



RAK
CERAMICS

ESG REPORT
2022



His Highness Sheikh Mohammed Bin Zayed Al Nahyan
President of the United Arab Emirates and Ruler of Abu Dhabi



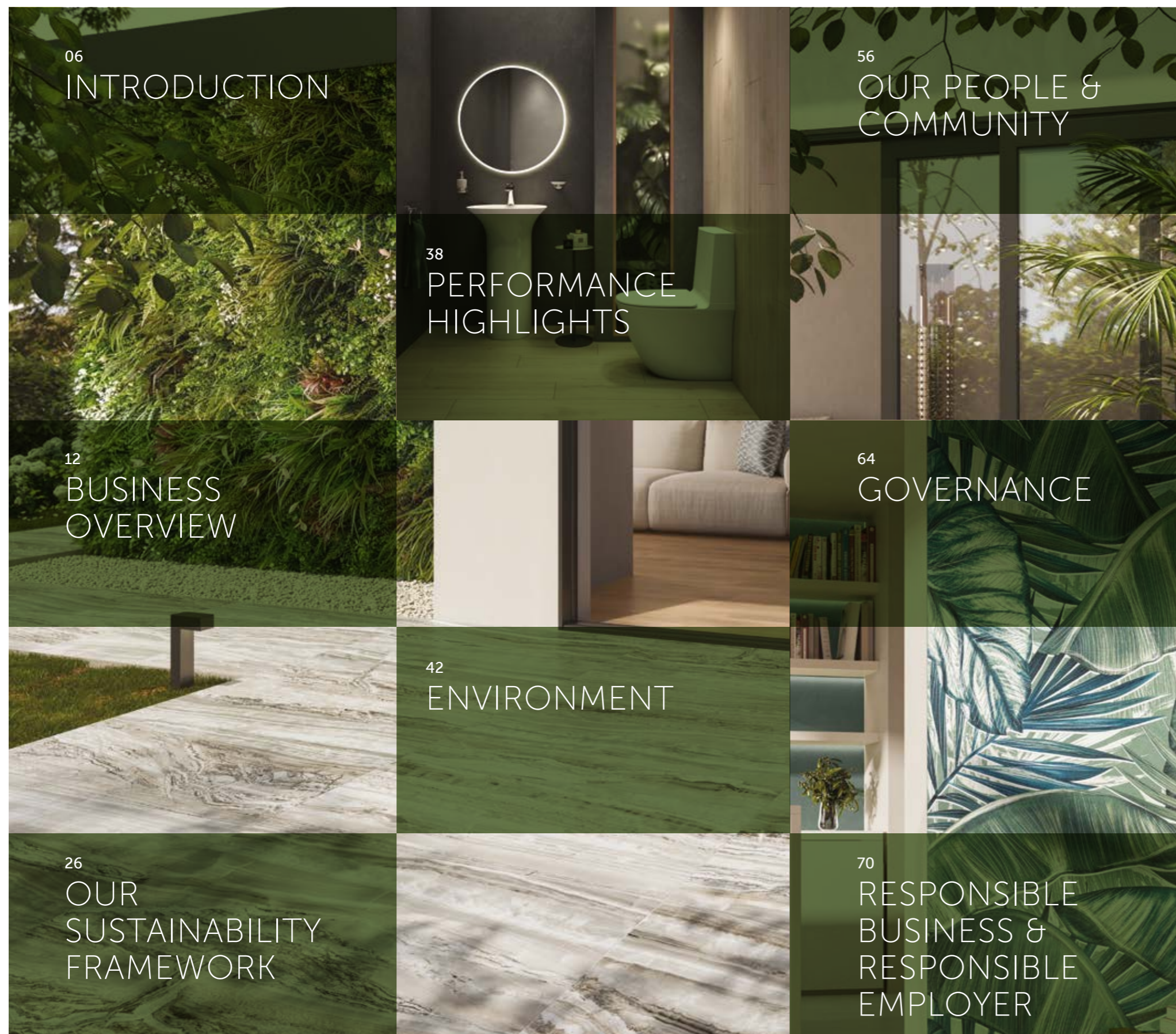
His Highness Sheikh Mohammed Bin Rashid Al Maktoum
Vice president, Prime minister, and Minister of Defence of the United Arab Emirates (UAE) and Ruler of Dubai



His Highness Sheikh Saud Bin Saqr Al Qasimi
Supreme Council Member and Ruler of Ras Al Khaimah



His Highness Sheikh Mohammed Bin Saud Bin Saqr Al Qasimi
Crown Prince of Ras Al Khaimah



INTRODUCTION	
About This Report	08
Group CEO Message	10
SECTION 1- BUSINESS OVERVIEW	
About RAK Ceramics	14
Product lines	16
Economic Performance 2022	18
Our Philosophy today	19
Our History	20
Awards 2022	22
SECTION 2- OUR SUSTAINABILITY FRAMEWORK	
Our Sustainability Commitment	28
Our Stakeholders	30
Our Sustainability Pillars & Material topics	31
Commitments towards our Material topics	34
Alignment with SDG Targets	35
Policies & Sustainability Governance	36
SECTION 3- PERFORMANCE HIGHLIGHTS	
Key KPIs	40
Our success stories	41
SECTION 4- PILLAR 1: ENVIRONMENT IMPACT	
Energy Efficiency in Production	47
Water Sustainability	50
Waste & Circularity	51
Sustainable Logistics & Air Pollution	54
Emissions Reduction	55
SECTION 5- PILLAR 2: OUR PEOPLE & COMMUNITY	
Diversity & Inclusion Emiratisation	58
Employee Safety & Wellbeing	59
Employee Training	61
Community Investment	62
SECTION 6- PILLAR 3: GOVERNANCE	
Corporate Governance	66
Ethics	67
Data Protection	68
SECTION 7- Pillar 4: RESPONSIBLE BUSINESS & RESPONSIBLE EMPLOYER	
Sustainable & Responsible Procurement	72
Technological Innovation in Production	73
Quality & Product Compliance	74
Sustainable and Innovative Products	76
SECTION 8- SUSTAINABILITY LEADER IN THE INDUSTRY	
Our Progress till Date	82
SECTION 9- APPENDIX	
Data Tables	86
ADX ESG Disclosures	92
GRI Content Index	98



ABOUT THIS REPORT

This ESG report outlines commitments, progress, and future aspirations in the realm of sustainability. This report focuses primarily on our operations within the UAE, which represents a significant portion of our business. Our objective is to provide a comprehensive and balanced overview of our sustainability performance for the period from January 1, 2022, to December 31, 2022. The content of this report has been determined by our cross-departmental sustainability working group in collaboration with senior management, key internal stakeholders, and the Company Board.

To ensure transparency and adherence to global best practices, this report has been prepared in accordance with the 'Core' option of the Global Reporting Initiative (GRI) Standards. Furthermore, we have also incorporated the 31 Key Performance Indicators (KPIs) specified by the Abu Dhabi Stock Exchange. We recognize the importance of other frameworks that guide our business practices at both national and international levels, including the United Nations Sustainable Development Goals (UN SDGs) and the UAE national strategies.

We are now committed to providing annual sustainability reports alongside our Annual Report and Corporate Governance Report. These reports collectively offer a comprehensive overview of our financial performance, governance practices, and risk management.

In certain sections of this report, we refer to the "Group," which encompasses our manufacturing operations in the United Arab Emirates, Bangladesh, and India, including our wholly owned subsidiaries RAK Porcelain LLC, Kludi RAK LLC and Elegance Ceramics LLC in the UAE.

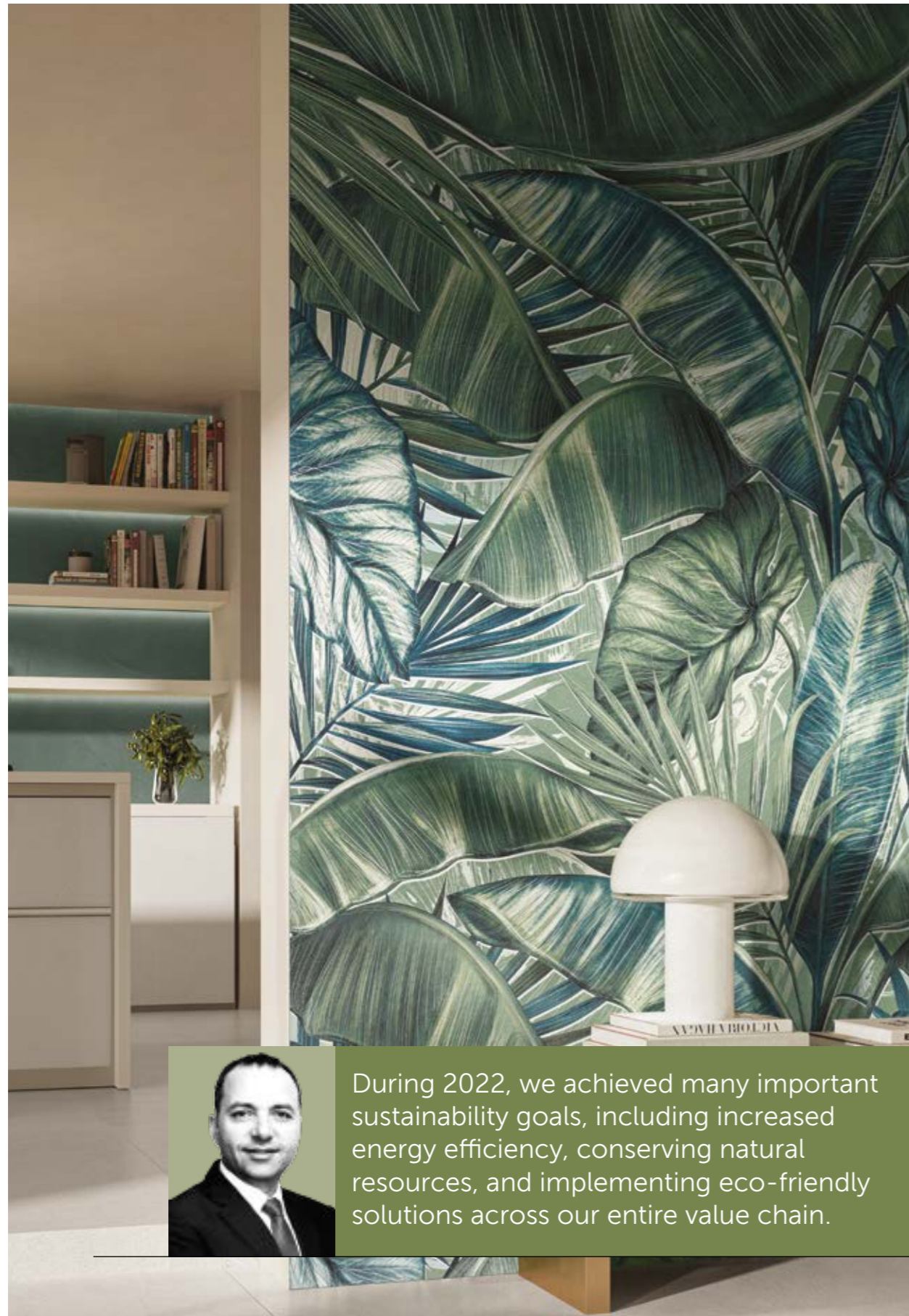
We appreciate your interest in RAK Ceramics and our commitment to sustainability.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) - GRI 1: Foundation 2021. The GRI content index and disclosures as per Abu Dhabi Stock Exchange's 31 key performance indicators (KPI's) are given in Appendix.

FURTHER INFORMATION

Please contact the Chief Legal Officer at ESG.communications@rakceramics.com, for any questions regarding this report or its contents.





During 2022, we achieved many important sustainability goals, including increased energy efficiency, conserving natural resources, and implementing eco-friendly solutions across our entire value chain.

Group CEO's Message

Dear Stakeholders,

This annual summary provides an overview of our shared value approach to ESG, ESG priorities and key highlights of our progress in the sustainability sphere during the year (FY2022).

At RAK Ceramics PJSC, we firmly believe that our success is influenced by the impact we have on the world around us. As such, we have made a conscious commitment to prioritize sustainability in all our operations and decision-making processes. We understand that the actions we take today will have a significant impact on the planet we leave for future generations. Hence, we are taking proactive steps to minimize our carbon footprint and ensure that our operations do not harm the environment.

We are working to improve our environmental stewardship by reducing greenhouse gas emissions, conserving natural resources, and implementing eco-friendly solutions across our entire value chain.

We also prioritize social responsibility, ensuring that our employees work in safe environments that foster diversity and inclusion while enjoying fair compensation and benefits. We also strongly condemn any form of forced labor and child labor in our value chain. In the lead up to COP28 in UAE, our sustainability targets are set in light of the long-term strategic priorities of the Group, to be achieved by managing the environmental impact of the activities. We are more committed than ever in our efforts to become a regenerative company, one that puts humanity and nature at the center of our business practices.

Lastly, our governance framework is designed to ensure that we operate ethically and transparently while adhering to the highest standards of corporate governance. We strive to maintain a culture of accountability and responsibility that aligns with our long-term strategy and vision. We believe that our commitment to sustainability is not only the right thing to do for the planet and our communities but is also essential to the long-term success of our business. We are committed to leading by example and continuously improving our sustainability practices.

ABDALLAH MASSAAD
Group CEO



About RAK Ceramics

Leading lifestyle brand offering premium ceramic solutions

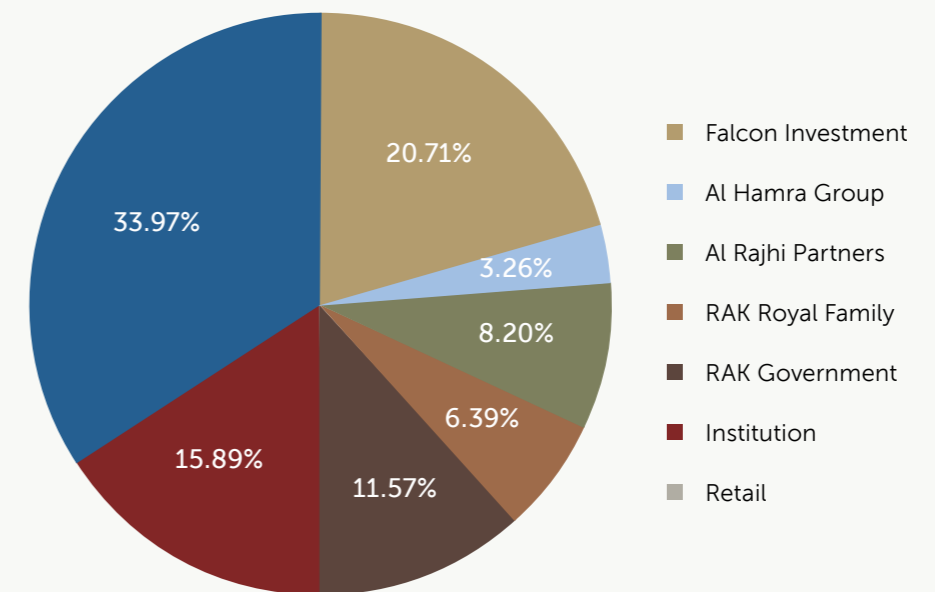


~ 12,000
Global Workforce

US \$1.0B
Annual turnover

US \$750M
Market Cap.

+30 YEARS
Ceramic expertise



Product Lines

TILES

We offer one of the **largest collections** of high quality Ceramic Wall and Floor Tiles, Gres Porcelain and Super-sized Slabs in the industry. Offering more than **6,000 models**, tiles are manufactured in a variety of sizes providing the **widest range** offered in the ceramics field.



SANITARYWARE



Complete solutions provider offering products designed to suit all budgets and tastes with accessories and bathroom furniture.

TABLEWARE

Products supplied to over 40,000 hotels in more than 165 countries with clients including JW Marriot, Hilton, Hyatt and Sheraton amongst others.



FAUCETS



Eco-friendly faucets and bathroom fittings with a strong focus on water-saving technology, offering up to 60% saving on water consumption.

Economic Performance 2022

We are a global leader in the ceramics industry, excels in the production of Premium Ceramic and Gres Porcelain Wall and Floor Tiles, Sanitaryware, Faucets, and Tableware. With 23 state-of-the-art facilities across the United Arab Emirates, India, Bangladesh, and Europe, we have a remarkable annual manufacturing capacity of 118 million square meters of tiles, 5.7 million pieces of Sanitaryware, 26 million pieces of porcelain tableware, and 2.6 million pieces of faucets.

Headquartered in the UAE, we serve clients in over 150 countries through our extensive network of operational hubs spanning Europe, the Middle East and North Africa, Asia, North and South America, and Australia. Our workforce comprises around 12,000 talented individuals from over 40 nationalities, contributing to our global success. As a publicly listed company on the Abu Dhabi Securities Exchange and the Dhaka Stock Exchange, our annual turnover exceeds US\$1 billion.

In 2022, recognized as the 'Year of Recovery,' we demonstrated resilience and innovation, strategically realigning our business approach. These efforts yielded exceptional performance, reinforcing our unrivaled standing in our respective industries. Despite challenges, We have maintained impressive gross margins by optimizing production processes and maximizing capacity utilization.

