



**PILLAR 4:  
RESPONSIBLE BUSINESS &  
RESPONSIBLE EMPLOYER**



# 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 focused 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 undertake R&D to reduce the volume of imports in our production.
- 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

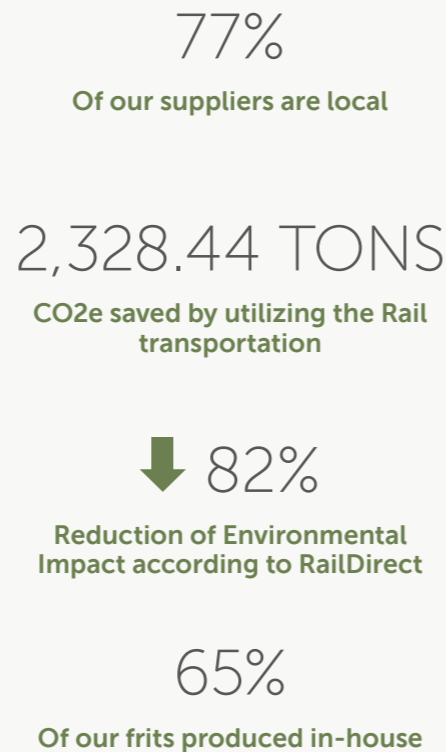
77% of our suppliers were local in 2024. reducing transportation emissions by shifting raw material sourcing closer to our production facilities—cutting over 28,000 nautical miles in transport.

### 3. RAIL TRANSPORTATION

By choosing rail over road for the transportation of goods, we have significantly reduced CO2 emissions. We avoided 2,328.44 tCO2e of CO2 emissions, with only 511.14 tCO2e emitted. This results in an 82% reduction in environmental impact.

### 4. IN-HOUSE FRIT PRODUCTION

In 2024, we also began producing 65% of our frits in-house, reducing imports and supporting a circular economy. We're reusing around 200,000 MT of waste material annually, which helps minimize raw material usage.



#### Initiatives for 2025

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

# Technological Innovation in Production

## WORLD'S MOST EFFICIENT SANITARY KILN

We consistently invest in cutting-edge manufacturing technologies and sustainability initiatives, as detailed in the Environment section of this report. Our key priorities include enhancing energy and water efficiency while expanding circular economy practices across our operations.

This year has been a milestone for innovation and sustainability, with significant investment in this state-of-the-art kiln, reinforcing our commitment to energy efficiency, advanced automation, and a greener manufacturing future.

At 162m long and 4m wide, this kiln processes 1.4 million units annually and is adaptable to 100% hydrogen fuel. Its versatile cycle speeds adjust to production demand. With 45% lower fuel consumption than tunnel kilns and 70% lower than shuttle kilns, it operates at 715 Kcal/kg ware and 0.025 kWh/kg ware, ensuring significant energy savings.

## DIGITAL TRANSFORMATION ROADMAP

In 2024, we made significant strides in driving sustainable growth through digital transformation across all our plants. By leveraging cutting-edge technologies to enhance efficiency, transparency, and environmental responsibility, we actively contributed to our Environmental, Social, and Governance (ESG) goals.

This year, we introduced an advanced GPS pallet tracking system to optimize warehouse logistics, reducing energy consumption and waste while improving inventory management accuracy. We also implemented Proof of Delivery (POD) systems and ERP enhancements to streamline operations, ensuring efficient production, timely deliveries, and enhanced customer satisfaction. Furthering our commitment to sustainability, we launched a barcode system for sanitary ware products, improving traceability, resource management, and quality control—ultimately minimizing waste and promoting responsible production practices. Additionally, innovations such as our automated Financial Consolidation process and demand forecasting systems strengthened resource efficiency and reduced operational waste across multiple levels of the company.

Our commitment to sustainability extended beyond production. In 2024, we standardized network infrastructure to enhance security while minimizing environmental impact and optimized our printer fleet to reduce print volumes and waste. Our efforts to lower our carbon footprint were further reflected in investments in renewable technologies and efficient systems, including the Helpme portal for IT requests and RAKCARE's digital warranty program, which enhanced transparency and accountability.

