global Supply Chains

MSC's export strategy focuses on stability and market penetration, delivering 1.375 million tonnes of product internationally. By prioritizing predictability and high quality, the Group successfully navigates complex global markets, elevating its brand as a reliable, long-term supplier.

While our commitment to the domestic market remains paramount, Mobarakeh Steel Group's strategic vision is fundamentally a global one, recognizing that sustained long-term success requires a strong, diversified presence in competitive international markets. Our export division operates not merely to sell excess capacity, but to strategically position MSG as a reliable, high-integrity supplier of flat steel products that meet the strictest international specifications. The achievement of exporting 1.375 million tonnes of product is a testament to the robust logistical framework and the uncompromising quality control systems that support our global outreach. This volume is critical for generating foreign currency reserves, diversifying revenue streams, and maintaining the operational scale necessary for technological reinvestment and continued production efficiency.

The process of navigating the complexities of global trade, including compliance with varied regulatory standards and managing intricate international logistics, is a core competency of the Group. Our export managers work proactively to build long-term, trust-based relationships with distributors and end-users across the Middle East, Africa, and parts of Europe and Asia, positioning our steel products not as commodities but as high-value, quality-assured materials. This deliberate emphasis on premium and specialized steel grades ensures that MSG is competing on quality and performance rather than simply on price, which is essential for sustainable growth in saturated markets. Furthermore, the commitment to transparent and ethical export processes reinforces our brand equity and assures international partners that we adhere to the highest standards of corporate governance. This elevation of the MSG brand from a regional powerhouse to a recognized global competitor is the strategic goal that drives our entire export mission, ensuring that the Group remains a vital, influential player in the international flat steel arena. Every successful international shipment not only fulfills a commercial agreement but also reinforces the image of a technologically advanced, reliable, and globally conscious Iranian industrial entity.

"Our export stability is a direct reflection of our operational stability. By reliably fulfilling our international commitments, we solidify our brand and elevate the perception of Iranian industry on the global stage."

(Speaker: Export Manager, Alireza Mansouri)

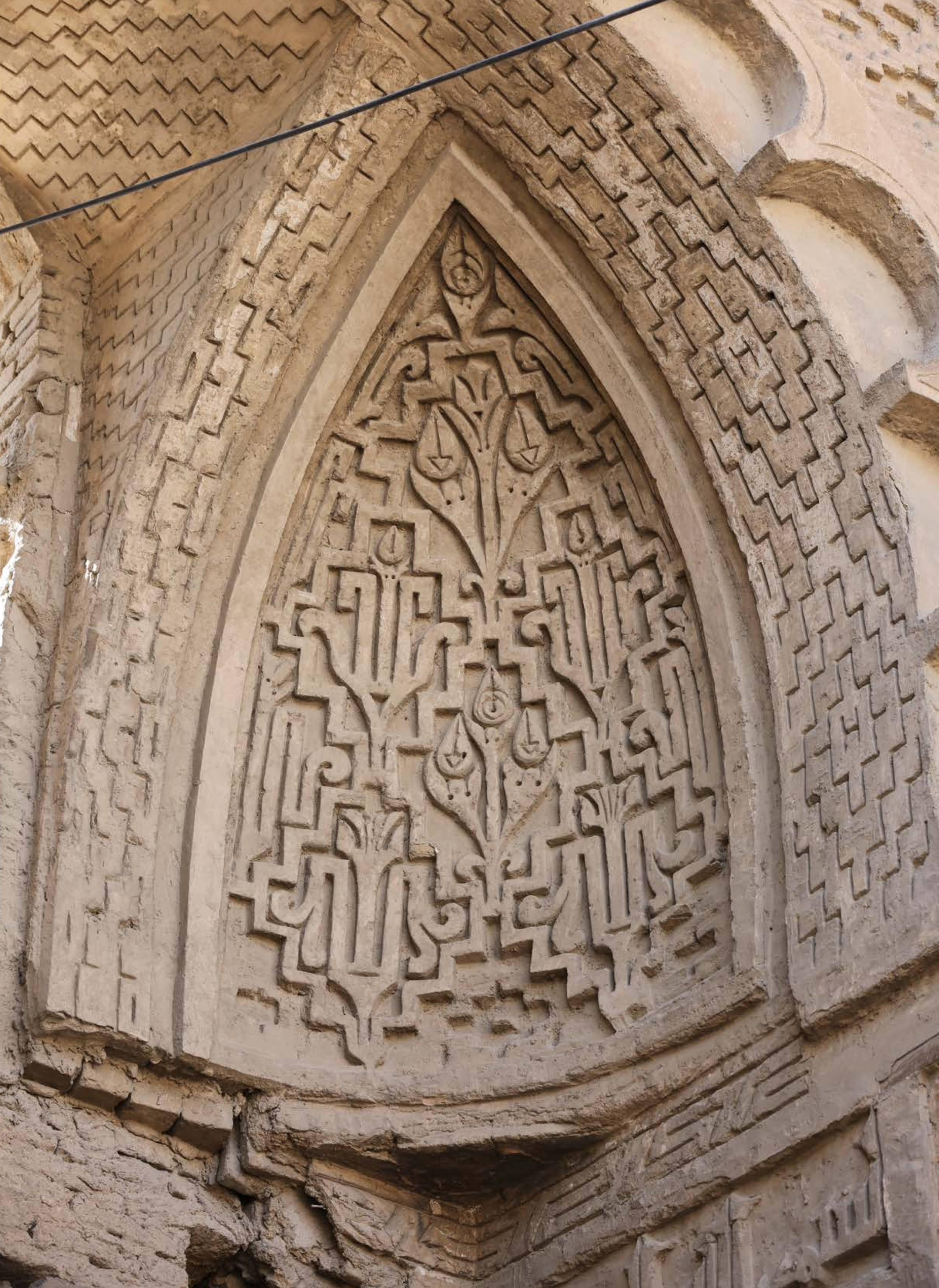
Isfahan: The Half of the World That Inspires Industrial Vision