Regarding our manufacturing footprint, we achieved significant milestones in expansionary projects within the UAE. Notably, we embarked on a Tiles renovation project, enhancing 5 million square meters of Gres Porcelain Tiles. Additionally, we pursued a capacity enhancement project for Sanitaryware, targeting an additional 260,000

pieces. Furthermore, our Tableware project aimed to augment our capacity by 10 million pieces.

We remain committed to delivering excellence in quality, innovation, and customer satisfaction as we continue to shape the future of the ceramics industry.

Economic Performance KPIs

22.9%

Increase in Sales (2021-22)

AED 340M

Net Profit

AED 577.2M

Total EBITDA

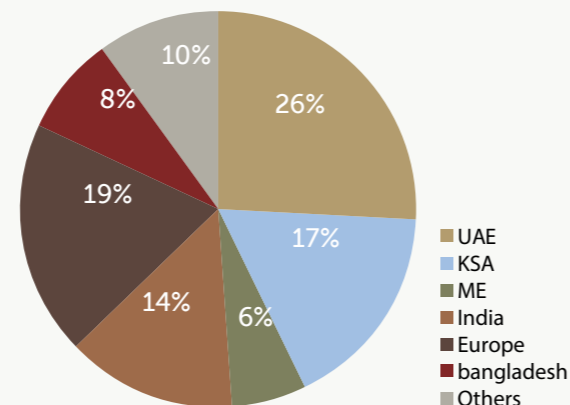
2.26x

Net Debt to EBITDA in 2022
(Increased from 1.94x in 2021)

Total Production

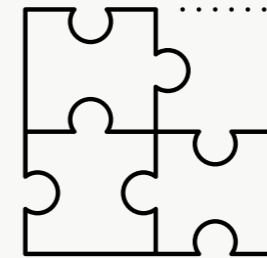


Total Revenue by Region



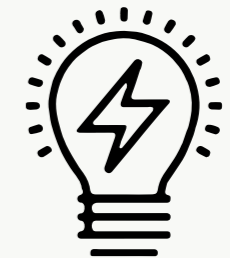
Our Philosophy Today

To become the world's leading ceramic lifestyle solutions provider



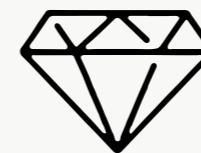
LIFESTYLE BRAND

We are a globally recognized ceramics lifestyle solutions provider.



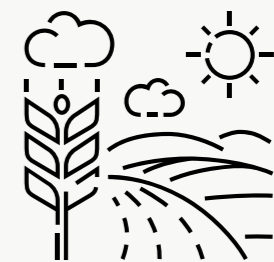
INNOVATION

Innovation is at the heart of our philosophy and we have continuously led the way in terms of product development.



HIGH-END QUALITY

We are known for our wide product range and our ability to produce premium quality products at a value price point.



SUSTAINABILITY

We operate in harmony with our local communities embracing safe and ethical work and aiming for a positive contribution to our environment.

Our History



1989

Founded by H.H. Sheikh Saud Bin Saqr Al Qasimi, Ruler of Ras Al Khaimah.



1991

Our first tile plant began operating with an annual output of 1,825,000 square meters of tiles.



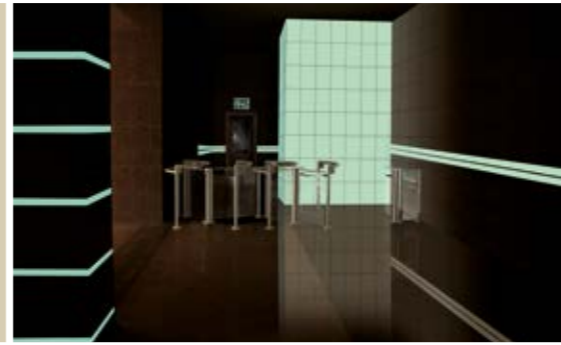
1993

Our first sanitaryware plant began operating with an annual output of 350,000 pieces of sanitaryware.



2000

The opening of our tile plant in Bangladesh with an annual output of 3,650,000 sqm.



2004

RAK Luminous, ability to glow in the dark & RAK Slim, a thickness of just 4.5mm are introduced.
RAK Porcelain Established.



2006

Our 10th UAE tile plant with an annual output of 16,425,000 square meters of tiles.
RAK India commence operations.



2007

Kludi RAK was established, producing exquisite designer and water saving faucets.



2010

Producing 115 million sqm. of tiles per year, we became the world's largest ceramics brand.
RAK Bangladesh IPO



2012

1 billion square meters of tiles supplied to projects around the world.



2013

Launch of Maximus Mega Slab, a super-sized slab.
Samena capital private equity player acquired 31% in RAK Ceramics



2016

The launch of the new RAK Ceramics global brand identity.



2019

The partnership with sanitaryware designers.



2020

RAK Ceramics celebrates 30 years of success.
Launch of virtual reality showroom



2021

RAK Ceramics collaborates with international fashion brand to launch bathroom and surface collection.
Samena capital exits



2022

RAK Ceramics inks %100 KLUDI acquisition deal.
RAK Porcelain minority buyout.
First design hub in London
Launch of e-comm platform.

Awards 2022

IN 2022, RAK CERAMICS RECEIVED SEVERAL AWARDS SPANNING INNOVATION, SUSTAINABILITY AND INDUSTRY LEADERSHIP.



Construction Innovation Awards 2022

RAK Ceramics received the Specialised Manufacturer of the Year at the Construction Innovation Awards



Design Wall Silver Winner Award at Acetech, Delhi India

For the presentation of our most innovative products & technologies - SUT (Super Utility Tiles), a range of premium tiles with stunning aesthetics and exceptional performance produced with cutting-edge technology.



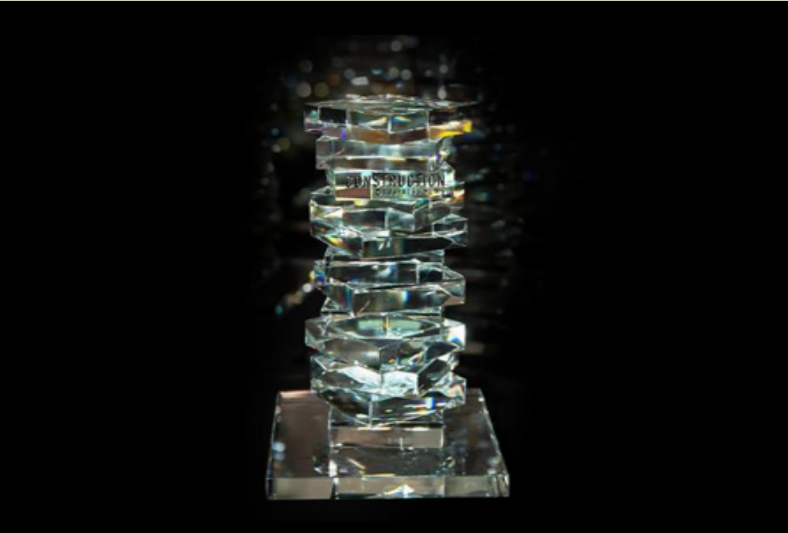
Design Middle East Awards 2022

RAK Ceramics received the "Specialised Manufacturer Of The Year" at the Design Middle East Awards 2022



Employer Branding Award

Both prizes were presented during the World HRD Congress held in Dubai, a significant HR profession event.



Construction Innovation Awards 2022

The Construction Innovation Awards 2022 is one of the leading events applauding the achievements of the region's construction professionals.



The Great German Brand 2022 Award

Kludi featured in the ninth edition of the high-quality publication series, published by the German Design Council, which was presented on 7 October 2021 on the occasion of the festive design gala at Soho House Berlin. High-profile authors such as Federal Minister of Economics and Technology Peter Altmaier, who assumed patronage for the first time, as well as Ursula von der Leyen, President of the European Commission, supported this prestigious edition with words of welcome.

Awards 2022 (contd.)



Best Brand Award 2022

KLUDI receives Plus X Award
 The PLUS X AWARD "Best Brand of the Year" seal of approval recognises deserving brands. The prerequisite is multiple awards for outstanding products in the respective product category. KLUDI has particularly distinguished itself here.



SAP's Best CX Leadership Award in Dubai

The prize was awarded during a special SAP event held at Dubai's newly opened Museum of the Future. SAP is one of the world's major software providers for managing business operations, and it recognised RAK Ceramics with the award for its work in improving data processing and information flow across its organisation.

The ACIMAC

The ACIMAC, Associazione Costruttori Italiani Macchine Attrezzature per Ceramica (Association of Italian Manufacturers of Machinery and Equipment for Ceramics), awarded RAK Ceramics the Special Jury Prize for its outstanding work in marketing and brand strategy.



Trade Show Room of the Year - London 2022

At the glamorous Designerati Awards 2022. We opened the doors to our Design Hub earlier this year for designers, architects, and developers to explore limitless design possibilities using our extensive range of products.



Most Beautiful Pavilion of Hall 1 by People's Choice

The Ceramic Expo Bangladesh 2022, Bangladesh's biggest ceramic exhibition event, was organized in International Convention City Bashundhara (ICCB).



Tiles Brand of the Year at Design Middle East Awards.

The Design Middle East Awards celebrates the best and foremost people, projects and products in the region's design and architecture industry. This year's awards honoured top architects, designers, projects, and firms.



Our Sustainability Commitment



At RAK Ceramics, we are driven by a steadfast commitment to making a positive impact on society. Our mission goes beyond manufacturing top-quality products – we strive to build a sustainable society by harnessing our expertise and resources.

We firmly believe in the power of initiatives that make a real difference in people’s lives. That’s why we prioritize projects aimed at providing access to clean water and shelter for underprivileged communities. By addressing these fundamental needs, we aim to create a foundation for brighter futures.

Innovation and creativity are deeply embedded in our DNA. We foster an environment that nurtures imagination, curiosity, and the pursuit of groundbreaking

ideas. By encouraging and empowering innovation, we aim to push boundaries, challenge norms, and drive positive change across our industry and beyond.

Diversity and inclusion are at the heart of our organization. We value the unique perspectives, experiences, and talents that each individual brings to the table. We strive to create a work environment that celebrates diversity, promotes equality, and provides equal opportunities for all.

At RAK Ceramics, our dedication to creating a sustainable society is at the core of everything we do. We are proud to leverage our products and expertise to make a positive impact, and we invite you to join us on this journey towards a better world.

Our Stakeholders

Engaging with our stakeholders is integral to our sustainability efforts. We actively collaborate with them to identify our key areas of focus and assess our progress in each of these areas.

1. STRATEGIC PARTNERS

We prioritize proactive and transparent communication with our valued investors through various channels and maintain an ongoing dialogue to ensure our investors are well-informed and engaged

Topics of Importance: Financial performance, Value creation, transparency & disclosure, Climate change and energy use and Sustainable products

Outcome of Engagement: Regular updates regarding our strategy and future developments.

2. BUSINESS PARTNERS

We place a strong emphasis on continuous engagement with our customers. We believe in building strong relationships, understanding their needs, and delivering exceptional value. Through various channels, we foster open communication and ensure a seamless customer experience.

Topics of Importance: Product quality and cost, Climate change and mitigation, Product innovation, Partnerships, Customer Satisfaction and Relationship Management

Outcome of Engagement: Cost optimization, Environmental initiatives, Investment in product innovation.

3. TALENT COMMUNITY

We prioritize the continuous engagement and well-being of our employees through a range of initiatives. We foster a positive and inclusive work environment that encourages open communication, collaboration, and personal growth.

Topics of Importance: Rewards and benefits, Career development, Health and safety, Community involvement, Employee Well-being and Development, Diversity, Equity, and Inclusion

Outcome of Engagement: Employee goal setting, New starter – employee induction program.

4. SUPPLY CHAIN COLLABORATORS

We actively engage with our suppliers to ensure effective procurement, foster collaboration, and drive mutual growth and success. Our supplier engagement efforts encompass various activities and channels.

Topics of Importance: Reputation, Building partnerships, Timely payments, Supply Chain Management and Sustainability

Outcome of Engagement: Fostering long standing partnerships, Quality control and quality of service, Ethical practices.

5. REGULATORY PARTNERS

We recognize the importance of maintaining strong relationships with government bodies and regulatory authorities. We actively engage with them through various channels to ensure compliance, contribute to policy development, and foster collaborative partnerships.

Topics of Importance: Environment Vision 2030, UAE Centennial 2071, UAE Net Zero 2050, UAE Energy Strategy 2050, National Climate Change Plan Of The UAE 2017-2050, UAE Strategy For The Fourth Industrial Revolution.

Outcome of Engagement: Ensuring our business strategy aligns with the UAE National Vision. Abide by applicable enactment.

6. COMMUNITY PARTNERS

We believe in actively engaging with the community and making a positive impact on society. We collaborate with various organizations, sponsor community initiatives, and encourage our employees to volunteer their time and skills. Our community engagement efforts focus on building meaningful relationships, supporting local causes, and fostering sustainable development.

Topics of Importance: Building partnerships, Social Impact and Community Engagement

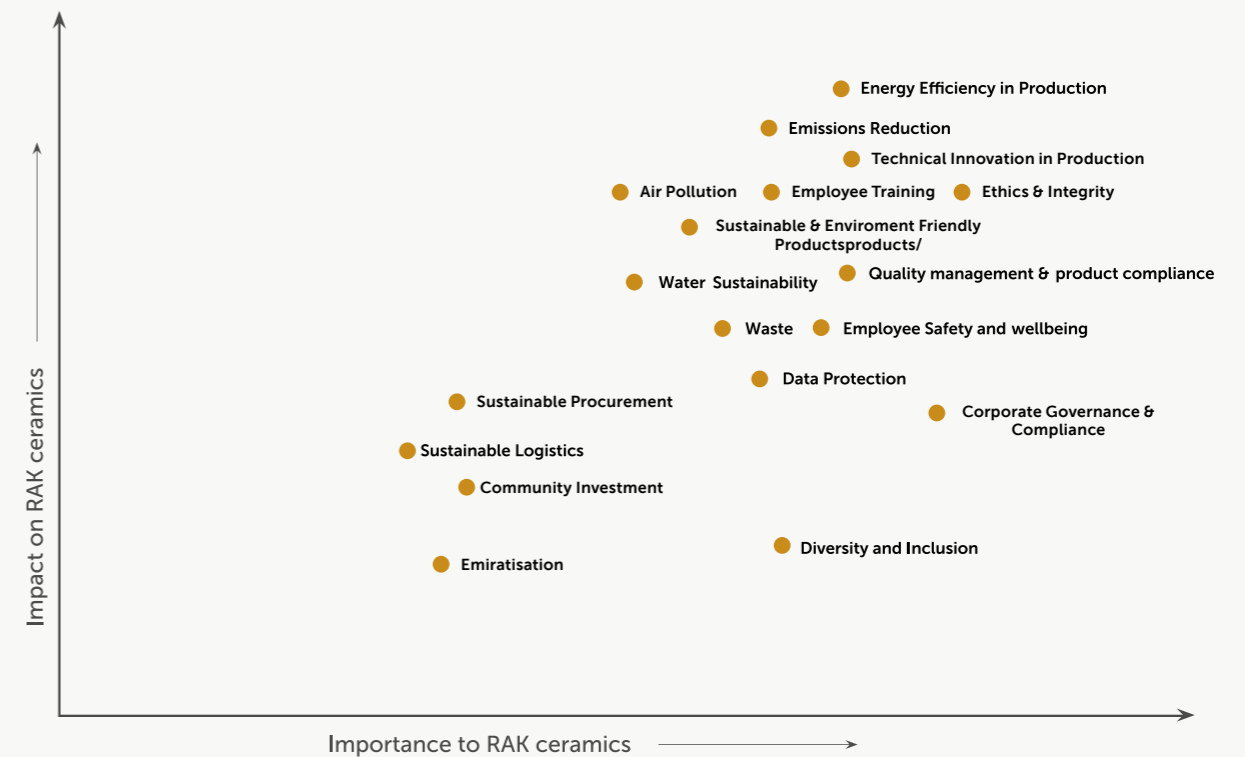
Outcome of Engagement: Sponsorship of and participation in events within the communities we operate in Volunteering in the community.

Our Sustainability Pillars & Material Topics

Our report centers around 18 key sustainability imperatives identified through an extensive assessment conducted in early 2023. A collaborative sustainability-working group, in close collaboration with senior management, meticulously evaluated the significance of each imperative, taking into account the influence of our operations and prevailing sustainability trends within our industries. The results of our materiality analysis highlight the profound importance we attach to all these imperatives. With our unwavering commitment to advancing sustainability, we are confident in our journey towards emerging as frontrunners in sustainability leadership in the coming years.

List of Material issues

1. Ethics & Integrity
2. Corporate Governance & Compliance
3. Energy Efficiency in Production
4. Water Sustainability
5. Waste and Circularity
6. Sustainable Logistics
7. Air Pollution
8. Emissions Reduction
9. Employee Safety and Wellbeing
10. Emiratisation
11. Diversity and Inclusion
12. Employee Training
13. Responsible & Sustainable Procurement
14. Community Investment
15. Data Protection
16. Technological Innovation in Production
17. Quality management & Product compliance
18. Sustainable products/ Environmentally friendly products

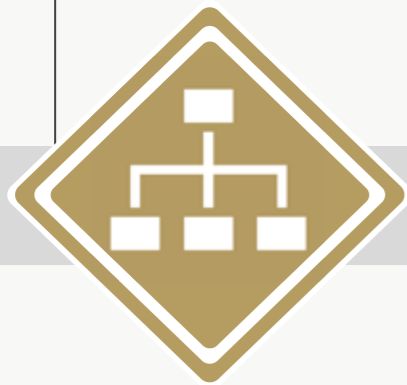


Our Sustainability Pillars & Material Topics (contd.)