Empowering our workforce remained a priority, and in 2024, we introduced robotic automation for supplier orders, ensuring smarter decision-making and efficiency. On the customer engagement front, we launched RAKSCAN, a tool that provides quick and easy access to product details. Additionally, we standardized website technologies and optimized cloud hosting across Kludi, RAK Ceramics, and RAK Porcelain. This alignment of e-commerce platforms and hosting infrastructure enhanced integration, improved energy efficiency, and minimized the environmental impact of our digital operations.

By integrating these technologies, we not only improved internal processes but also reinforced our long-term commitment to environmental and social sustainability. As we move forward, sustainability remains at the core of our business, driving us toward a greener, more efficient future.

# Quality and Product Compliance

## OVERVIEW

At RAK Ceramics, delivering the highest quality products while maintaining a strong commitment to sustainability is at the core of our operations. We are dedicated to not only meeting but exceeding global standards and guidelines in quality, compliance, and environmental responsibility. Our focus on sustainability drives us to continuously improve our processes and ensure that we are minimizing our environmental footprint throughout our operations. To uphold these values, we actively pursue industry-leading certifications and participate in key platforms that align with international best practices for sustainability and responsible business conduct.

In our pursuit of excellence, we work towards obtaining certifications that reflect our dedication to producing sustainable and high-quality products. These certifications, along with our active participation in global sustainability platforms, ensure that we adhere to rigorous environmental and ethical standards. By aligning our practices with recognized global frameworks, we ensure that our products meet the highest quality benchmarks while supporting long-term environmental sustainability. The following section highlights the key certifications we have achieved and the platforms we are involved in, demonstrating our commitment to upholding responsible and sustainable practices in all aspects of our business.

## KEY ACHIEVEMENTS FROM 2024

Quality & Sustainability Certification	Description
	ISO 50001:2018 Energy Management System is a voluntary standard for designing, implementing and maintaining an energy management system.
	ISO 27001 ensures the highest standards of information security management.
	ECO Label Certification is a voluntary method of environmental performance certification and labelling that is practiced around the world for products or services proven to be environmentally preferable within a specific category. RAK Ceramics was the first company in the UAE to receive the EcoLabel award by the RAK Environmental Protection and Developmental Authority
	SCS Global - Certain Series of tiles are manufactured with 100% recycled materials from wastes generated during the manufacturing process of ceramic tiles, sanitaryware and tableware.
	International standard that assesses the sustainability and environmental impact of ceramic tiles, ensuring compliance with eco-friendly production, resource efficiency, and social responsibility criteria.

## CERTIFICATIONS / PLATFORMS MAINTAINED IN 2024

Quality & Sustainability Certification	Description
	All RAK Ceramics Tiles & sanitaryware s 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. In 2024, we updated our EPDs, to include environmental impact of product end-of-life, recovery and recycling. Our EPD results for 2023 indicate that we reduced the emissions of our product lifecycle by 98.91% from 516 to 5.61 kg CO2e.
	Platform to measure, monitor and take action on Scope 1, 2 and 3 emissions. We are now a part of this platform and utilize their tools to support our emission reduction efforts.
	Ecovadis focuses on supply chain sustainability, and provide a range of solutions, including assessing suppliers on sustainability performance and rating them on the same. In 2023, we participated in the Ecovadis supplier rating system as well.
	Kingfisher Packaging Sustainability Application is a platform that assess the sustainability of packaging materials. In 2023, we participated on the Kingfisher Platform as well.
	ISO 9001:2015 by internationally recognized UK certification body Ceramic Research Institute Certification Scheme for ceramic tiles and sanitaryware . 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 sanitaryware .
	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, sanitaryware s. 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.