Isfahan, the city of historical depth and breathtaking architecture, is more than a location for Mobarakeh Steel Company; it is a source of inspiration, connecting the ancient Persian legacy of precision craftsmanship to the modern engineering of steel.

For Mobarakeh Steel Group, the profound historical and cultural context of Isfahan is not merely an incidental geographical location; it is a vital part of our corporate identity and a silent partner in our commitment to excellence. Isfahan, famously known as "Nesf-e-Jahan" (half of the world), stands as a living testament to human achievement, where centuries ago, architects, artisans, and engineers reached a peak of precision, aesthetics, and structural integrity that continues to inspire awe. The seamless domes, the intricate tilework of the Naqsh-e Jahan Square, and the enduring strength of historical bridges like Si-o-se Pol and Khaju are tangible representations of an ancient Persian commitment to quality that predates the industrial age. The city's heritage offers a powerful, continuous reminder that enduring value is achieved through meticulous attention to detail and uncompromising quality—principles that form the core of modern steel production.

We see a direct philosophical link between the meticulous geometry of a Safavid-era mosque dome and the precise metallurgical requirements of a high-strength flat steel coil leaving our Hot Rolling Mill. Both demand zero tolerance for error, a deep understanding of material properties, and an unwavering focus on durability that extends across generations. By operating in the shadow of this immense cultural legacy, Mobarakeh assumes a unique responsibility as a cultural steward, recognizing that its industrial footprint must contribute positively to the region that hosts it. This commitment goes beyond simple environmental compliance; it means actively participating in the preservation and celebration of this irreplaceable heritage, ensuring that the industrial strength of today complements the cultural beauty of the past. The Group leverages this profound connection in its human resource development, drawing upon the inherent skills of the local population—a legacy of craftsmanship—and redirecting that innate attention to detail toward the high-tech requirements of modern steelmaking.

This symbiotic relationship transforms our operation into more than just a steel plant; it makes Mobarakeh a custodian of a standard of excellence that has been continuously evolving in this region for millennia. It is a pride point that anchors our global narrative: our steel is manufactured in a place where quality has been an art form for 400 years, offering a unique cultural depth that few global competitors can claim.