Our 18 materiality topics are organised under 4 pillars, which forms the basis of our Sustainability Framework. These pillars allow us to strategically design initiatives, assign resources, and monitor & report our progress towards sustainability.

Governance & Best Practices

- Ethics & Integrity
- Corporate Governance & Compliance
- Data Protection



Our People and Community

- Employee Safety & Wellbeing
- Diversity & Inclusion
- Emiratisation
- Employee Training
- Community Investment

Environmental Impact

- Energy Efficiency
- Water Sustainability
- Waste & Circularity
- Sustainable Logistics
- Air Pollution
- Emissions Reduction



Responsible Business, Responsible Employer

- Product Quality & Compliance
- Sustainable & Responsible Procurement
- Technological Innovation in Production
- Sustainable Products

Commitments towards Material Topics








Sustainability Pillar & Material Topic		Commitments
Pillar 1: Environmental Impact		
1	Energy Efficiency in Production	Ensure continuous improvement in our energy performance & efficiency through innovation and use of sustainable equipment, machinery & materials.
2	Water Sustainability	We are in the process of completing our certification for Water Stewardship from SAS Global.
3	Waste and Circularity	To prevent generation of waste, promote recycling of materials and reuse of waste, ensure that treatment and disposal of waste does not cause harmful impacts.
4	Sustainable Logistics	Adopt sustainable and responsible consumption and production patterns across our value chain
5	Air Pollution	Monitor emissions, and manage operations and capacity changes in a manner that does not increase our air pollution impact.
6	Emissions Reduction	Responsible emission curtailment.
Pillar 2: People & Community		
7	Employee Safety and Wellbeing	Provide a safe and healthy working environment for all our employees, visitors, clients and contractors with adequate facilities, appropriate protective equipments, regular risk assessments and trainings.
8	Employee Training	Committed to the continuous development and growth of its employees. Opportunities for learning, training and skill enhancement to empower team members to reach their full potential. The target for 2023 is 50,000 man-hours of training, which is 5X the achievement in 2020.
9	Diversity and Inclusion	Fostering a culture of diversity and inclusion. Create an inclusive environment where every employee feels welcomed, heard and valued. Promote fairness, equality and respect , ensuring that all individuals have equal opportunities to contribute and thrive.
10	Emiratization	Invest in the development and progress of UAE nationals by providing them with employment opportunities, support with their growth, and empower them to contribute to the nation's workforce and sustainable development.
11	Community Investment	Support local community in Ras Al Khaimah, UAE as well as the wider community of the UAE, through financial, material and human resources.
Pillar 3: Governance		
12	Ethics & Integrity	Uphold the highest standards of ethics and integrity. Conduct business with honesty, transparency and accountability, earning the trust of our stakeholders and ensuring long-term success.
13	Corporate Governance & Compliance	Follow global & industry best practices while ensuring compliance with the highest corporate governance standards & statutes.
14	Data Protection	Embed data protection throughout our operations and technology programs with the goal of safeguarding our customer data and digital assets.
Pillar 4: Responsible Business & Responsible Employer		
15	Responsible & Sustainable Procurement	Undertake supplier verification and local procurement, and strive towards ensuring all packaging material is recyclable or compostable or reusable.
16	Technological Innovation in Production	Dedicated to continuous improvement and is committed to designing innovative environmentally friendly products going forward.
17	Product Quality and Compliance	Manage market needs, risks and opportunities through continuous improvement of our Quality Management System.
18	Sustainable Products	Design innovative environmentally friendly products and adopt sustainable and responsible consumption and production patterns across its value chain.

We are committed to continuous improvement and reviewing our sustainability performance to update our targets.

In 2022, we made investments worth AED 4.5M in state-of-the-art manufacturing technologies and sustainability programs.

Alignment with SDG Targets

We have aligned efforts for our business strategy and project pipeline with United Nations Sustainable Development Goals 5,6,7,8,10,12, and 13.

SDG	Most relevant targets	Our Strategic Objectives
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Leadership Representation: Increase the representation of women in leadership positions across all levels of organization, focusing on achieving gender balance in decision-making roles. Bias-Free Environment: Implement policies, training and initiatives to address unconscious bias, stereotypes and discrimination, ensuring a fair and inclusive work environment that provides equal opportunities for career advancement
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Aiming to achieve water stewardship certification
	7. a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	Increase energy efficiency of production.
	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Wellbeing of our employees
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	Improve economic performance YoY Aiming to achieve water stewardship certification
	12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.	Increase energy efficiency of production.
	13.2 Integrate climate change measures into national policies, strategies and planning	Wellbeing of our employees

Policies & Sustainability Governance

OUR SUPPORTING POLICIES

Our commitment to sustainability is upheld by a robust framework supported by comprehensive policies and procedures. We maintain various management certifications to ensure the highest standards in our manufacturing processes and sustainability efforts. Currently, we hold ISO 9000 certification for Quality Management and ISO 14000 certification for Environmental Management. These certifications reflect our dedication to improving our operations and managing market needs, risks, and opportunities through continuous enhancement of our Quality Management System

- **Quality Management Policy:** Our Quality Policy is focused on our vision to be the world's leading ceramics lifestyle solutions provider by improving over time. We aim to manage market needs, risks and opportunities through continuous improvement of our Quality Management System.
- **Environmental Health & Safety (EHS) Policy:** In line with our core values, we integrate Environmental Health & Safety (EHS) practices into every aspect of our business. Our EHS Policy ensures that EHS is treated with equal importance as any other critical business activity. We have established a robust EHS management system with clearly defined competencies, communication channels, and responsibilities throughout our organization. This policy allows us to set targets, benchmark performance, continuously improve, and ensure compliance with UAE regulations and international best practices.
- **Energy & Sustainability Policy:** Energy efficiency and sustainability are key pillars of our operations. Our Energy & Sustainability Policy outlines our commitment to enhancing energy efficiency by benchmarking against industry best practices, fostering continuous improvement through innovation, and utilizing sustainable equipment and energy sources. We set targets and regularly review our progress to ensure our efforts align with our policy framework.
- **Waste Management Guidelines:** Effective waste management is another crucial aspect of our sustainability initiatives. We have developed comprehensive guidelines to manage various waste streams, including broken tiles, broken sanitaryware,

rejected products, sludge, batteries, cartons, paper, and e-waste. Hazardous waste and its containers are handled in accordance with governmental regulations. Additionally, our waste management system undergoes routine audits, and we continuously explore opportunities to reduce and reuse waste. We also prioritize the use of recycled water to minimize environmental impact.

OUR SUSTAINABILITY GOVERNANCE

We have established a dedicated cross-departmental sustainability group that strategically directs our efforts and allocates resources to promote sustainability across all aspects of our operations. This group ensures that sustainability remains a top priority throughout our organization.

To effectively manage our diverse product lines, we have structured our company into four core segments: Tiles, Sanitaryware, Faucets, and Tableware. Each department takes ownership of sustainability within their respective areas and undertakes targeted initiatives to drive positive environmental and social impact. Additionally, our departments, including EHS, MARCOM, HR, Internal Audit, Legal, Finance and IT, provide coordination and support as necessary.

Our EHS team assumes responsibility for Health & Safety management, including conducting trainings and overseeing Environmental Management, Quality, Compliance, and Sustainability Certifications. They also play a key role in managing Sustainable Products, ensuring that our offerings meet the highest standards of sustainability.

The Marketing team takes charge of coordinating and managing Sustainable Products, Product development, Community initiatives, and Customer Management. They are dedicated to promoting sustainable practices, fostering innovation, and engaging with our stakeholders to drive positive change.

Our HR department focuses on employee training and well-being initiatives, recognizing the significance of nurturing a skilled and healthy workforce. They strive to create an inclusive and supportive environment that empowers our employees to contribute to our sustainability goals.

Governance initiatives are overseen by our Leadership and Internal Audit teams, who ensure that sustainable practices are embedded throughout our organization. They monitor compliance, drive continuous improvement, and uphold governance standards that align with our sustainability objectives.

Digital Transformation and Data Protection are managed by our IT team, ensuring that our technological systems are optimized for efficiency and security while supporting our sustainability efforts.

As a large company, we understand the importance of monitoring and measuring our sustainability processes to track progress and drive improvement. Each department maintains their sustainability data according to their specific responsibilities, with coordination and support provided by our legal team and EHS team.

We embrace a comprehensive approach to sustainability, with dedicated departments and teams collaborating to embed sustainable practices at every level of our organization. By working together, we strive to achieve our sustainability goals and create a positive impact on the environment, society, and our stakeholders.

Initiatives for 2023

- ISO 50001 for Energy Management.
- Water Stewardship certification from SAS Global for efficient water management



Key Highlights

100%

of all our wastewater is treated and partially used on-site



-13.2%

Reduction in Energy Intensity of Sales between 2021-22



~70%

of water consumption across all our manufacturing processes is from recycled water since 2020



100%

of all non-hazardous waste is either reintroduced in production or recycled by 3rd parties



80%

of all suppliers are locals



10,584

hours of training completed by employees in UAE



-17.1%

reduction in emissions intensity of sales between 2021-22



35,170.6

tons CO2e avoided by reducing imports of 256,265 tons of raw materials annually



80%

of all our packaging is recycled and/or recyclable



-26.6%

Reduction in volume of waste generated between 2021-2022



8%

Emiratization Rate in 2022



30%

Females in administrative roles





Summary of Initiatives by Product Line

TILES	
Production Process	Sustainability Initiative
Milling	<ul style="list-style-type: none"> Usage of recycled water, and muda materials
Atomizing / Spraying	<ul style="list-style-type: none"> Cogeneration of energy Recovery of the powder loss during the process
Pressing	<ul style="list-style-type: none"> Recovery of powder loss
Drying	<ul style="list-style-type: none"> Heat recovery from Kiln.
Glazing	<ul style="list-style-type: none"> Reusing the glaze waste generated. Process improvements in recycling the running glaze Usage of Recycling water
Firing	<ul style="list-style-type: none"> Redistributing the energy losses. Rejected tiles are sent to a fired tile crusher for recycling and using the crushed material.
Polishing	<ul style="list-style-type: none"> Recycling the polishing sludge to use in the production
Squaring	<ul style="list-style-type: none"> Recycling the squaring powder to use in the production
Sorting	<ul style="list-style-type: none"> Rejected tiles are sent to a fired tile crusher for recycling and using the crushed material.
Packing	<ul style="list-style-type: none"> Eco-wrap reduces the carton usage to pack the final products.
Electrical Overall	<ul style="list-style-type: none"> Almost all the departments are equipped with Variable Frequency Drives installations in all plants across different departments

TABLEWARE	
Production Process	Sustainability Initiative
Body & Glaze Preparation	<ul style="list-style-type: none"> Recovery of surplus raw materials Water recycling Installation of Variable Frequency Drive to equipment for energy saving Use of finished and semi finished products (rejections) in specified % for body preparation
Casting	<ul style="list-style-type: none"> Water recycling Installation of Variable Frequency Drive to equipment for energy saving Rejections (semi-finished pieces) reuse
Biscuit Firing	<ul style="list-style-type: none"> Using X-plates to improve the efficiency of firing with lesser energy consumption Using the heat from hot pipe for aiding combustion (waste heat recovery)
Glazing	<ul style="list-style-type: none"> Compliance with regulations for proper use of materials Water recycling
Glost Firing	<ul style="list-style-type: none"> Using X-plates to improve the efficiency of firing with lesser energy consumption Using the heat from hot pipe for aiding combustion (waste heat recovery)
Decoration	<ul style="list-style-type: none"> Make to order to avoid wastage
QC / Sorting & Foot Grinding	<ul style="list-style-type: none"> Water recycling Rejections (finished pieces) reuse
Packing	<ul style="list-style-type: none"> Use of only recyclable or compostable or reusable materials for packaging

SANITARYWARE	
Production Process	Sustainability Initiative
Sanitaryware manufacturing	
Body Preparation	<ul style="list-style-type: none"> 100% recycling of greenware rejects. Recycling of final rejects from manufacturing
Glaze Preparation	<ul style="list-style-type: none"> Recycling of waste glaze
Casting	<ul style="list-style-type: none"> Utilisation of waste heat from the kilns in drying wares. Use of High pressure, Medium pressure & Low pressure (Spagless) casting methods to reduce requirement of LNG for drying moulds and to use less water per unit produced.
Kiln	<ul style="list-style-type: none"> Recycling of hot combustion air by using waste heat from kilns for energy saving Use of energy efficient burners
Moulding	<ul style="list-style-type: none"> Product engineering for reducing weight (raw material) and process losses.
Sorting	<ul style="list-style-type: none"> Use of recycled water for functional testing of finished products
Electrical	<ul style="list-style-type: none"> Maximised use of Variable Frequency Drives in plant equipment.
Toilet Seat and Cover manufacturing	
ABS Seat & Cover	<ul style="list-style-type: none"> 100% recycling of rejected materials
Packing	<ul style="list-style-type: none"> Use of recycled materials to make packaging products

Energy Efficiency in Production

We are energy intensive as a manufacturing company producing 4 product lines - tiles, sanitaryware, faucets, and tableware. We recognize the importance of our role in energy conservation and combating climate change. Hence, we intensely focus on reducing our energy consumption by investing in technologies that increase the energy efficiency of our production.

Between 2021-22, our energy consumption increased by 6.7% from 6.11 PJ to 6.52 PJ, while our energy intensity of sales fell by 13.2% from 2.1 GJ / 000 AED to 1.8 GJ / 000 AED. Please note that we updated our energy calculation methodology in 2022, and this methodology has been applied to report our 2021 figures to ensure consistency.

We focus on recycling our energy and generating our energy through 2 cogeneration plants and a power plant. In 2022, we replaced two heavy-fuel oil engines with natural gas in our power plant to reduce environmental impact. Our key initiatives are discussed below:

WE OPERATE 2 COGENERATION PLANTS WITH GAS TURBINES

Traditionally, a significant amount of energy was lost through flue gas emitted during the solidification of ceramic-based products in high-temperature kilns. To address this and reduce our environmental footprint, we have implemented following:

Cogeneration Systems: We have installed two natural gas cogeneration systems as part of the spray dryer unit. These systems serve dual purpose: providing heat for the spray dryers and generating electricity for our facility. By harnessing the exhaust air from the gas turbines, we effectively utilize the high heat in the ceramic spray dryer, significantly improving efficiency.

Efficiency Improvement: The gas turbine connected to the spray dryer plays a crucial role in increasing the overall process efficiency. This advancement elevates the efficiency from a range of 27-32% to an impressive

75-90%. As a result, we minimize our natural gas consumption and associated emissions, contributing to a greener and sustainable process.

Prioritizing Gas Turbines: We prioritize the use of gas turbines over internal combustion engines to reduce our natural gas consumption. By opting for gas turbines, we achieve higher efficiency and enhance our energy conservation efforts.

Reduction in purchased electricity: Our purchased electricity fell by 68.7% from 107.9 KWh (Million) in 2021 to 33.7 KWh (Million) in 2022

HEAT RECOVERY

A substantial quantity of thermal energy is consumed in roller kilns fueled by natural gas, in which energy is lost through the flue gas and cooling gas exhaust stacks. We recover part of the cooling gasses in the firing chamber by installing a heat recovery system. From this stack, a part is recovered to the combustion pre-heating, another part to the vertical/horizontal dryers.

REPLACING CHILLERS WITH COOLING TOWER

As a pilot project to reduce power consumption, we have replaced the existing chillers in the Press department with cooling towers. We are exploring scaling this in our plants, which will use 1.5 MWh and decrease energy consumption by 6.8 MWh.

UPGRADATION OF POWER PLANT

We have replaced 3 Heavy Fuel Oil Engines (HFO), with the Natural Gas consuming engines which generate low carbon emissions by eliminating the usage of oil.

Our power plant contributes to our energy generation on-site as well. In 2021-22, we increased our electricity generation by 48.1% from 153.5 KWh (Million) in 2021 to 227.4 KWh (Million).

Initiatives for 2023

We are currently upgrading our procedures and policies, and in 2023, we aim to achieve the ISO 50001 certification.

6.7%

Increase in Energy Consumption between 2021-22

-13.2%

Decrease in Energy Intensity of Sales between 2021-22

-42.9%

Reduction in Diesel Consumption between 2021-22

-68.7%

Reduction in purchased electricity between 2021-22

14.6%

Increase in Natural Gas Consumption between 2021-22

-18.8%

Reduction in Electricity Intensity of sales between 2021-22

Energy Efficiency in Production

TILES PRODUCTION

REFRACTORY COATING FOR AMBIENT TEMPERATURE REDUCTION

A high emissivity coating when applied on the hot face lining to any thermal processing vessel, a durable high emissivity film is developed. The result is an increase in both the absorption and radiation capacity of the coated surface. The coating also provides protection from the corrosive chemical elements contained in fossil fuels and due to non-stick characteristics, it significantly reduces the adhesion of soot, ash, or scale.