# Quality and Product Compliance (contd.)

Quality & Sustainability Certification	Description
	Given for Tiles, sanitaryware & 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.
	COY Certiquality Certification: DT55 ED 100915 (ISO/IEC 17067:2013) – This certification is given to construction products with a specified percentage of recycled materials. This has been awarded to Porcelain tiles produced from waste generated during the manufacturing process of tiles.
	NFPA 285: Standard Fire Test Method for Evaluation of Fire Propagation Characteristics of Exterior Wall Assemblies Containing Combustible Components.
	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.
	ISO 14001:2015 Environmental Management System, is a voluntary standard for designing, implementing and maintaining an environmental management system
	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.
	The National In-Country Value (ICV) Program is a UAE government initiative designed to boost the local economy by prioritizing local suppliers and businesses in government procurement, fostering job creation, industrial growth, and economic diversification. In 2024 we received a score of 54.21%, meaning that 54.21% of our total spending contributes to the UAE economy, including local procurement, Emirati workforce employment, local investments, and manufacturing. This indicates moderate compliance with the National In-Country Value (ICV) Program.
	SCS Global certifies companies on Water Stewardship. Criteria includes responsible planning and management of water resources and using water in a way that is socially equitable, environmentally sustainable and economically beneficial. We are currently working towards this certification and aim to achieve this in 2024.

# Sustainable 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 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 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 utilizes 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.



### RAK REEL FLUSH - THE "REEL FLUSH"

RAK Reel Flush is an innovative flushing system introduced in the latest RAK-Remal collection. It represents a leap forward in hygiene and toilet comfort. With its spiral water flush, it enhances the already excellent rimless system while reducing noise and achieving significant water savings.

## Sustainable Products (contd.)

### BATHROOM SOLUTIONS



#### RAKSOLITE

RAKSOLITE is an innovative material manufactured from a similar mix of natural minerals and resins but lighter than our durable solid surface material RAKSOLID. RAK-Ether is one of the finest innovation shower trays in RAKSOLITE which present slate like aesthetical characteristics while granting anti-slip safety.



#### 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.

#### MICA

A new finish named MICA was introduced to the market and applied on the washbasin collection RAK-Batu and bathroom solution RAK-Plano. Mica is an artistic glaze obtained by innovation process of adding mix particles of Mica (a family of minerals of which muscovite is part).



#### RAK-CLEON

RAK-Cleon is our newest bathroom solution. It is integrated with bidet functionality for improved personal comfort and cleansing. It is an all-in-one solution that combines design and technology, enabling superior hygiene standards for bathrooms.





# Sustainable 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 3R

Orbit 3Rs is one of the latest innovations created by RAK Ceramics R&D laboratories which produces sustainable and high performance 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.

### 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.



### RE-USE QUARTZ

Re-use Quartz is the world's first tile with 100% recycled material. In our R&D laboratories, we continuously work towards improving the sustainability of our operations and focus on circularity through reduce, reuse and recycle of waste materials. Re-use Quartz is our latest innovation from these efforts. The tiles are manufactured from wastes generated in our production processes.



### Cooking-RAK

Cooking-RAK is an innovative hidden induction cooktop from RAK Ceramics. In 2023, Cooking-RAK won the internationally acclaimed design competition, the Archiproducts Design Awards.



## Sustainable Products (contd.)

### SURFACE



#### 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.

#### 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



### TABLEWARE



#### SENSATE

This innovative product series enables stroke victims and individuals with upper-limb disabilities to eat independently. The multi-award-winning tableware designed by Sahar Madanat, features a functional plate partition that allows users to cut food into any size, promoting pride and independence. Sensory elements guide users, enhancing the dining experience. The ergonomic handle suits all hand sizes, with a slanted line offering complete support for larger hands. The bowl's curvature aids scooping, while a slight inner edge serves as a visual indicator for those with impairment. The partition's gap allows one-handed cutting, and an indent on the plate's rim helps users locate the partition easily. The depth and partition combine to make scooping effortless.

#### RAK +

RAK+ is a collection designed to merge functionality, hygiene, and design. Its silver ion-enriched anti-bacterial glaze eliminates 99% of bacteria within 24 hours, preventing pathogen growth and ensuring continuous protection. While not replacing regular dishwashing, it provides 24-hour antibacterial defense, maintaining hygiene without compromising the aesthetic and quality of RAK Porcelain. Made with high-strength Polaris porcelain, it undergoes rigorous testing for abrasion resistance, high-temperature stability, and mechanical shock resilience. The smooth, non-porous glaze and careful underside polishing enhance durability and hygiene, making it ideal for hospitality use.