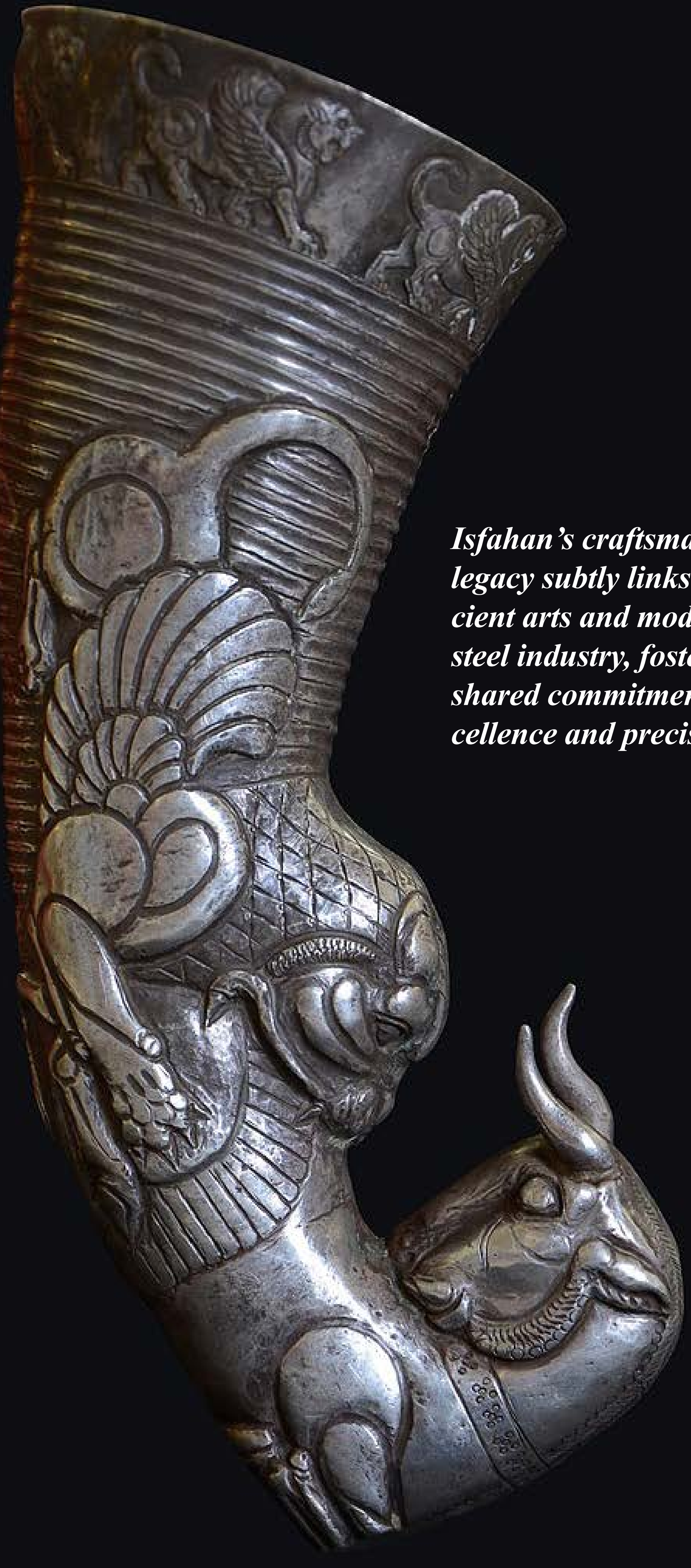
The Human Element:

Blending Local Talent with Global Industrial Scale

Actively invests in local talent development and the regional industrial ecosystem, fostering a bridge between Isfahan's historical culture of craftsmanship and the high-tech demands of the world's largest flat steel production complex.

The operational philosophy of Mobarakeh Steel Group is deeply rooted in the principle that its economic success must serve as a catalyst for sustainable regional prosperity. This commitment is particularly visible in the symbiotic relationship the Group maintains with the surrounding communities in the Isfahan province, which possesses a rich, generational history of precision engineering, metalwork, and craftsmanship. We recognize that the skilled workforce that drives our world-class production is largely drawn from this local talent pool, benefiting from an innate cultural appreciation for detail and quality instilled by centuries of artistry. Mobarakeh actively nurtures this resource through comprehensive technical training programs, vocational schools, and university partnerships, ensuring that the legacy of Isfahan's master artisans is seamlessly translated into the requirements of modern industrial scale.