OXYGEN ANALYZER

A semi-automatic system where it shows the pressure and oxygen level. If there is any variation between the set parameters and actual then we can adjust them as per requirement. This will reduce the energy loss and production loss caused due to the variations with immediate effect.

FUEL SAVING CATALYST

It is a non-mechanical device that is installed in-line of the fuel line, between the fuel tank and the burner. The device constructively reformulates any hydrocarbon fuel passing through the catalyst enabling it to burn more effectively.

AUTO AIR REGULATORS

They are balanced modulators that reduce fluid pressure to a charging pressure value, guaranteeing a constant ratio between fuel and combustion agents, resulting in more efficient combustion and reducing consumption. It operates on the combustion air pipeline and is modulated by a pressure signal coming from the fuel gas line.

VULCAN BURNERS

They are installed for heat focus and reduced combustion cones. Their main objectives are Optimum Air/Gas mixing, maximum operating performance, and is flexible in use.

X PLATE

A self-operating equipment that transfers the charge of electrons from the fan to the X-plate. It helps the hot air to be able to combust easier inside the furnace.

GRES PORCELAIN TILES

Consistent Fuel consumption per m2 between 2021-2022

-9%

Reduction in Electricity Consumption per m2

RED BODY TILES

-4%

Reduction in Fuel Consumption per m2

-6%

Reduction in Electricity Consumption per m2

Through our initiatives, we have been able to reduce the energy consumption per m2 of 2 of our major product lines - Gres Porcelain & Red Body Tiles

SANITARY WARE PRODUCTION

INITIATIVES FOR EFFICIENCY IN ELECTRICITY CONSUMPTION

- Smart ceiling fans installation
- Dust collector Auto cut off Modification
- Window A/C thermostat to circuit board installation
- Spray booth & inspection blower motor Modification
- Capacitor Bank Modification for contactor to thyristor switching
- VFD Application installation (reduction in hrs cycle)
- Pre Dryer Modification
- Window A/C to split A/C VFD model installation
- Green Turbo ventilator fan installation
- Temperature Controller Installed In Engobe Dryer

INITIATIVES FOR EFFICIENCY IN FUEL CONSUMPTION

- **SiC Conversion:** In 2018-19, we developed 5 types of Silicon carbide setters to improve loading efficiency.
- **Hot Combustion air for TK-4:** To recover air from kiln chimneys for combustion.
- **Ancora Burners:** We are piloting ANCORA burners to improve fuel efficiency (expected to be 5%)
- **X- plate:** X plate is our patent technology, which decluster the combustion of air and subsequently provides combustion efficiency.

Additional savings in electricity consumption in 2021 & 2022 from initiatives

2021

1436.72 MWH

2022

1178.33 MWH

FAUCETS PRODUCTION

INITIATIVES FOR EFFICIENCY IN ELECTRICITY CONSUMPTION

In 2022, the energy consumption in faucet production increased from 15160 GJ to 16308 GJ, which resulted in an increase in energy intensity of production by 25%. However, our energy intensity of sales remained consistent in both 2021 & 2022 at ~ 92 GJ/M AED.

In 2023, we plan to undertake further initiatives to reduce energy consumption. As per our plan, we expect energy savings of 20.7 GJ per month.

25%

Increase in Energy Intensity of Faucet Production.

However, we have

CONSISTENT

Energy Intensity of Faucet Sales in 2021 & 2022

TABLEWARE PRODUCTION

INITIATIVES FOR EFFICIENCY IN ELECTRICITY CONSUMPTION

In order to enable energy efficiency in the production of our Tableware, we ensure that our monthly electricity & fuel consumption do not exceed 60% and 1.2% of our total production quantity. Our initiatives include:

- Using X-plates to improve the efficiency of firing with lesser energy consumption
- Using the heat from hot pipe for aiding combustion (waste heat recovery)

-10.5%

Reduction in Energy Intensity of Tableware Production between 2021-22

Water Sustainability

We operate 3 effluent treatment plants, 1 sewage treatment plant and 1 desalination plant

To manage water resources efficiently, we have undertaken the following initiatives.

We prioritize the treatment and conservation of water resources in our operations. Through the implementation of efficient treatment plants and recycling measures, we aim to minimize water consumption and promote sustainable practices.

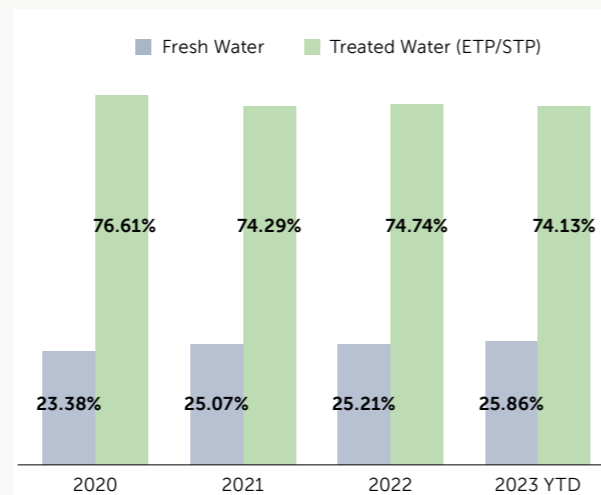
- **Effluent Treatment Plants (ETP):** We operate three Effluent Treatment Plants (ETP) that play a crucial role in treating wastewater from our manufacturing processes. In 2021 and 2022, our ETps treated 884,467 m³ and 937,955 m³ of wastewater, respectively. These treatment plants ensure that the discharged wastewater meets regulatory standards and minimizes environmental impact.
- **Sewage Treatment Plant (STP):** In addition to the ETps, we also have one Sewage Treatment Plant (STP) that handles wastewater from our facilities. In 2021 and 2022, the STP treated 225,270 m³ and 223,074 m³ of wastewater, respectively. This plant effectively treats sewage to ensure the safe disposal of wastewater.
- **Recycling and Reuse:** Approximately 100-125m³ of wastewater is discharged per hour from our factories. This wastewater undergoes preliminary treatment, including the injection of coagulant and flocculant, before being filtered and separated into recycled water and sludge. Part of the recycled water is redistributed for use in our factories, reducing our reliance on freshwater sources. The wet sludge is dried and reused in our production processes, with approximately 70-75% of the sludge being utilized by our Tiles division.
- **Water Conservation:** As part of our commitment to water conservation, we have made significant progress in reducing freshwater consumption. Since 2020, 70% of our total water consumption comes from recycled water sources. This shift highlights our dedication to maximizing water efficiency and minimizing our environmental footprint.

6%
increase in wastewater treated in our 3 ETps between 2021-22

MIN. 70%
of water consumption across all our manufacturing is from recycled water since 2020

4%
Reduction in water intensity of sales

100%
of all our wastewater is treated on-site.



Initiatives for 2023

- To keep up with growing demand, we are installing another ETP of capacity 450m³/day which will reduce fresh water supply by 40%.
- We are also preparing to achieve the Water Stewardship certification by SAS Global.

Waste & Circularity

Our approach to managing waste

In Our Company, waste is seen as a valuable resource, and we have implemented comprehensive Waste Management Guidelines to promote resource efficiency and circularity. We have achieved the impressive milestone of reusing 100% of our non-hazardous waste by reintegrating it into our production processes for all product lines.

Our waste management methodology covers a range of waste streams, including broken tiles, broken sanitaryware, rejected products, sludge, batteries, cartons, paper, and e-waste. Hazardous waste is handled in strict compliance with regulations by authorized governmental agencies. We conduct regular audits of our waste management system and continually explore opportunities for waste reduction and reuse. Our waste management practices are integral to our Environmental Management System, aligning with our ISO 14000 certification.

Between 2021 and 2022, we achieved notable reductions in raw material consumption by 4.09%, from 1,215,433 tons to 1,165,668 tons. Additionally, our waste volume decreased by an impressive 26.68%, from 85,134 tons to 62,415 tons. This reduction contributed to a significant 40% decrease in waste intensity of sales during the same period. In 2022, we proudly achieved 100% recycling of non-hazardous waste, either through reintroduction in production or by partnering with third-party recycling services. This approach not only minimizes waste transportation but also eliminates associated emissions.

We are actively progressing in our initiatives for can recycling, forwarding 65 kgs and 68 kgs of cans for recycling in 2021 and 2022, respectively. Similarly, we have made significant strides in reducing paper consumption by substituting printed brochures with e-catalogs. By 2022, we achieved an impressive 40% reduction in printing catalogs, resulting in the forwarding of only 80 kgs of paper for recycling compared to 175 kgs in 2021.

100%
of non-hazardous waste is either reintroduced in production or recycled by 3rd parties

We have
ZERO WASTE
to Landfill
(Non-hazardous waste only)

-4%
Reduction in Raw materials in 2022 between 2021-2022

-26.6%
Reduction in volume of waste generated between 2021-2022

-40%
Reduction in Waste Intensity of Sales between 2021-2022

Waste & Circularity (contd.)

How we manage waste in our production processes

TILES

PRODUCT GENERATION WITH RECYCLED MATERIALS

Our Tiles utilize 85-90% of generated waste, including Fired Tiles, Green Tiles, Squaring Waste Powder, and Polishing Sludge. Tiles also use the waste from other manufacturing processes, including Sanitaryware, Tableware, and ETP, which is a milestone achievement for us. We also monitor our glaze wastage and recycle it by reintroducing it in the production process. **Nineteen of our tiles product range have between 4.8-13% recycled content.**

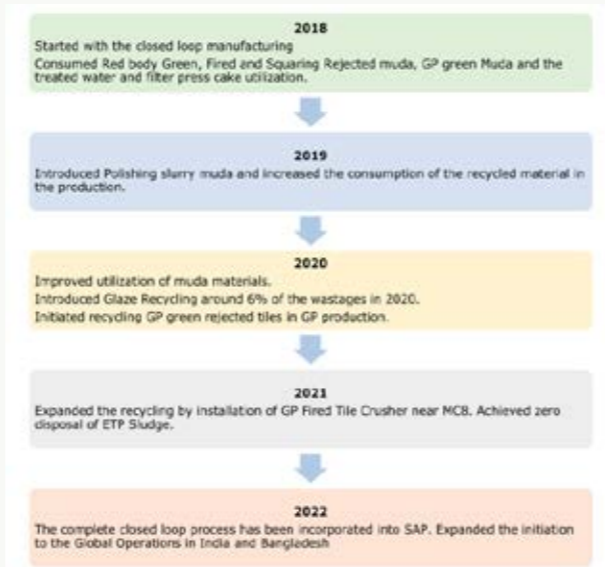
TILES MADE FROM 100% RECYCLED MATERIALS

We are now able to produce tiles made from 100% recycled material. Our product range - Porcelain: Reuse Quartz contains 100% recycled waste generated from our manufacturing processes itself.

INITIATIVES FOR 2023 – REUSE OF POST CONSUMER USED MATERIALS

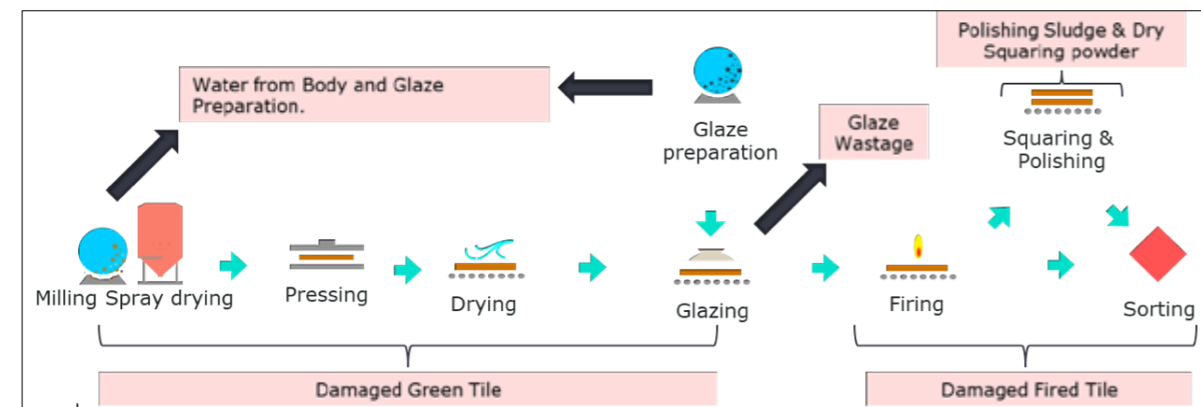
In addition to reducing imported materials consumption and recycling 100% of all the Muda generated, we are working towards recycling and reusing Post Consumer Used Materials. As tiles are products that do not decompose, we are exploring recycling materials that the consumers have already used. This includes tiles that have been demolished for renovation or rebuilding purposes. These will be crushed for use in the formulation to develop tiles. We are currently at the lab's technical study stage and testing the crushed material.

TIMELINE FOR PROGRESS IN WASTE RECYCLING IN TILES MANUFACTURING



Recycled Input Materials (generated from Tiles production & ETP only)	2020	2021	2022
ETP sludge	50~60 %	90~95 %	70~75%
Fired tiles	25~65 %	75~75 %	90~95%
Polishing sludge	25~30 %	25~30 %	85~90%
Green tile	75~100 %	90~100 %	90~95%
Squaring waste powder	70~80 %	80~90 %	85~90%

Volume of waste recycled into Tiles manufacturing



How we reintroduce waste in Tiles manufacturing

How we manage waste our production processes

SANITARYWARE

From the total waste generated by Sanitary Ware, 2%, 25% and 44% of Fired Sanitary Ware, Greenware Sanitary Ware & Reclaim Glaze is reused within Sanitary Ware, while the remaining is forwarded to Tiles.

Between 2021-22, we have consistently reused 2% of Fired Sanitary Ware Waste and increased the use of Greenware Sanitary Ware from 20% to 25%

Recycled Input Materials	2021	2022
Fired Sanitary ware (%)	2%	2%
Fired Sanitary ware (Tons)	719.15	1030.32
Greenware Sanitary ware (%)	20%	25%
Greenware Sanitary ware (Tons)	66641	72879
Reclaim Glaze (Tons)	2458.96	2660.20
Recycled Acrylonitrile Butadiene Styrene (ABS) seat cover (Kgs) – Scrap ABS and B-Grade rejection.	39,175	35,725
Polypropylene recycled content material used (Kgs) – Strap belts production for our packaging use.	287,670	271,445

FAUCETS

We utilize all raw materials, and reintroduce 100% of all rejected pieces back into production.

We also reduced our carton waste from 287.04 tons in 2021 to 284.72 tons in 2022

In 2023, we plan to increase the use of wood pallet waste.

100%
of all rejected pieces are reintroduced in faucets production

TABLEWARE

100% of rejected pieces are reintroduced in production. 80% are reintroduced in tableware itself, while 20% are forwarded to tiles.

20%
of all rejected pieces are forwarded to Tiles

Sustainable Logistics & Air Pollution

SUSTAINABLE LOGISTICS

E-BIKES INITIATIVE

We have 85 bikes around all our plants to support our employees with a convenient travel and minimize regular car usage. This reduces car emissions, noise pollution, poor air quality, and urban congestion.



DIESEL CONSUMPTION

We focus optimising logistics and warehousing in addition to enhancing inventory control and management.

In 2022, we achieved a reduction in road movement of 1.4 million kilometers, leading to a reduction in ~150,000 imperial gallons of diesel and savings of 1,884.9 tons CO2e of emissions.

Further, we saved 182.6 tons CO2e of emissions, by replacing 3 diesel operated forklifts with battery operated trucks.

-1.4M KM

reduction in road movement resulting in

-150,000

Imperial Gallons of Diesel saved &

-1,844.9 TONS

CO2e emissions avoided

AIR POLLUTION

We are dedicated to maintaining excellent air quality standards and minimizing dust emissions within our premises. We have implemented a comprehensive air emissions monitoring program to ensure compliance with regulatory requirements. Here are the key findings from our recent air emissions monitoring report:

Concentration of Total Suspended Particles (TSP), Sulphur dioxide (SO2), Nitrogen Oxides (NOx), and Carbon monoxide (CO) measured in all stacks from S1 to S28 are within the prescribed limits during the monitoring period. This demonstrates our successful control of emissions from various processes such as ball mining, mixing, processing, glazing, firing, and surface quarry.

Concentration of Total Suspended Particles (TSP), Sulphur dioxide (SO2), and Carbon monoxide (CO) measured at the Power Plant – Engine 3 FIFO Stack (29) are within the prescribed limits during monitoring. This indicates our effective management of emissions from the power generation facility.

However, the concentration of Nitrogen Oxides (NOx) measured at the Power Plant – Engine 3 HFO Stack (S29) exceeded the prescribed limits during monitoring. As a result, we took proactive measures to address this issue by replacing Heavy Fuel Oils (HFOs) with natural gas in 2022. This transition will help us mitigate NOx emissions and improve air quality.

By closely monitoring air emissions and promptly addressing any exceedances, we are committed to maintaining a clean and healthy environment for our employees, surrounding communities, and the broader ecosystem.

