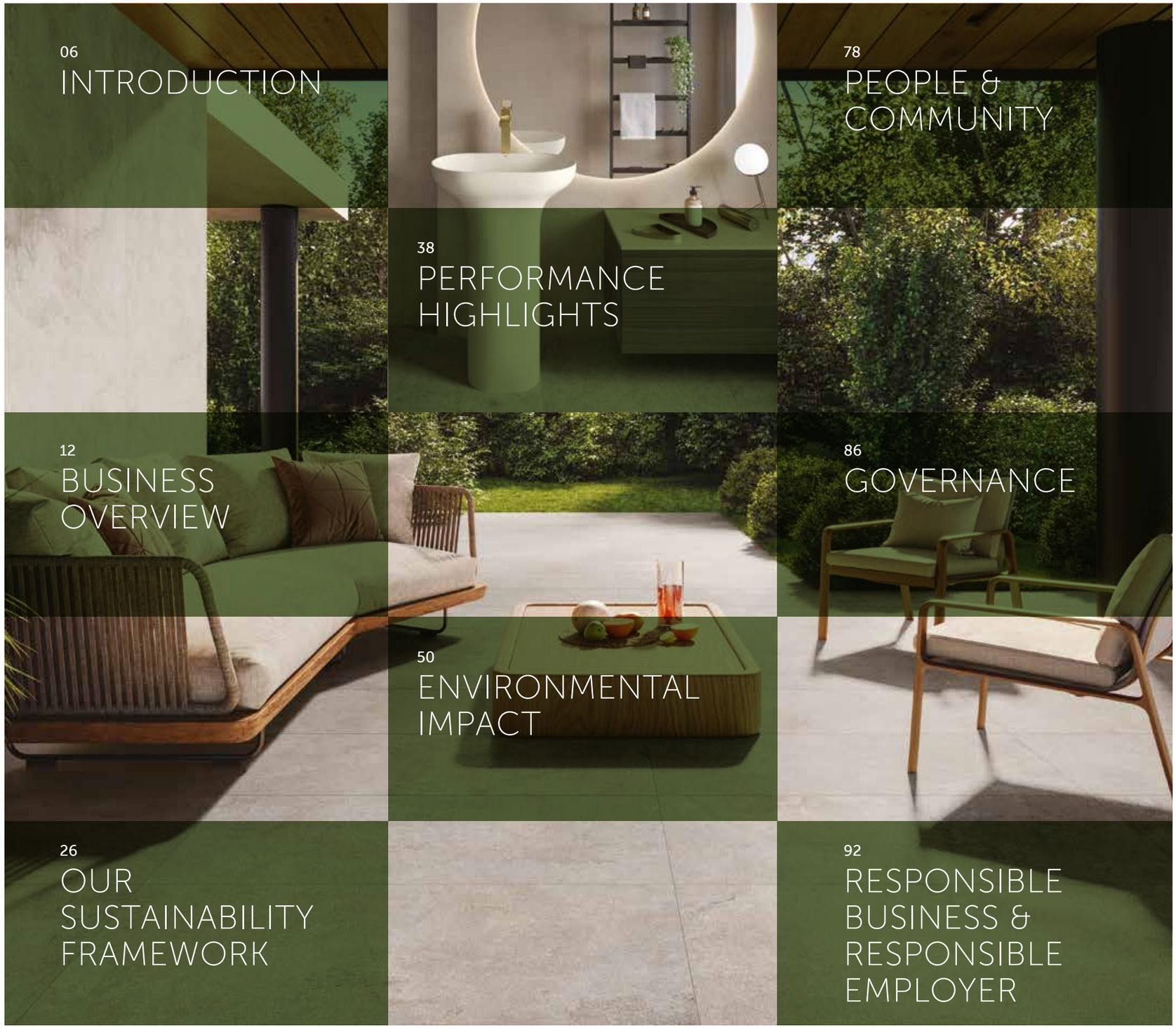
ESG REPORT 2024

His Highness Sheikh Mohammed Bin Zayed Al Nahyan
President of the United Arab Emirates (UAE)

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

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

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



INTRODUCTION

ABOUT THIS REPORT

At RAK Ceramics, sustainability remains at the core of our operations, driving our initiatives and long-term vision. Our 2024 ESG Report provides a detailed account of our efforts from January 1 to December 31, 2024, with a primary focus on United Arab Emirates (UAE) operations while also showcasing key global contributions. Developed collaboratively by our Sustainability Working Group, Senior Management, and key stakeholders, the report reflects our ongoing dedication to responsible sustainable practices.

Our ESG reporting disclosures are aligned with international standards such as GRI Standards, in combination with Abu Dhabi Stock Exchange's 31 Key Performance Indicators (KPIs), which are provided in the Appendix.

We are steadfast in our commitment to the United Nations Sustainable Development Goals (UN SDGs) and key UAE national strategies, including UAE Net Zero by 2050, the UAE Climate Change Plan 2017–2050, and the UAE Energy Strategy 2050. Aligned with our dedication to transparency and accountability, we integrate sustainability into our core business practices and disclose our progress through comprehensive annual sustainability reports. Published alongside our Annual Report and Corporate Governance Report, these disclosures provide stakeholders with a holistic understanding of our financial performance, governance framework, risk management approach, and sustainability impact.

References to the "Group" include our operations in the UAE, Bangladesh, and India, along with subsidiaries RAK Porcelain LLC, Kludi RAK LLC, and Elegance Ceramics LLC in the UAE.