## Sustainability Engagements and Thought Leadership

### RAK Ceramics Honored by DHL Global Forwarding and RailDirect for Sustainable Logistics Excellence

DHL Global Forwarding has recognized our efforts at RAK Ceramics for a major achievement in sustainable logistics. Working closely with RailDirect, a joint venture between Etihad Rail and DHL Global Forwarding, we successfully dispatched over 1,000 containers using an intermodal road/rail transport solution in January 2024. By the end of the year, this figure reached 2,700 containers—a milestone we're truly proud of.

What makes this accomplishment even more rewarding is the significant environmental impact we've been able to make. Between January and November 2024, our logistics strategy helped avoid 2,328.44 tons of CO<sub>2</sub>e emissions, with an impressive 82% lower impact compared to conventional road transport, as certified by RailDirect.

On January 12, 2024, it was an honor for our CEO, Abdallah Massaad, and our Chief Procurement Officer, Shakti Arora, to receive this prestigious recognition from Ralf Schreiber and Torsten Schulze of DHL Global Forwarding. This moment was more than just an award—it symbolized our ongoing commitment to sustainability and innovation.

As we move forward, we remain dedicated to exploring new ways to drive sustainability across our operations. This achievement inspires us to continue striving for a balance between operational excellence and environmental responsibility, ensuring that we leave a positive impact for future generations.

### RAK Energy Summit 2024

RAK Ceramics was proud to be a Strategic Partner at the RAK Energy Summit 2024, held on 27-28 November. As a leader in sustainable manufacturing, we remained committed to driving innovation in energy efficiency and circular solutions. Our Group CEO, Mr. Abdallah Massaad, took center stage in a fireside chat on "Upcycling Waste to Create Circular and Low-Carbon Building Materials" on 27 November, where he highlighted our efforts in energy recycling and sustainable production. Through our participation, we reinforced our dedication to shaping a greener future in the ceramics industry.

### Collaborating for a Greener Future: Our Partnership with Emirates Green Building Council

In line with our commitment to sustainability and innovation, we proudly partnered with Emirates Green Building Council (EmiratesGBC) to support the development of the Sustainability Lounge—a pioneering co-working space designed to foster green building practices. This initiative reflects our dedication to creating environmentally responsible solutions that contribute to a more sustainable built environment.

As part of this collaboration, we supplied our ReUse Series—100% recycled tiles, reinforcing our commitment to circular design and responsible manufacturing. Our sustainable flooring solutions played a key role in supporting EmiratesGBC's goal of achieving WELL Certification for the space, ensuring a healthier, more productive, and environmentally conscious workplace.

This initiative not only highlights our expertise in sustainable materials but also underscores our efforts in advancing the adoption of green building solutions across industries. By working together with organizations like EmiratesGBC, we continue to drive meaningful change, aligning with global sustainability goals and shaping the future of responsible design.

### Driving Sustainable Growth: Knowledge Sharing at RAK Ceramics during the RAK Investment & Business Summit 2024

Our CEO, Mr. Abdallah Massaad, participated as a key panelist at the Ras Al Khaimah Investment & Business Summit 2024. During the panel discussion on "Ras Al Khaimah's Manufacturing Ecosystem: Challenges and Collaborative Solutions," held on December 10th at the Al Hamra International Exhibition & Conference Center, he shared valuable insights on tackling industry challenges and emphasized the importance of fostering collaboration to drive innovation and sustainable growth in the region. The event provided a fantastic platform for knowledge sharing and meaningful discussions that will influence the future of manufacturing in Ras Al Khaimah.

### Transforming the Supply Chain Through Circularity: Insights from the Emirates Green Building Council's 13th Annual Congress

Our CEO, Mr. Abdallah Massaad, participated in a pivotal panel at the Emirates Green Building Council's 13th Annual Congress 2024, held under the patronage of the Ministry of Energy and Infrastructure (MOE UAE). The panel, titled "The Supply Chain Through the Lens of Circularity," took place on June 12, 2024, at the Grand Hyatt Dubai Hotel. During the session, he had the opportunity to discuss how the supply chain can be transformed through circular economy principles, driving both innovation and sustainability.