Pollutants	mg/Nm3 Ave./hr.	
	2021	2022
NOX	3713.1	2351.03
SOX	417.86	346.68
Total Suspended Particles (TSP)	425.17	446.24
CO	1417.5	1946.87

Emissions Reduction

OVERVIEW

As a manufacturing company, we recognize our role in reducing emissions to combat climate change. Hence, our efforts are geared towards improving our environmental stewardship throughout our value chain, sourcing our raw materials sustainably, and operating our manufacturing processes as efficiently as possible. Our choices of equipment and production processes are centered around reducing and efficiently managing resources.

PROGRESS TOWARDS REDUCING EMISSIONS

We have been reporting our carbon emissions since 2019. In 2022, we updated our emission calculation methodology to align with the UNFCCC calculator. This methodology has been applied to report our 2021 figures, to ensure consistency.

Key highlights on our emissions are discussed below:

- Scope 1 emissions: Our Scope 1 emissions increased by 9.97%. This is due to a 41.5% increase in our natural gas consumption in our power plant, as a result of replacing our HFO engines.

Emissions in 2021 & 2022 by Scope (kt CO2e)

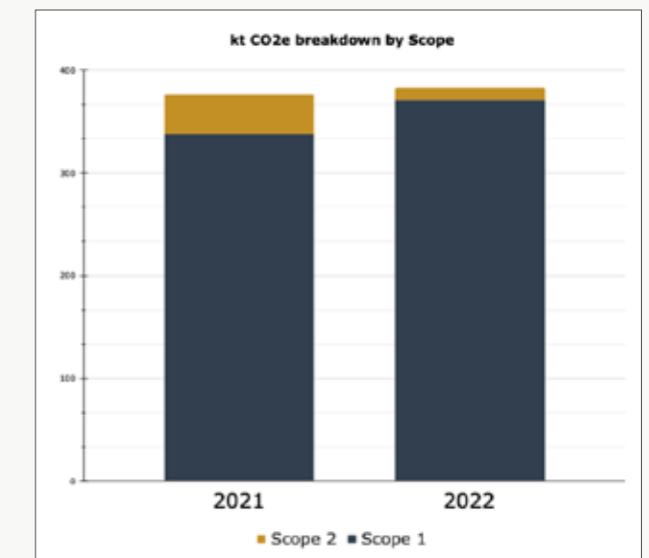
Year	Scope 1	Scope 2	Total
2021	337.36	38.14	375.50
2022	371.01	11.92	382.93
Change	9.97%	-68.76%	1.98%

Initiatives for 2023

- Calculate our Operational Emissions globally.
- Develop a methodology to calculate our Scope 3 emissions.
- Continue our efforts & investments towards energy savings.
- Explore concepts such as carbon capture and biogas generation from solid waste, for implementation in the near future.

- Scope 2 emissions: Our Scope 2 emissions reduced by 68.1%. This is because we reduced our purchased electricity by the same percentage, and increased the electricity generation from our power plant by 51% from 155.1 KWh (Million) in 2021 to 234.2 KWh (Million).
- Reduction in Emissions Intensity of Sales: Although our total emissions have increased, we have achieved a 17.1% reduction in emissions intensity of sales between 2021-22.

Throughout our production processes, we continuously invest in equipments and upgrades to optimise our energy consumption and emissions, and reduce the emissions intensity of our outputs. For example, while internal combustion engines are more efficient in the cogeneration processes, we choose to use gas turbines, to minimise our natural gas consumption.



Emissions breakdown by Scope in 2021 & 2022

1.9%

Increase in emissions between 2021 & 2022

-17.1%

Reduction in emissions intensity of sales between 2021 & 2022



Diversity & Inclusion | Emiratization

OVERVIEW

We have approximately 12,000 employees across the group, with 6,064 employees working in our factories at our headquarters in Ras Al Khaimah. We strive to provide a workplace where individuals have an equal opportunity to work and contribute to the Company's growth. We offer equal employment, advancement opportunity and remuneration to all individuals without discrimination based on age, color, race, religion, gender or disability. In 2022, we hired 1,071 professionals, and 677 employees left the company.

EMIRATIZATION

We continue to focus our efforts on employing national talent to align with the UAE's 2021 vision of Emiratization. Our Human Resources team works closely with the Ministry of Human Resources and Emiratization to increase the number of Emiratis in our workforce. In 2022, the percentage of Emiratis in our administrative functions has increased by 8%.

DIVERSITY & INCLUSION

In 2022, women accounted for 30% of administrative employees, and we have targeted to include 30 more women in our team by 2023. We also made strong strides towards employing youth, with 60% of all new hires being youth aged below 30. We also do not tolerate a gender pay gap, and women in our company, on average, were paid 2.32 and 2.56 times more than men in 2021 and 2022 respectively.



6,064

Employees in UAE

8%

Emiratization rate in 2022

30%

Females in Administrative Roles

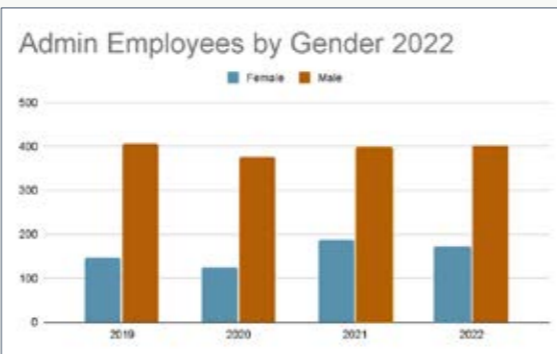
1,071

New hires in 2022, of which

60%

were youth aged below 30.

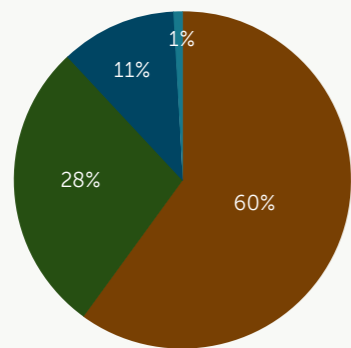
Ratio of Total Remuneration – Women to Men		
	2021	2022
Band 1 (para professionals)	2.19	2.34
Band 2 (professionals)	1.58	1.62
Band 3 (middle management)	1.11	1.11
Average	2.32	2.56



Initiatives for 2023

We are ramping our efforts towards diversity, and aim to add 30 more women to our team in 2023

New Employee Age Group



● Under 30 years old ● Between 30 and 39 years old
● Between 40 and 49 years old ● Above 50 years old

Employee Safety & Wellbeing

EMPLOYEE HEALTH & SAFETY OVERVIEW

We prioritize the safety and well-being of our employees. We believe that a safe and healthy working environment is essential for their happiness and productivity. Here's an overview of our Health & Safety framework:

1. Health and Safety Policy: Our comprehensive policy adheres to UAE Regulations, including ISO-45001 and OSHAD Code of Practice, as well as international best practices. It covers all employees, contractors, and visitors across our production units, office buildings, workers' accommodation, and workshops. Our goal is to prevent accidents, injuries, and occupational illnesses.

2. Health & Safety Governance: Our dedicated EHS and facility management team ensures the day-to-day management of our health and safety systems. We have a Safety Committee consisting of representatives from various departments that meets regularly to address safety issues and propose necessary controls.

3. Monitoring & Audits: Our NEBOSH certified safety officers and technical team conduct daily monitoring, semi-annual internal audits, and routine inspections. This helps identify hazards, eliminate or control risks, and identify areas for improvement. All machinery moving parts are properly guarded, and risk assessments and plant inspections are regularly performed.

4. Safety Protection, Trainings & Awareness: We prioritize employee safety through safety induction training for all employees, visitors, and contractors. Safety bulletins and hazard posters are displayed strategically to raise awareness. Dust masks and earplugs are provided to mitigate the health risks associated with dust, noise, and silica exposure. Regular safety trainings are conducted to enhance awareness and knowledge.

5. Employee Reporting: Our EHS team operates a 24-hour hotline for reporting unsafe conditions, accidents, or incidents. Upon receiving a report, an internal

investigation is conducted, and appropriate control measures are implemented to prevent recurrence.

6 Managing Specific Safety Risks:

- Inhalation of dust and exposure to chemicals: We conduct air quality testing, employ dust collector systems, and provide personal protective equipment (PPE) such as dust masks for respiratory protection.
- High levels of noise: Silencers are installed, and earplugs are provided to mitigate the risk of hearing problems.
- Our efforts have shown positive results in reducing work-related injuries. Between 2021 and 2022, major work-related injuries decreased by 37% (from 19 to 12), and minor work-related injuries decreased by 22% (from 213 to 167).
- Through these initiatives and continuous improvement, we strive to create a safe and healthy workplace for all our employees.

37%

Reduction in Major Work Related Injuries

22%

Reduction in Minor Work Related Injuries

Audits conducted	Total Findings	Percentage
General	952	93%
Electrical	841	98%
Mechanical	659	85%
Environmental	149	86%

Initiatives for 2023

Continue to make efforts towards our Health & Safety framework, by identifying & resolving hazards, and eliminating work related injuries.

Employee Safety & Wellbeing

EMPLOYEE WELLBEING OVERVIEW

We recognize that people are our most valuable assets, therefore we work hard to ensure that our employees are safe and healthy, with free medical insurance provided to all employees, and various health-care initiatives run throughout the year. Doing the right thing by our people ensures that they are happy, healthy and thrive in a working environment.

Employee Benefits	Description
Life Insurance	All employees are covered under the Company's group life insurance policy, which covers disabilities due to work accidents or a work-related demise.
Medical Insurance	All employees are provided with medical insurance covering all work related and non-work related ill health or injuries and free health check-ups.
Workman Compensation Insurance	All employees are covered under the Company's Group Workman Compensation Insurance, which covers loss of salary due to a work related accident/injury.
Annual Health Screening	We partner with RAK Medical Center to provide annual health screening and eye examinations for those employees who work in hazardous conditions inside the factories. Any individuals who are identified as "high risk" are provided with one on one counselling and briefed on how to improve their health and lifestyle.*
Monthly Wellness Campaigns	We organize monthly awareness campaigns on a variety of topics including how to avoid heatstroke, and the common signs of Hepatitis A and C.
Employee Welfare Fund	A welfare fund has been established by the company to help and support employees in serious need of monetary help due to accidents, medical emergencies for self and/ or immediate family members and other approved expenses to the extent not covered by insurance or any other source. The welfare fund is managed by a committee formed for this purpose who shall be the authority for sanctioning of financial help for those in need. The management of the welfare fund shall be governed by the Employee Welfare Fund Policy
Transportation and Accommodation	Employees are provided with accommodation in accordance with the Accommodation Policy. If no accommodation is provided, employees are provided with an accommodation allowance determined by their respective pay grades.
Other Leave	All female employees are eligible for 90 days of maternity leave in accordance with UAE Laws (45 days paid and 45 days unpaid). We also provide special leave for Haji/Umrah and on a case by case basis.
End of Service Benefits	Employees are provided end of service compensation in accordance with UAE Laws.
Travel Allowance	All employees are granted leave travel allowance, graded according to their Company designation, paid at prevalent market rates.
Counselling for employees	Counselling of employees as per requirement
Sports Activities	We provide recreational facilities including a gym, basketball, volleyball, badminton courts and a football field and organize regular sports tournaments.

Employee Training

OVERVIEW

We believe ongoing training and development is an important part of developing employee capabilities and continuous professional development opportunities are provided based on the needs of the business and individual job requirements. Prior to starting work, the HR department ensures a smooth induction for each employee in to the company. The general induction is then followed up by departmental specific training programme organised by department heads or co-employees. The HR department oversees the induction programme, training and development requirements, probationary monitoring, on the job training for skill development, in-house seminars, external expert facilitated training workshops organised in house, industry seminars and exhibitions, conferences and conventions. For factory employees, the induction training covers a presentation on the company, overview of HR and management policies as well as detailed guidelines from the EHS department regarding health and safety. 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. Furthermore, all new employees receive a performance review upon completion of their probation period.

PROFESSIONAL TRAININGS FOR CAREER ADVANCEMENT

We provide a range of training programs aimed at improving the technical skills, equipment and process knowledge, general operational competence, and sales capabilities of our workforce. These programs are designed to enhance the expertise of our employees and help them contribute to the organization's business objectives. Our various programs are as follows:

- **Manufacturing Excellence Program:** There is an ongoing Manufacturing Excellence Initiative covering about 1000 people that aims to drive improvements in productivity safety, quality and efficiency. The Program is designed around Lean Manufacturing and TPM.
- **LEAP:** This is an ongoing management advancement & Effectiveness program.
- **Kangaroo:** This is a sequenced career development program) for operators and technicians.
- **Skill and development programs:** This for sanitary ware casters, sprayers and inspectors

ENVIRONMENT, HEALTH & SAFETY TRAININGS

In 2022, our EHS team conducted trainings for our employees on over 60 topics on topics ranging from Environmental Management, Health & Safety, and on Procedures & Maintenance in general. A total of 12,537 employees attended the trainings (non-unique headcounts). The various topics covered in trainings were:

- **Environmental Management:** Waste Management, Water Pollution, Noise Pollution, Dust Emission, Energy Efficiency, Waste Disposal, Water Pollution, Environmental Hazard Identification & Control, Scrap Material Recycling, Energy Saving
- **Health & Safety:** Safe System Of Work, First Aid Kit, PPE, Hurry Up Can Hurt, Common Safety Mistakes that Make Big Difference, Accident Prevention, What Is Near Miss, Why Do EHS Stop The Work, Welding Safety Precaution, When You Spot Hazards, Heat Illness/ Stress, Safety At Work, Hazard And Risk, Unsafe Acts, Unsafe Conditions, Safe Working Procedure/Related Injury With Reference Nos., Machine Guard, Fire Prevention, MSDS, Chemical Hazard, Hand Protection, About Previous Accident, Fire Hazard, Electrical Safety, Hearing Protection, Foot Protection, Stress, Cough, Cold & Flu, Respiratory Protection Colds, Covid-19 Awareness
- **Procedures & Maintenance:** Housekeeping, Oil Spillage, Chemical Spillage, Spillage Control Procedures, Chemical Safety & Precautions/Handling, Work Permit, General Duties Of Employees, Awareness Of Permit System, Forklift Operating, Hierarchy Of Control, Manual Handling, Confined Space, Work With Rain & Water, Material Handling & Transport, Material Handling Disposal, Food Material Storage and Food Handling, Bicycle, Horse Play, Ladder, Diesel Spillage, Eye Wash Station, Slip Control.



65

Topics covered
in EHS training
sessions



3%

Unique
employees
trained in 2022



10,584

Training hours
achieved in
2022

Initiatives for 2023

- Increase the number of man-hours in education.
- Introduce a formal career development plan

Community Investment

OVERVIEW

In line with the strategic objectives of the Company and as a responsible corporate citizen, the Company actively promotes and invests in CSR initiatives and various other activities focused on giving back to and improving its communities. We are delighted to report that we have continued to achieve progress through our CSR activities in 2022, making progress in all strategic pillars and staying true to our commitment of improving the quality of people's lives around our beneficiary communities and pursuing the growth of our businesses through responsible and sustainable innovation.

RAK TERRY FOX RUN 2022

As a responsible organization, we are committed to championing causes we care about, one of them being a world without cancer. One of the organizations that leads the efforts towards a cancer-free society, through funding research and development, is Terry Fox Foundation. The foundation organizes a host of events to raise cancer awareness and funds globally, one of them being the Terry Fox Run. Like every year, we have participated in Terry Fox Run that took place last Feb 26th at Al Qawasim Corniche, Ras Al Khaimah. Registered participants received a RAK Ceramics branded t-shirt to be worn on the event.