Beyond human capital development, the Group is a crucial anchor for the entire regional industrial ecosystem, generating significant indirect economic activity through its extensive local procurement and supply chain initiatives. The policy of prioritizing local and national sourcing for parts, equipment, and services, wherever feasible, has created a robust network of domestic SME suppliers. This strategy not only builds industrial self-sufficiency—a key strategic goal—but also stabilizes local economies, transforming Mobarakeh's purchasing power into a broad-based economic multiplier effect for the Isfahan region. This intentional creation of a high-tech supply cluster in the region ensures that the wealth generated by steel production is recirculated locally, strengthening the community's overall economic resilience. This holistic approach to community engagement—from cultural preservation to direct economic investment—reinforces the Group's belief that true corporate strength is measured by the well-being of the society it operates within. This is our definitive answer to the call for Responsible Business Conduct, ensuring that the industrial might of Mobarakeh stands proudly alongside the historical grace of its host region, embodying the concept of shared value creation and sustainable regional development. The historical connection to metallurgy in Isfahan provides a unique, foundational understanding of material science among our local workforce, giving us a distinct, competitive advantage in production quality control.



Isfahan's craftsmanship legacy subtly links its ancient arts and modern steel industry, fostering a shared commitment to excellence and precision.

MSC and the Enduring Legacy of Sepahan Club – A Commitment Forged in Community

MSC's unwavering support for the 72-year-old Sepahan Club is a strategic CSR investment that nurtures national talent, champions women's sports, and provides a powerful 'human face' for the Mobarakeh Steel brand globally.

In today's global landscape, the role of large corporations extends far beyond their core industrial or commercial activities. Increasingly, leading companies are measured not only by their economic output but also by their contribution to the societies they operate within. Corporate Social Responsibility (CSR) has evolved from a peripheral activity to a central tenet of corporate identity and strategy. For Mobarakeh Steel Company (MSC), Iran's leading steel producer and a significant player on the international stage, this commitment to social enrichment finds its most vibrant and celebrated expression in its stewardship of the Foolad Mobarakeh Sepahan Sports Club. As the club marks its 72nd anniversary, its story is inextricably linked with MSC's vision of fostering community well-being, national pride, and sustainable development.

MSC's Philosophy: Investing in Society's Fabric

Mobarakeh Steel views its role in society holistically. While its primary function is the production of high-quality steel vital for national infrastructure and industry, the company recognizes its profound interdependence with the community. As MSC CEO Mr. Saeed Zarandi articulates, Sepahan Club is far more than just a sports entity; it serves as "a symbol of the deep bond between industry and society" and a brilliant manifestation of MSC's commitment to its social responsibilities. This perspective positions the support for Sepahan not as an expenditure, but as a strategic investment in the social and emotional capital of the region and the nation. The decision to support Sepahan was rooted in several key factors. The club, with its deep historical roots tracing back to 1953 (initially as Shahin Club) and founded through community efforts, already held a special place in the hearts of the people of Isfahan. Its founding principles, emphasizing ethics, education, and sportsmanship, resonated strongly with MSC's own organizational culture built on teamwork, professional integrity, and continuous improvement. By formally bringing Sepahan under its wing in the year 2000 (1379 Iranian calendar), MSC provided crucial stability and resources, transforming the club's potential into sustained success while amplifying its own connection with the public. Sepahan became, in essence, the "hu-

man face" and the "eloquent voice of Mobarakeh Steel's brand within the heart of the community".

The Sepahan Phenomenon: A Club Built on Values, Nurtured by Industry

Sepahan's journey began long before MSC's involvement. Founded by the visionary Mahmoud Hariri as a branch of the popular Shahin club, its initial focus was as much on character building and education as it was on athletic prowess. This emphasis emphasized the following: "first ethics, second education, third sporting skill". The club survived challenges, including the nationwide dissolution of Shahin clubs in 1967 (leading to its renaming as Sepahan), relying on community support and the dedication of its members.

MSC's arrival marked a turning point, ushering in an era of professionalization and unprecedented success. This wasn't merely a sponsorship; it was an integration that allowed for long-term strategic planning, investment in infrastructure, and the development of a truly modern, multi-faceted sports organization. Sepahan is consistently referred to not just as a team, but as a club – a distinction highlighting its comprehensive structure. It encompasses numerous teams across various age groups, from youth academies to senior squads, and notably, fields competitive teams in a wide array of sports beyond football. This includes highly successful programs in handball, sitting volleyball, karate, fencing, basketball, and many others, including robust participation for women. This multi-sport approach underscores a commitment to broad athletic development and community engagement.

Pillars of Impact: How Sepahan Enriches Society

MSC's investment in Sepahan yields tangible benefits that ripple through the community and the nation.