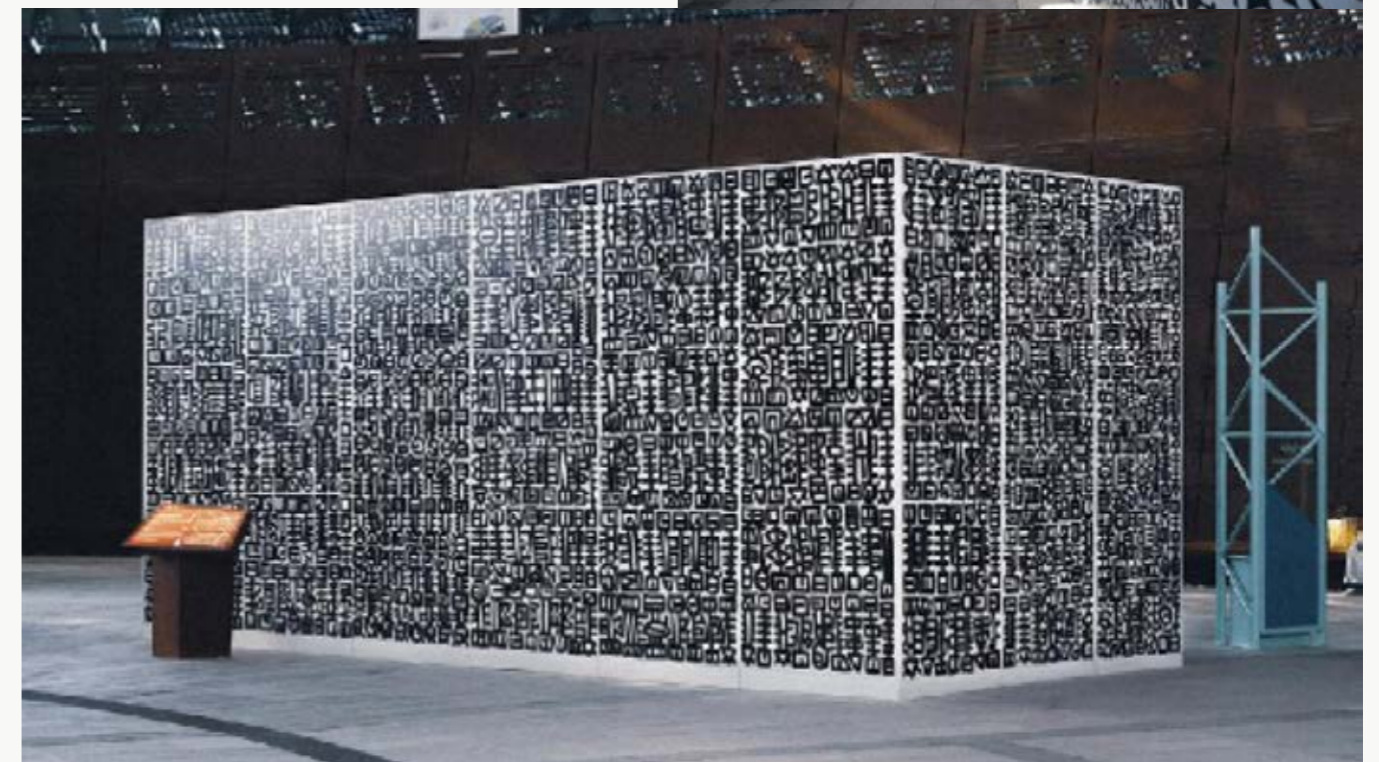


SUPPORTING LOCAL ART WITH EMIRATI ARTIST MOHAMMED AHMED IBRAHIM

Our Company supports local art in the pursuit of beauty. As a company with roots in Ras Al Khaimah, UAE, we are committed to initiatives that nurture local talent, strengthen local heritage, and raise cultural awareness. In 2021, Mohammed Ahmed Ibrahim, an Emirati Artist who was part of the first generation of our Company to produce a collection of limited edition large format slabs. Originally painted on a smaller scale, the artwork was adapted to the size of tiles, and digitally printed on the surfaces of porcelain tiles, faithfully reproducing the artwork. During Expo 2020 in Dubai, Mohammed Ahmed Ibrahim, unveiled his stunning contemporary installation, Hugs in the Sustainability Pavillion. The interactive pavilion is a thought provoking, walk through space, that encourages visitors to think about how their values affect their choices, especially when it comes to bigger issues like the environment. He used 84 porcelain slabs manufactured by us printed with his signature symbols in black & white.

The artist recently represented UAE at the Venice Biennale in 2022 with a large scale installation titled Mohammed Ahmed Ibrahim: Between sunrise & sunset.

His recent solo exhibitions include The Armory Show with Lawrie Shabibi, New York 2022, Embryonic Coat 2022, Memory Drum 2020 and the Space between the Eyelid and the Eyeball at Lawrie Shabibi, Dubai, as well as a series of solo exhibitions at Cuadro Gallery Dubai (2013-2018). His work has been acquired by major international collections including Sharjah Art Foundation, Sharjah Art Museum, Art Jameel Collection, Barjeel Art Foundation, Mathaf: Arab Museum of Modern Art, Doha, Kunstcentrum Sittard, the British Museum, and Le Centre Georges Pompidou, Paris.





Corporate Governance

OVERVIEW

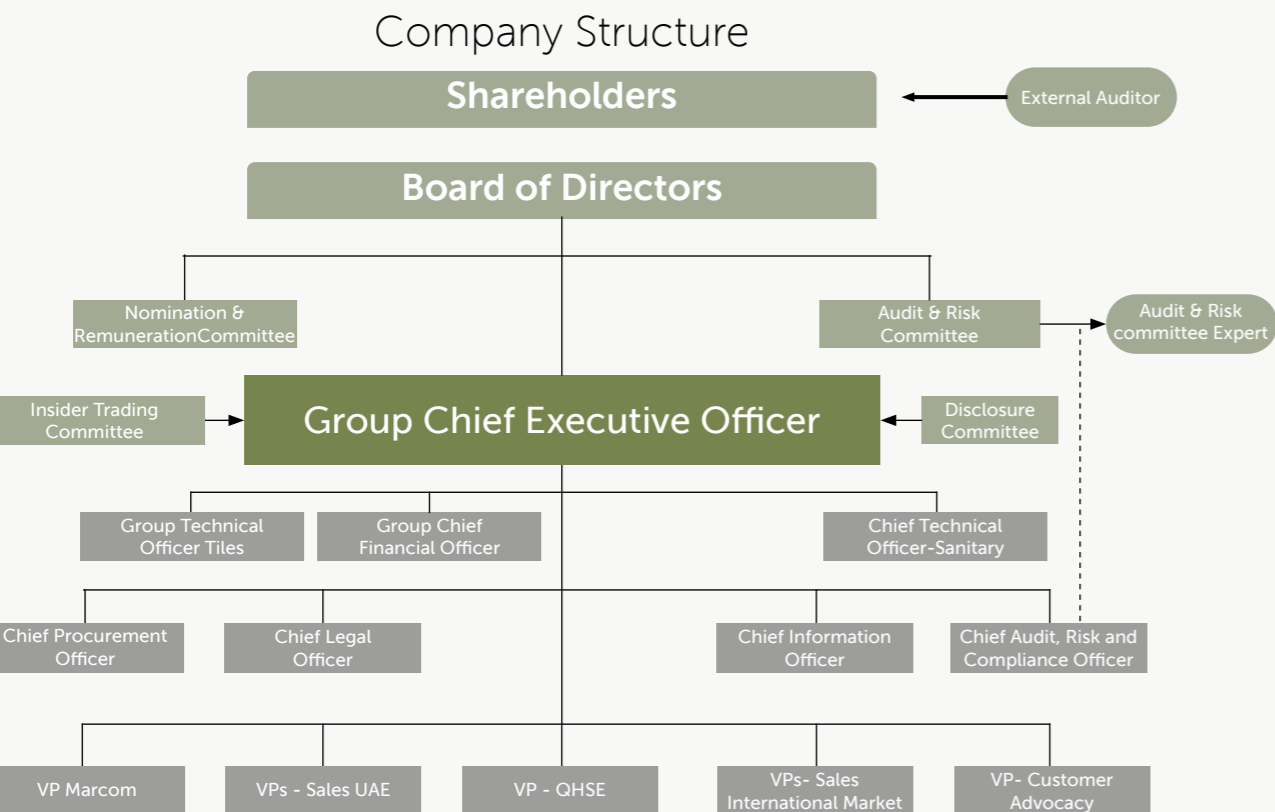
We consider sound corporate governance to be one of the pillars of running a responsible, profitable and sustainable business that creates value. An organisational commitment to corporate governance drives enhanced management accountability, creation of value for shareholders and protecting the interests of all stakeholders and the community. We have adopted a comprehensive set of corporate governance policies and procedures that draws upon global best practices and is in accordance with all relevant UAE legislation including Resolution No. 3 of 2020 of Securities and Commodities Authority (SCA) concerning Corporate Governance Rules and Corporate Discipline Standards. This assures that utmost vigil is exerted by the Board of Directors (the "Board"), executive management and employees of our Company.

The Board is responsible to the Company's shareholders for creating and delivering sustainable value through prudent management of its business and associated risks. In particular, the Board is responsible for strategic

direction, supervision of management and adequate controls to drive the success and long-term value creation. The Board plays a central role in the corporate governance framework by ensuring that the Company complies with obligations arising from its legal and regulatory requirements; its memorandum and Articles of association and duties towards the shareholders.

Composition of the Board of Directors: The current Board consists of seven members including the:

- The Chairman (Non-Executive, Independent),
 - The Vice Chairman (Non-Executive, Independent),
 - Four Non-Executive & Independent Directors
 - One Executive Director.
- The Board consists of 6 non-executive, independent members and one executive member, satisfying the requirements of Article (9/5) of Resolution No. 3 R.M of 2020 of SCA concerning Corporate Governance. The term of the current Board Members expires on 29 March 2024. Our Board consists of 6 male members and 1 female member, who is also the Chairperson of the Audit and Risk Committee.



Committees

The Board has Four standing committees: The Audit & Risk Committee, Nomination and Remuneration Committee, Insider Trading Committee, and Disclosure Committee and together they strengthen the Board's oversight of the Group.

Ethics

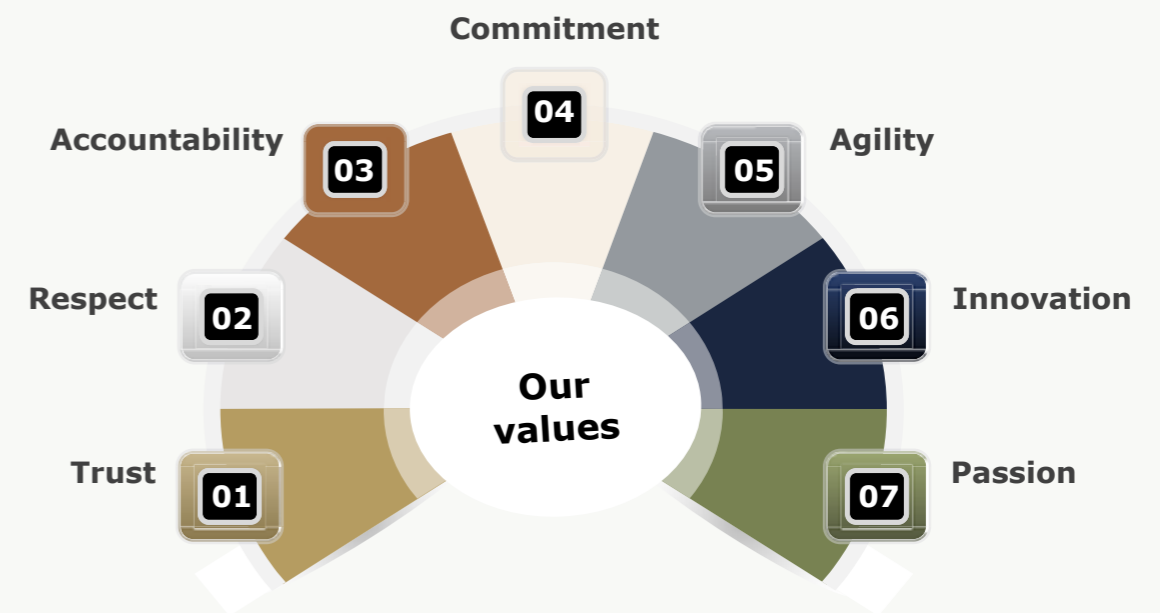
From a corporate governance perspective, the main focus in 2022 was to ensure continuing compliance with the applicable laws of the United Arab Emirates, regulations governed by the Securities and Commodities Authority (SCA), the Abu Dhabi Securities Exchange (ADX) and the Articles of Association of the Company (AoA). We regularly updates our policies, such as the Code of Conduct, Conflict of Interest, Whistleblowing Policies, and Dividend Policy. We are committed to respecting the rights of all stakeholders through the adoption of the highest standards of governance resulting in transparency and integrity in all its dealings and disclosures.

Members of the Board of Directors, executive management and employees ("Our People") in the Company are aware of the Anti-corruption Policies and must adhere to the guidelines noted in the Anti-corruption Policies during their employment with our Company. In particular, the Company's Code of Conduct outlines the minimum standards of business and ethical conduct that we expect our people to adhere to, in order

to maintain our vision of zero corruption. The Code of Conduct does not cover all possible situations that may occur, but provides guidance on day-to-day activities, so that our people can 'do the right thing'. Any person who fails to comply with the Anti-corruption Policies will be subject to disciplinary measures, including but not limited to warning, or termination. To emphasise the importance of the Anti-corruption policies, management routinely communicates the key details from the Anti-corruption Policies, through emails, memos and in Company meetings.

Our Code of Conduct covers the following aspects;

- Purpose of global code of conduct,
- Guiding principles,
- Statutory compliance, rules and regulations
- Conflict of interest
- Corporate commitment
- Customer relation
- Dealing with suppliers,
- Accounting records maintenance,
- Public communications.



Data Protection

OVERVIEW

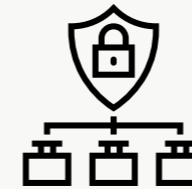
We consider it important to ensure that any personal information received from customers, is secure and available upon request, as we believe our continued success depends on trust from our customer base, so protecting their personal information from disclosure is paramount. Given our global operations, We implemented a General Data Protection Policy (GDPR) in early 2019. We are pleased to have rolled this Policy out across our European operations and we believe this Policy provides the best level of protection to our customers. At a glance, the Policy sets out our commitments to our customers when it comes to handling their personal information, and includes principles relating to the transfer of personal data, rights of individuals, record processing and how we deal with any violations of the Policy. We ensure that the collection of data in the UAE also follows the principles outlined in the Policy and UAE Laws.

Furthermore, we have developed a Privacy Policy for any personal information we collect from individuals using our website in the UAE, our App or our Visitor Management System, which can be viewed at www.rakceramics.com/uae/en/privacy-policy. In 2022, there were no recorded customer data breaches, loss of data, or substantiated complaints, and therefore we consider the various privacy policies to be effective.

CYBERSECURITY

We take a comprehensive and multifaceted approach to protect information in our care and assist our employees and customers in safeguarding their digital assets and information. We embed data protection throughout our operations and technology programs with the goal of safeguarding our customer data and digital assets. As a foundation to this approach, We maintain a comprehensive set of cybersecurity policies and standards, which align with the International Standards Organization (ISO) 27001:2013 standard. The policies are developed in collaboration with a wide range of disciplines, such as, cybersecurity, legal, compliance and business, among others. We also have been certified as ISO 27001 compliant in February 2022. Our information security objective is to "To build an agile and cost-effective cyber security program aligned with current threats and adaptable to our Company's

business objectives". We have both management and technological measures in place to defend against cyber threats. Considering the growing sophistication of cyber-attacks, we have adapted a layered defense system by deploying top of the breed defense technologies at each layer. We work to reinforce our response capabilities through measures such as Disaster recovery drills, which are carried out every year. We have also taken steps to reinforce security considering the shift toward cloud-based services and changes in workstyles, including the expansion of remote work.



Network Security

Protect networks from attack, filter out unauthorized access and malicious content.



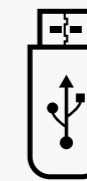
Malware Prevention

Anti-malware defenses across the organisation.



User Education & Awareness

Educating users on security policies and create awareness of cyber risk.



Removable Media Controls

Control all access to removable media. Scan all media for malware before importing onto the corporate system.



Managing user Privileges

Limit the number of privileged accounts, user privileges plus monitor and control user activity.



Path Management

Keeping software on computers and network devices up to date and capable of resisting low-level cyber attacks.



Incident management

Incident response and disaster recovery capability.



Monitoring

Continuously monitoring all systems and networks. Analyze logs for unusual activities.



Home and Mobile Working

Protect data both in transit and at rest.



Risk Management

Risk identification and migration.



Sustainable & Responsible Procurement

OVERVIEW

Our raw materials are procured locally from Ras Al Khaimah, and from Europe, India, Indonesia, Thailand & Malaysia. We focus on procuring raw materials of the highest standard that meet our sustainability criteria. Our Sustainable & Responsible Procurement efforts are focussed on 4 different streams. First, we ensure verification of all our new suppliers through self assessment questionnaires to ensure our requirements for quality, health & safety and labour practices are being met, such as zero child labour. Further, we conduct audits of all our strategic suppliers. Second, we work towards increasing the % of our local suppliers and local raw materials. Third, we are working towards producing our own options for raw materials to reduce imports. Fourth, we place a heavy focus on procuring packaging material that is recycled or recyclable.

1. SUPPLIER VERIFICATION & AUDITS

We place high importance on dealing with suppliers who conduct ethical business practices and our focus is ensuring that at a minimum our suppliers have adequate health and safety stands in place and do not partake in child labor. Prior to becoming a supplier for our Company, it is mandatory for all key suppliers to complete a Supplier Assessment Questionnaire, which outlines the minimum requirements for quality, environmental practices, health and safety and ethical standards. We will continue to work on our supply chain strategy, so it continues to meet the demands of the business and is in line with our stakeholder values.

Questions are related to availability of Health and Safety Policy, risk assessments, monitoring, MSDS, accident reporting and records, PPE, evacuation procedures, on-site machinery safeguards, first aid, fire & safety precautions, noise pollution control and worker training. We also conduct audits of all our strategic suppliers such as our high volume and high risk suppliers.

2. LOCAL PROCUREMENT

In 2022, we increased the total percentage of our local suppliers to 80% from 67% in 2021. We also reduced our freight emissions by 35,170 tons CO2e, by avoiding imports of 256,265 tons of raw materials per annum.

3. SUBSTITUTING IMPORTED RAW MATERIALS WITH OWN PRODUCED MATERIALS

In-house Glaze Compound Materials:

While we use imported compound glazes from various parts of the world, we have started creating compound

glazes in-house to fulfill production requirements. This supports reduction of emissions from transportation of such materials.

We are currently working on the Frit manufacturing plant, which will further reduce the consumption of frits from various suppliers and importing materials.

4. PACKAGING

In 2022, all 80% of all our packaging material is recycled and/or recyclable, and we are working towards increasing this figure. For example, in some of our product lines, we have innovations and guidelines as follows:

- Tiles: Eco-wrap reduces the carton usage to pack the final products.
- Tableware: Only recyclable, compostable or reusable packaging is used in Table Ware.

35,170.6 TONS

CO2e saved from avoiding imports of 256,265 tons of raw materials annually

16%

of our Tiles Body is made from local materials including in-house created glazes

80%

of all our packaging is recycled and/or recyclable

80%

of our suppliers are local.

Initiatives for 2023

We are currently working towards developing Supplier Guiding Principles to improve sustainability within our supply chains.

Technological Innovation in Production

DIGITAL TRANSFORMATION ROADMAP

During 2022, We continued to deliver strategic Information technology transformation roadmap based on the Industry 4.0 concept. Major themes for IT in 2022 were innovation, productivity / process enhancements, increased global footprint, cost optimisation, and restructuring of IT teams. MoIAT (UAE Ministry of Industry and Advance Technology) completed an Industry 4.0 assessment, and we received a high score that falls under the "best-in-class" category. Additionally, we received SAP's Best CX Leadership award for our work in CRM and customer experience. We obtained the ISO 27001:2013 certification, which is one of the most stringent standards for information security. This will help improve the Company's security posture against cyber security threats.

The global IT team has also been restructured with revised roles to ensure goal alignment, increased accountability, and a more collaborative approach for delivering and contributing to the planned roadmap. Multiple projects were delivered by the team, leveraging skills and synergies across the global IT function.

In line with our Cloud First/Multi Cloud policy, cloud migration of IT infrastructure continued across various geographies, which helped improve reliability and availability. In 2022, we started with multi-cloud deployments to reduce costs. In 2022, after the acquisition of KLUUDI Group, the RAK HQ IT team moved in to take responsibility for IT for all the KLUUDI entities based in Europe and the UAE. Two projects for the implementation of Metaverse for retail segment were initiated in 2022. Our strategic focus to consolidate existing ERPs to SAP S4 HANA included SAP rollout/ implementation projects in the UK, India and Bangladesh. We continued to transform IT organisation into a global structure in terms of architecture, team, Infrastructure, ERP, Network and processes.

Quality and Product Compliance

OVERVIEW

At Our Company, providing the best quality products that are sustainable is our top most priorities. For this purpose, we strive to achieve several certifications related to quality, compliance and sustainability. Some of these certifications are discussed below, and the full list of certifications can be found here.

Quality & Sustainability Certification	Description
	ISO 9001:2015 by internationally recognised UK certification body Ceramic Research Institute Certification Scheme for ceramic tiles and sanitary ware. This certification verifies that we have a quality management system in place that is compliant with the requirements of the standard, which covers design, development, production and supply of ceramics and sanitary ware.
	DT55 ED 100915 (ISO/IEC 17067:2013) – Porcelain Tiles Produced With Recycled Materials RAK Ceramics technical document for product certification of construction products with specified percentage of recycled materials.
ISO 13006 EN 14411	ISO 13006, EN 14411 and ANSI A137.1. We manufacture ceramic tiles in accordance with these standard specifications from the UK, Europe and USA.
	Our testing laboratory operates in accordance with ISO/IEC 17025 accredited by the National Association of Testing Authorities, Australia.
	Given for Ceramic, Porcelain Tiles, Sanitary wares. The Health Product Declaration (HPD) Open Standard provides for the disclosure of product contents and potential associated human and environmental health hazards. Hazard associations are based on the HPD Priority Hazard Lists, the GreenScreen List Translator, and when available, full Green Screen assessments
	Given for Tiles, Sanitary ware & Kludi: RAK Ceramics declarable substances list is regularly reviewed to include applicable regulations and customer requirements and to ensure that our suppliers are in line with our rules regarding the use of chemicals and hazardous substances. It defines RAK Ceramics declarable substances that our suppliers and subcontractors have to report in addition to regulated substances declarations.
	FloorScore: FloorScore is an independent certification program that test and certifies hard surface flooring and the materials they are made with, to ensure they are in compliance with stringent indoor air quality emissions.
	(Ongoing) ECO Label Certification - voluntary method of environmental performance certification and labelling that is practised around the world for products or services proven to be environmentally preferable within a specific category.

Quality & Sustainability Certification	Description
	All RAK Ceramics Tiles & Sanitarywares products have Environmental Product Declarations (EPD) following the CEN Norm EN 15804 standard, serves as the core PCR. Independent verification of the declaration according to ISO 14025 and ISO 21930, verified and certified by a third party. The product life cycle analysis was concluded following ISO 14040:2006, ISO 14044:2016, ISO 21930:2017 in line with the requirements of product category rules (PCR) regarding EN 15804 +A2:2019.
	ISO 14001:2015 Environmental Management System, is a voluntary standard for designing, implementing and maintaining an environmental management system
	SCS Global - Certain Series of tiles are manufactured with 100% recycled materials from wastes generated during the manufacturing process of ceramic tiles.
	NFPA 285: Standard Fire Test Method for Evaluation of Fire Propagation Characteristics of Exterior Wall Assemblies Containing Combustible Components
	SMETA is the world's most widely used audit. Businesses use SMETA to understand and make improvements to working conditions and standards of labour, health and safety, environmental performance, and ethics in their business and supply chain. RAK Ceramics has completed the SMETA audit.
	(Ongoing) SCS Global - Water responsible planning and management of resources. Using water in a way that is socially equitable, environmentally sustainable and economically beneficial. This is achieved through a stakeholder inclusive process that involves site and catchment-based actions.
	Synesgy enables companies to collect and manage sustainability information through an ESG self-assessment, complete with evaluation, benchmarks, and guidance on the development plan to be undertaken. RAK Ceramics has completed the Synesgy survey.
	(Ongoing) ISO 50001:2018 Energy Management System is a voluntary standard for designing, implementing and maintaining an energy management system.

Sustainable and Innovative Products

Our strategic initiatives in providing our customers with sustainable and innovative products and solutions that improve their quality of life centers on the principle of constant change and improvement. Our innovative prowess can be seen in the wide range of products we offer, which spans product types, styles, designs and price points to cater to the varying requirements and preferences of our customers. Some of our sustainable product offerings are discussed below:



Sustainable and Innovative Products (contd.)

BATHROOM SOLUTIONS



RIMLESS TECHNOLOGY

- Hygienic and easy cleaning
- Water saving
- Efficient design
- Silent flush
- No ledges or rim.



RAK-ProTeK, ANTIBACTERIAL AND HYGIENIC GLAZE

RAK-ProTeK is the innovative ceramic glaze developed to protect wash basin, toilets and urinals, to make them more hygienic and easier to clean. RAK-ProTeK, which is baked into the ceramic during firing, results to a smoother surface, unlike standard ceramic with irregular surface.

RAK-MAXXFLUSH

This product enables water saving by allowing users to choose using the full flush or the half flush, with different flushing volumes: 6 Liters for the full and 3 Liters for the half flush. The cisterns can also be adjusted to flush with a reduced full flush volume at 4.5 Liters.



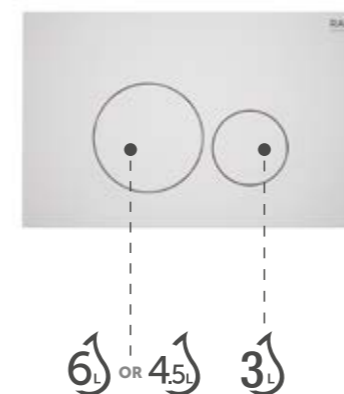
RAK JOY

The RAK-Joy wooden furniture collection respects the environment and the life of the furniture itself. All particleboard and MDF used in the construction of this striking furniture collection comes from responsible sources certified, respecting the forests, the people and wildlife who call them home.



TOUCHLESS FLUSHING

It utilises emerging sensing technology, which projects an electromagnetic field that is both extremely accurate and reliable. This type of sensor detects the user in the projected field and initiates the dual flush: 6 Liters keeping the hand above the spot, or 3 Liters waving the hand.



RAK ECOFIX

Invisible built-in flushing systems combine functionality and aesthetics, saving space in every bathroom. The new and elegant push plates integrate perfectly with any style and design of dual flush systems to reduce water consumption.

Sustainable and Innovative Products (contd.)

SURFACE



RAK-SANIT, A SAFE CHOICE

It reduces bacterial contamination and contributes to a healthier living and working environment owing to its antibacterial properties given by silver nitrate compounds. RAK-Sanit antibacterial collection of wall and floor tiles features antibacterial technology that is permanently integrated into the tile surface



ORBIT 3Rs

Orbit 3Rs is one of the latest innovations created by RAK Ceramics R&D laboratories which produces sustainable and highperformance tiles that contributes to the reduce, reuse and recycle concept. The tiles are manufactured with up to 95% recycled materials from wastes generated during the manufacturing process of ceramic tiles.

KLIMA

Klima is a new generation ceramic that, thanks to special materials, is able to absorb and repel heat according to individual needs. Suitable for both indoor and outdoor applications, for flooring or external walls, to achieve maximum comfort with minimum energy impact. On ventilated façades, Klima helps limit heat dispersion while maintaining a steady indoor temperature.



LUCE - TRANSLUCENT TILES FOR SPECIAL ENVIRONMENTS

Maximus Luce translucent slabs, with its varied graphics and colours inspired by the most precious marbles and onyx, plus its exceptional feature of transmitting light through, Luce is the perfect solution for sophisticated commercial and residential applications.



ANTISLIP BAREFOOT PLUS

The Antislip Barefoot + technology gives porcelain tiles excellent non-slip performance and a pleasant feel, with a special roughness imperceptible to the touch. With their technical characteristics that increase the safety and functionality of floors, they are ideal for indoor and outdoor applications for both commercial and residential settings.



THROUGH BODY VEINS

Through-Body Veining is RAK Ceramics' innovative breakthrough in reproducing natural marble and stone veins that pass through the thickness of the porcelain slab's body. This technology gives porcelain slab a unique design feature, having a consistent marble veining, from the surface to the body until the base - a total synchronization.

Our Progress till Date

OVERVIEW

We are driven by a pursuit to emerge as a pioneer in ceramic manufacturing and to excel in its field, adopting a sustainable business model. The Company is committed to embedding sustainability principles by working safely and ethically and making a positive contribution to its community and environment. In 2022, We worked towards enhancing operations sustainably and efficiently, especially regarding energy, water, waste, and sustainable products. Digital adoption and sustainable investing also enabled the Company to unlock further value.

SUSTAINABLE OPERATIONS

For our Company, sustainability and innovation go hand in hand. We aim to incorporate the latest technologies and expertise to guarantee the finest output. At the same time, we address ESG issues such as energy conservation, water stewardship, waste management, resource efficiency, and emissions reduction. In 2022, we invested in several new technologies, including efficient online mosaic production, environmentally friendly processes for recovering and recycling rejected tiles, installing an advanced scanning solution, incorporating the next generation of digital glazing, and launching an electric vehicle initiative. We also invested in growing the technical team's exposure to global practices and developing their knowledge and know-how through trainings. Such initiatives have solidified our Company's position in the face of market volatility and economic challenges, and have allowed the Company to emerge further as a purpose-driven brand.

SUSTAINABLE PRODUCTS

We are dedicated to 'being better' than yesterday and going forward we are committed to designing innovative environmentally friendly products. As the demand for distinctive and sustainable ceramic floor tiles grows, our emphasis on sustainable production has increased. Our customers are also demanding more recyclability in regards to the packaging of their goods and we are looking at implementing packaging that is made with 100% recycled material in the future. We currently have a handful of innovative solutions available in our ceramic and sanitary ware ranges that use less raw materials to manufacture, as well as a range of products produced using sustainably sourced raw materials.

When developing new products our product development team ensures that the products are made from durable and long lasting raw materials, which sees the average

lifecycle of our products being around 20 years. The technical team then also ensures that our methods of production for a particular product are energy efficient and less wasteful in terms of water usage.

ASSOCIATIONS

We are a founding member of the Emirates Green Building Council, which supports the development of sustainable buildings in the UAE. The UAE Ministry of Environment and Water (MoEW) awarded the company with the Environmental Performance Certificate (EPC) in recognition of its successful efforts to comply with environmental protection standards and regulations. We were also honoured by the Emirates Securities and Commodities Authority (SCA) for complying with good governance and transparency according to international best practices.

We also work closely with Environment Protection and Development Authority (EPDA-RAK), the local government body tasked with protecting and preserving the environment and biological diversity in its natural environment. the partnership includes joint research and making recommendations to conserve the environment within which we operate. EPDA and our Company also deliver joint training programmes on environmental and health and safety issues.

We are associated with Emirates Environmental Group (EEG) which is a professional working group devoted to protecting the environment through the means of education, action programmes and community involvement. We actively participates in various CSR programmes concerned with environmental protection and responsible waste management, organised by EEG in order to contribute positively to the advancement of sustainable development in the UAE

NEXT STEPS

We have outlined a clear priority for 2023 to look into its ESG practices and to launch initiatives seeking to improve and advance the Company in its sustainability journey. As such, we are looking to enhance visibility to stakeholders on ESG matters and is working closely with experts to outline and define a clear sustainability strategy for the Company.



Data Tables

Material Topic	KPIs	2021	2021	Units	YoY Change
Pillar: Environmental Impact					
Energy Efficiency	Total Energy Consumption	6.12	6.53	PJ	6.76%
	Energy Intensity of Sales	2.14	1.85	GJ / 000 AED	-13.26%
	Natural Gas consumption	5,379,480.50	6,168,143.00	MMBTU	14.66%
	Diesel consumption	7,580,850.75	4,323,913.87	litres	-42.96%
	Petrol consumption	13,165.00	14,302.00	litres	8.64%
	HFO consumption	268,285.00	240,864.00	litres	-10.22%
	Total Direct Energy Consumption	5.72	6.40	PJ	11.90%
	Direct Energy Intensity of Sales	2.00	1.82	GJ / 000 AED	-9.08%
	Total Electricity Consumption	264,139,096.00	268,932,792.00	KWh	1.81%
	Electricity Consumption Intensity of Sales	92.36	76.40	KWh / 000 AED	-17.28%
	Electricity purchased	109,056,096.00	34,723,792.00	KWh	-68.16%
	% of Total Energy - Natural Gas	88.98%	95.57%	%	6.59%
	% of Total Energy - Diesel	4.41%	2.36%	%	-2.06%
	% of Total Energy - Petrol	0.01%	0.01%	%	0.00%
	% of Total Energy - HFO	0.18%	0.15%	%	-0.03%
	% of Total Energy - Electricity purchased	6.42%	1.91%	%	-4.51%
	Electricity generated	155,083,000.00	234,209,000.00	KWh	51.02%
	% of electricity purchased	41.29%	12.91%	%	
	% of electricity generated	57.67%	87.09%	%	
	Energy intensity of Tiles Production (Fuel) (GP)	0.07	0.07	MMBTU / m2	0.00%
Energy intensity of Tiles Production (Electricity) (GP)	4.842	4.405	KWh / m2	-9.03%	
Energy intensity of Tiles Production (Fuel) (Red Body)	0.049	0.047	MMBTU / m2	-4.08%	
Energy intensity of Tiles Production (Electricity) (Red Body)	2.358	2.21	KWh / m2	-6.28%	
Energy intensity of Faucets Sales	0.091	0.092	GJ / 000 AED	1.10%	
Energy intensity of Faucets Production	32.8	41	GJ / unit	25.00%	

Material Topic	KPIs	2021	2021	Units	YoY Change
Pillar: Environmental Impact (Contd.)					
Energy Efficiency	Energy intensity of Tableware Sales	1.90	2.20	GJ / 000 AED	15.79%
	Energy intensity of Tableware Production	0.02	0.02	GJ / unit	-10.53%
Water Sustainability	Water Consumption	2,157,000.00	2,588,000.00	m3	19.98%
	Water Intensity of Sales	0.75	0.74	m3 / 000 AED	-1.33%
	Desalination Water Treated	769,190.00	896,504.00	m3	16.55%
	Water Purchased	549,040.00	567,643.00	m3	3.39%
	ETP Water Treated	884,467.00	937,955.00	m3	6.05%
	STP Water Treated	225,270.00	223,074.00	m3	-0.97%
	Total wastewater treated	1,109,737.00	1,161,029.00	m3	4.62%
	Waste & Circularity	Input / material consumption	1,215,433.00	1,165,668.00	tons
Waste (non-hazardous)		85,134.00	62,415.00	tons	-26.69%
Sales		2,860,000,000.00	3,520,000,000.00	AED	23.08%
Waste Intensity of Sales		29.77	17.73	kg / 000 AED	-40.44%
Raw material intensity of sales		424.98	331.16	kg / 000 AED	-22.08%
Sustainable Logistics	Emissions savings from reduction in road movement		1,844.94	tons CO2e	N/A
	Emissions savings from replacement of 3 diesel operated forklifts with battery operated trucks for pallet transfer		182.65	tons CO2e	N/A
Air Pollution	NOX	3,713.10	2,351.03	mg/Nm3 Ave./hr.	-36.68%
	SOX	417.86	346.68	mg/Nm3 Ave./hr.	-17.03%
	Total Suspended Particles (TSP)	425.17	446.24	mg/Nm3 Ave./hr.	4.96%
	CO	1,417.50	1,946.87	mg/Nm3 Ave./hr.	37.35%
Emissions	Scope 1	337.36	371.01	kt CO2e	9.97%
	Scope 2	38.53	12.27	kt CO2e	-68.16%
	Total Operational emissions	375.89	383.28	kt CO2e	1.97%
	Emissions intensity of sales	131.43	108.89	kg / 000 AED	-17.15%

Data Tables (contd.)