1. Nurturing Talent and National Pride:

Sepahan has become a powerhouse in Iranian football, breaking the traditional dominance of Tehran-based clubs by becoming the first provincial team to win the Premier League title in the 2002-2003 season. The club has since secured multiple league championships and Hazfi Cup trophies, including holding the permanent league trophy for achieving three consecutive titles. Be-

yond domestic success, Sepahan has represented Iran with distinction on the continental and global stage, reaching the final of the AFC Champions League in 2007 and becoming the first Iranian club to participate in the FIFA Club World Cup that same year.

Crucially, the club's academy system is recognized as a national model for youth development. It has consistently produced talented players who go on to represent Iran's national teams across various age groups, contributing significantly to the country's sporting prowess. As club legend and current coach Moharram Navidkia notes, many successful players currently active in the Iranian league began their journey in Sepahan's academy, demonstrating the program's profound impact. This focus aligns with MSC CEO Mr. Zarandi's view that investing in youth development is a top priority, securing the future of both the club and national sport.

2. Championing Inclusivity and Women's Sports:

In a significant demonstration of commitment to gender equality and broad-based sports development, Sepahan stands out as arguably the leading club in Iran for its comprehensive support of women's sports. The club actively fields competitive women's teams in at least eight different disciplines, including football, sitting volleyball, handball, basketball, fencing, karate, wushu, and more. These teams have achieved remarkable success, securing numerous national championships and titles, such as seven consecutive national titles in women's sitting volleyball. Sepahan has also facilitated the transfer of female players to international leagues, further highlighting its pioneering role. This extensive program reflects MSC's wider commitment to inclusive social development.

3. Investing in World-Class Infrastructure:

Recognizing that elite performance requires elite facilities, MSC has made substantial investments in developing state-of-the-art sporting infrastructure. The most prominent example is the Naghsh-e Jahan Stadium. After years of stalled construction under government purview, MSC took responsibility for completing and subsequently upgrading this magnificent venue. With a capacity exceeding 75,000 spectators, it is the second-largest stadium in Iran and ranks among the largest in Asia. MSC continues to invest in modernizing its features, including pitch technology (with under-soil

heating), lighting, sound systems, security, and spectator amenities, aiming to meet the highest international standards.
Complementing the stadium is the Safaiyeh International Training Complex, a comprehensive, multi-sport facility located in Mobarakeh. This complex boasts multiple training pitches, indoor halls for various sports (handball, futsal, volleyball, martial arts), a modern shooting range, advanced fitness and physiotherapy centers, residential accommodation for athletes, and even equestrian facilities. Its high-altitude location also makes it ideal for pre-season conditioning. This complex not only serves Sepahan's diverse teams but also hosts national team training camps and international teams, further cementing Isfahan's status as a major sporting hub.
4. Fostering Community Spirit and Well-being:
Sepahan acts as a powerful social unifier, generating immense pride and excitement within Isfahan and beyond. Match days become communal events, bringing together people from all walks

of life. The club actively engages with its fanbase, understanding that this connection is vital. Furthermore, by promoting sports participation across various disciplines and age groups, the club contributes directly to public health and well-being. Sepahan also serves as a vehicle for promoting positive social values like fair play, discipline, and respect — values that align closely with MSC's corporate ethos. The club's museum, located within the Naghsh-e Jahan stadium complex, preserves its rich history and serves as a cultural touchpoint for fans and visitors alike.

A Synergistic Partnership: Mutual Growth and Shared Identity

The relationship between Mobarakeh Steel and Sepahan Club is profoundly synergistic. While MSC provides the financial backbone and strategic oversight enabling Sepahan's success, the club, in turn, offers invaluable returns to its parent company.

Sepahan serves as a highly visible and emotionally resonant ambassador for the Mobarakeh Steel brand. The club's successes on the national and international stage bring positive visibility and associate the MSC name with excellence, resilience, and community spirit. It translates the often abstract concepts of industrial quality and corporate responsibility into relatable human stories of effort, teamwork, and triumph. This creates a powerful "emotional equity" for MSC, fostering goodwill and strengthening its social license to operate. Looking ahead, MSC aims for Sepahan to become a model of professional and economic self-sufficiency in Iranian sports. While MSC's support remains foundational, the goal is to develop sustainable revenue streams for the club, further solidifying its long-term future and demonstrating best practices in modern sports management.

“Our resilience is not a secret; it is the result of strategic investment in our own destiny. We guarantee tomorrow’s strength by securing today’s stability.”