Pillar: Environmental Impact									
Material Topic: Emissions Reduction - Emissions Breakdown									
Emission Sources	2021				2022				% change YoY
	Amount	Units	kg CO2e	kt CO2e	Amount	Units	kg CO2e	kt CO2e	
Scope 1									
Natural Gas	103,359,801.20	m3	208,926,334.16	208.93	105,332,629.00	m3	212,914,109.63	212.91	1.91%
Natural Gas Power Plant	49,033,414.00	m3	99,113,691.39	99.11	69,402,291.00	m3	140,286,320.91	140.29	41.54%
Diesel	7,580,847.34	litres	20,510,209.90	20.51	4,323,913.87	litres	11,698,478.69	11.70	-42.96%
Fuel Oil	268,285.00	litres	851,863.90	0.85	240,864.00	litres	764,796.19	0.76	-10.22%
Petrol	13,165.24	litres	30,802.58	0.03	14,302.00	litres	33,462.25	0.03	8.63%
Refrigerants	4,253.60	kgs	7,928,471.00	7.93	2,899.10	-	5,314,392.00	5.31	-32.97%
Total	-	-	337,361,372.93	337.36	-	-	371,011,559.67	371.01	9.97%
Scope 2									
Electricity purchased	109,056,096.00	KWh	38,529,518.72	38.53	34,723,792.00	KWh	12,267,915.71	12.27	-68.16%
Total	-	-	38,529,518.72	38.53	-	-	12,267,915.71	12.27	-68.16%
Total Operational Emissions	-	-	375,890,891.65	375.89	-	-	383,279,475.38	383.28	+1.97%

Data Tables (contd.)

Material Topic	KPIs	2021	2021	Units	YoY Change
Pillar: Our People & Community					
Employees	Total employees	5416	6064	No	11.96%
	% of Full Time Equivalent (FTE) Employees	100	100	%	0.00%
Health & Safety	Total injuries Minor	19	12	No	-36.84%
	Total injuries Major	213	167	No	-21.60%
Emiratisation	% of Emiratis	37%	37%	%	-
	Increase in % of Emiratis in Administrative roles in 2022		8%	%	-
Employee Turnover	Total New Employees	1137	1404	No	23.48%
	Employees that have left		677	No	-
Employee Training	Administrative Trainings	411	213	hours	-48.18%
	Factory Training	1,200	10,584	hours	782.00%
Parental Leave	Female Employees Parental Leave	7	9	-	-
Community Investment	Total Community Investment	1.20	0.60	M AED	-
	Amount invested in the community, as a percentage of company revenues.	0.04%	0.02%	-	-
Gender Headcount	Total Employees - Male	5454	5874	No	7.70%
	Total Employees - Female	209	190	No	-9.09%
	Number of Employees - Admin - Female	188	171	No	-9.04%
	Number of Employees - Admin - Male	397	403	No	1.51%
	Number of Employees - Plant - Female	21	19	No	-9.52%
	Number of Employees - Plant - Male	5057	5471	No	8.19%
	% of females in Administration	32.10%	29.70%	%	-2.40%
	Entry level & Middle Management - Female	8.49%	8.17%	%	-0.31%
	Entry level & Middle Management - Male	91.51%	91.83%	%	0.31%
	Middle Management - Female	19%	20%	%	1.00%
Middle Management, Senior Management & Executives - Male	296%	302%	%	2.03%	

Material Topic	KPIs	2021	2021	Units	YoY Change
Pillar: Our People & Community (Contd.)					
Gender Pay Ratio	Band 1 Para Professionals	2.19	2.34	Ratio	-
	Band 2 Professionals	1.58	1.62	Ratio	-
	Band 3 Middle Management	1.11	1.11	Ratio	-
	Total Gender Pay Ratio	2.32	2.56	Ratio	-
Pillar: Governance & Best Practices					
CEO Compensation	Ratio of CEO total compensation to median FTE total compensation	70	88	Ratio	-
Pillar: Responsible Business, Responsible Employer					
Local Procurement	Total tons of imports substituted with local procurement per annum		256,265	ton	-
	Total nautical miles reduced from local procurement per annum		21,715	nautical miles	-
	Total emissions saved from substituting imports with local procurement per annum		35,170.68	tons CO2e	-

ADX ESG Disclosures

ESG Metric	Corresponding GRI Standards	Calculation		2021	2022	Units	YoY Change	Location / Comments
Category: Environmental								
E1 GHG Emissions	GRI 305: Emissions 2016	E1.1) Total amount in CO2 equivalents, for Scope 1		337.36	371.01	kt CO2e	9.97%	Report pg 55 & Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction, Emissions breakdown)
		E1.2) Total amount, in CO2 equivalents, for Scope 2		38.53	12.27	kt CO2e	-68.16%	Report pg 55 & Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction, Emissions breakdown)
E2 Emissions Intensity	GRI 305: Emissions 2016	E2.1) Total GHG emissions per output scaling factor		131.43	108.89	kg / 000 AED	-17.15%	Report pg 55 & Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction, Emissions breakdown)
E3 Energy Usage	GRI 302: Energy 2016	E3.1) Total amount of energy directly consumed		5.72	6.4	PJ	11.90%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
		E3.2) Total amount of energy indirectly consumed		0.39	0.13	PJ	-68.16%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E4. Energy Intensity	GRI 302: Energy 2016	Total direct energy usage per output scaling factor		2.00	1.82	GJ / 000 AED	-9.08%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E5. Energy Mix	GRI 302: Energy 2016	Percentage: Energy usage by generation type						Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E6. Water Usage	GRI 303: Water and Effluents 2018	E6.1) Total amount of water consumed		2.1	2.5	Million m3	19.98%	Report pg 50 & Data tables (Pillar: Environmental Impact, Topic: Water Sustainability)
		E6.2) Total amount of water reclaimed		1.1	1.1	m3	4.62%	Report pg 50 & Data tables (Pillar: Environmental Impact, Topic: Water Sustainability)
E7. Environmental Operations	GRI 103: Management Approach 2016*	E7.1) Does your company follow a formal Environmental Policy? Yes/ No		-	-	-	-	Yes, Report pg 36-37
		E7.2) Does your company follow specific waste, water, energy, and/ or recycling policies? Yes/No		-	-	-	-	Yes, Report pg 36-37
		E7.3) Does your company use a recognized energy management system?		-	-	-	-	Yes, Report pg 36-37
E8. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Management Team oversee and/or manage sustainability issues? Yes/No		-	-	-	-	Yes, Report pg 36-37
E9. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Board oversee and/ or manage sustainability issues? Yes/No		-	-	-	-	Yes, Report pg 36-37
E10. Climate Risk Mitigation		Total amount invested, annually, in climate-related infrastructure, resilience, and product development		-	-	-	-	Yes, Report pg 34

ADX ESG Disclosures (contd.)

ESG Metric	Corresponding GRI Standards	Calculation		2021	2022	Units	YoY Change	Location / Comments
Category: Social								
S1. CEO Pay Ratio	GRI 102: General Disclosures 2016	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation		70	88	Ratio		Data tables (Pillar: Governance)
		S1.2) Does your company report this metric in regulatory filings? Yes/No		-	-	-	-	No
S2. Gender Pay Ratio	GRI 405: Diversity and Equal Opportunity 2016	Ratio: Median male compensation to median female compensation		2.32	2.56	Ratio	-	Data tables (Pillar: Governance)
S3. Employee Turnover	GRI 401: Employment 2016	S3.1) Percentage: Year-over-year change for full-time employees		5416	6064	No	11.96%	Data tables (Pillar: Social)
		S3.2) Percentage: Year-over-year change for part-time employees		-	-	-	-	N/A
		S3.3) Percentage: Year-over-year change for contractors/ consultants		-	-	-	-	N/A
S4. Gender Diversity	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	S4.1) Percentage: Total enterprise headcount held by men and women						Data tables (Pillar: Social, Topic: Gender Headcount)
		S4.2) Percentage: Entry- and mid-level positions held by men and women						Data tables (Pillar: Social, Topic: Gender Headcount)
		S4.3) Percentage: Senior- and executive- level positions held by men and women						Data tables (Pillar: Social, Topic: Gender Headcount)
S5. Temporary Worker Ratio	GRI 102: General Disclosures 2016	S5.1) Percentage: Total enterprise headcount held by part-time employees		0	0			N/A
		S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants		100%	100%			N/A
S6. Non-Discrimination	GRI 103: Management Approach 2016*	Does your company follow non- discrimination policy? Yes/No						Yes, Report pg 58
S7. Injury Rate	GRI 403: Occupational Health and Safety 2018	Percentage: Frequency of injury events relative to total workforce time						Data tables (Pillar: Social, Topic: Health & Safety)
S8. Global Health & Safety		Does your company follow an occupational health and/or global health & safety policy? Yes/ No						Yes, Report pg 58
S9. Child & Forced Labour		S9.1) Does your company follow a child and/or forced labor policy? Yes/No						Yes, Report pg 72
		S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No						Yes, Report pg 72
S10. Human Rights		S10.1) Does your company follow a human rights policy? Yes/No						No. We do not have a formal Human Rights Policy in place, but we operate in accordance with all UAE Laws governing human rights.
		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No						Yes, Report pg 72
S11. Nationalisation	Percentage of national employees	Percentage of national employees		37%	37%			Report pg 58
S12. Community Investment	Amount invested in the community, as a percentage of company revenues.	Amount invested in the community, as a percentage of company revenues.		0.04%	0.02%	%		Data tables (Pillar: Social, Topic: Community Investment)

ADX ESG Disclosures (contd.)

ESG Metric	Corresponding GRI Standards	Calculation		2021	2022	Units	YoY Change	Location / Comments
Category: Governance								
G1. Board Diversity	GRI 405: Diversity and Equal Opportunity 2016	G1.1) Percentage: Total board seats occupied by men and women						
G2. Board Independence		G1.2) Percentage: Committee chairs occupied by men and women						
	G2.1) Does company prohibit CEO from serving as board chair? Yes/ No							
	G2.2) Percentage: Total board seats occupied by independent board members							
G3. Incentivized Pay		Are executives formally incentivized to perform on sustainability					Under evaluation	
G4. Supplier Code of Conduct		G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No						No
		G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?						N/A
G5. Ethics & Prevention of Corruption		G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No						Yes
		G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy						100%
G6. Data Privacy		G6.1) Does your company follow a Data Privacy policy? Yes/No						Yes, Report pg 68-69
G7. Sustainability Reporting		G6.2) Has your company taken steps to comply with GDPR rules? Yes/ No						Yes
		Does your company publish a sustainability report? Yes/No						Yes
G8. Disclosure Practices		G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No						Yes, GRI 1 Foundation 2021
		G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No						Yes, Report pg 66
		G8.3) Does your company set targets and report progress on the UN SDGs? Yes/ No						Yes, Report pg 66
G9. External Assurance	GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/ No						No external assurance was sought for this report.

GRI Content Index

GRI Standard	Disclosure	Location
Material topics		
GRI 2: General Disclosures 2021	2-1 Organizational details	About RAK Ceramics, Pg 14
	2-2 Entities included in the organization's sustainability reporting	About this Report, Pg 8
	2-3 Reporting period, frequency and contact point	About this Report, Pg 8
	2-4 Restatements of information	We have made 2 Restatements have been made in our report. • Our emissions calculation methodology has been updated for 2021 & 2022 – Emissions Reduction, Pg 55, (Pillar: Environmental Impact, Topic: Emissions Reduction) • Our energy calculation methodology has been updated for 2021 & 2022 – Energy Efficiency, Pg 55 & Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
	2-5 External assurance	No external reassurance was
	2-6 Activities, value chain and other business relationships	About RAK Ceramics, Report pg 14 -15 & Product Lines Pg 16-17
	2-7 Employees	Diversity & Inclusion Pg 58
	2-9 Governance structure and composition	Corporate Governance, Pg 66
	2-10 Nomination and selection of the highest governance body	Corporate Governance, Pg 66
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, Pg 66
	2-13 Delegation of responsibility for managing impacts	Policies & Sustainability Governance, Pg 36-37
	2-22 Statement on sustainable development strategy	Our Sustainability Commitment, Pg 28-29
	2-23 Policy commitments	Commitments towards Material Topics, Pg 34
	2-24 Embedding policy commitments	Policies & Sustainability Governance Pg 36-37
	2-25 Processes to remediate negative impacts	Policies & Sustainability Governance Pg 36-37
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Pg 67
	2-27 Compliance with laws and regulations	Corporate Governance, Pg 66
	2-28 Membership associations	Our Progress till Date, Pg 82
	2-29 Approach to stakeholder engagement	Our Stakeholders, Pg 30
	GRI 3: Material Topics 2021	3-1 Process to determine material topics
3-2 List of material topics		Our Sustainability Pillars & Material Topics, Pg 31

GRI Standard	Disclosure	Location
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Performance 2022, Pg 18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance 2022, Pg 18
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable & Responsible Procurement, Pg 72
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics, Pg 67
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Pg 67
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	301-2 Recycled input materials used	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	301-3 Reclaimed products and their packaging materials	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency in Production, Pg 48-49 & Data Tables (Topic: Energy Efficiency)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency in Production, Pg 48-49 & Data Tables (Topic: Energy Efficiency)
	302-3 Energy intensity	Energy Efficiency in Production, Pg 48-49 & Data Tables (Topic: Energy Efficiency)
	302-4 Reduction of energy consumption	Energy Efficiency in Production, Pg 48-49 & Data Tables (Topic: Energy Efficiency)
	302-5 Reductions in energy requirements of products and services	Energy Efficiency in Production, Pg 48-49 & Data Tables (Topic: Energy Efficiency)
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Sustainability, Pg 60 & Data Tables (Topic: Water Sustainability)
GRI 3: Material Topics 2021	303-2 Management of water discharge-related impacts	Water Sustainability, Pg 60 & Data Tables (Topic: Water Sustainability)
	303-4 Water discharge	Water Sustainability, Pg 60 & Data Tables (Topic: Water Sustainability)
	303-5 Water consumption	Water Sustainability, Pg 60 & Data Tables (Topic: Water Sustainability)

GRI Content Index (contd.)

GRI Standard	Disclosure	Location
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Emissions Reduction, Pg 55 & Data Tables (Topic: Emissions Reduction)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions Reduction, Pg 55 & Data Tables (Topic: Emissions Reduction)
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Reduction, Pg 55 & Data Tables (Topic: Emissions Reduction)
	305-4 GHG emissions intensity	Emissions Reduction, Pg 55 & Data Tables (Topic: Emissions Reduction)
	305-5 Reduction of GHG emissions	Emissions Reduction, Pg 55 & Data Tables (Topic: Emissions Reduction)
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	306-2 Management of significant waste-related impacts	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	306-3 Waste generated	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	306-4 Waste diverted from disposal	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
	306-5 Waste directed to disposal	Waste & Circularity, Pg 51-53 & Data Tables (Topic: Waste & Circularity)
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pillar 2: Our People & Community Pg 58, 60 & 61
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Data Tables (Topic: Employee Turnover)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Safety & Wellbeing, Pg 60 (Note: we do not have part-time employees)
	401-3 Parental leave	Data Tables (Topic: Parental Leave)
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Training Pg 61
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training Pg 61
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training Pg 61
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity & Inclusion, Pg 58
	405-2 Ratio of basic salary and remuneration of women to men	Diversity & Inclusion, Pg 58 & Data Tables (Topic: Gender Pay Ratio)

GRI Standard	Disclosure	Location	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Safety & Wellbeing, Pg 59	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Safety & Wellbeing, Pg 59	
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Safety & Wellbeing, Pg 59	
	403-3 Occupational health services	Employee Safety & Wellbeing, Pg 60	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Safety & Wellbeing, Pg 59	
	403-5 Worker training on occupational health and safety	Employee Safety & Wellbeing, Pg 59 & Employee Training Pg 61	
	403-6 Promotion of worker health	Employee Safety & Wellbeing, Pg 59	
	403-9 Work-related injuries	Employee Safety & Wellbeing, Pg 59	
	403-10 Work-related ill health	Employee Safety & Wellbeing, Pg 59	
	Local communities		
	GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment, Pg 62
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment, Pg 62	
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Investment, Pg 62	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable & Responsible Procurement, Pg 72	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable & Responsible Procurement, Pg 72	

HEAD OFFICE

RAK Ceramics
P.O. Box: 4714, Ras Al Khaimah
United Arab Emirates

Tel. +971 (0) 7 246 7000
Fax. +971 (0) 7 244 5270
Email. info@rakceramics.com

RAKCERAMICS.COM