Thank you for your interest in RAK Ceramics and our sustainability journey.

FURTHER INFORMATION

For any inquiries, please contact the Chief Legal Officer at **ESG.communications@rakceramics.com.**

In 2024, we continued to build on the significant sustainability milestones we achieved in 2023, including enhanced energy efficiency, conservation of natural resources, and the implementation of eco-friendly solutions throughout our value chain.

Group CEO's Message

Dear Stakeholders,

Our world is facing one of history's greatest challenges—the ability to tackle the cause and effect of climate change, and at RAK Ceramics, we recognize our responsibility to address this urgent issue for the sake of our planet, communities, and people. I am pleased to share our Annual Summary for the year 2024, encapsulating the progress made towards sustainability and our commitment to Environmental, Social, and Governance (ESG) principles.

We are committed and dedicated to make a positive impact on the world, and we are aware that our role is to integrate sustainability into every aspect of our works and products. Our shared value approach to ESG reflects our belief that the measurement of success equally relies on the influence we exert on the environment and the communities we operate in.

In 2024, we celebrated a significant milestone by achieving ISO 50001 certification for energy management across Tiles, Sanitaryware and Tableware. We also made important investments in our manufacturing facilities by installing state-of-the-art technologies such as Digital Glazing, the world's largest and most energy-efficient sanitaryware kiln, robotic palletizers, and shrink hood wrappings. These initiatives highlight our unwavering dedication to delivering excellence in quality and fostering innovation. Overall, we have pushed ourselves towards recycling 100% of all rejected pieces into Tableware production. In 2024, we achieved a 95-98% efficiency in our Effluent Treatment Plant and for 2025, we plan on adding an Aeration system in the Sewage Treatment Plant that will enhance the treatment efficiency, reduce power consumption, and contribute to a decrease in our overall energy usage and carbon emissions.

A total of 206,025 tons of waste was reused to formulate 100% of our recycled products in 2024. As we continue to invest and upgrade our manufacturing facilities, we focus on increasing production capacity and broadening the products offered.

These investments have allowed us to respond to dynamic market trends and position RAK Ceramics as a leader in achieving environmental sustainability goals. Our commitment to sustainability is steadfast and will only grow stronger in the coming years. We believe that the choices we make today will have a lasting impact on future generations. By leading through example, we are constantly refining our practices, with a focus on putting both people, communities and the planet at the heart of everything we do.

Thank you for your continued support and collaboration as we strive together for a more sustainable and equitable world.

ABDALLAH MASSAAD
Group CEO

BUSINESS OVERVIEW

About RAK Ceramics

Leading lifestyle brand offering premium ceramic solutions

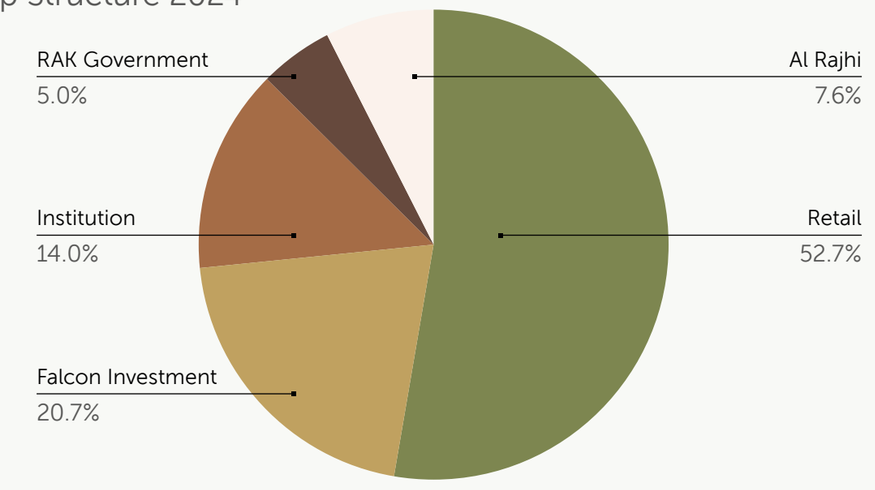
+30 YEARS
Ceramic expertise

~ 12,000+
Global Workforce

US $0.69B
Market Cap.

~US $1B
Annual turnover

Ownership Structure 2024



Product Lines

RAK CERAMICS

TILES

We offer one of the largest collection of Ceramic and Gres Porcelain wall and floor tiles and super-sized slabs in the industry. Our Tiles are known for their premium design and quality.




SANITARYWARE




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

RAK PORCELAIN

TABLEWARE

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



KLUDI

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 2024

As a global leader in the ceramics sector, we specialize in producing premium ceramic and gres porcelain wall and floor tiles, sanitaryware, faucets, and tableware. With 23 advanced manufacturing facilities across the UAE, India, Bangladesh, and Europe, our operations have a vast global footprint.

Headquartered in the UAE, our reach extends to over 150 countries, supported by a strong network of operational hubs spanning Europe, the Middle East and North Africa, Asia, North and South America, and Australia. Our diverse workforce of around 12,000 employees from more than 40 nationalities plays a pivotal role in our worldwide success.

Listed on the Abu Dhabi Securities Exchange, we consistently achieve a stable annual turnover of approximately US$0.9 billion, our exceptional gross margins were maintained through optimized production processes and enhanced capacity utilization.

In 2024, our ceramics and gres porcelain tile manufacturing capacity was 118 million square meters. Our sanitaryware production capacity reached 5.7 million pieces, while our tableware output was 36 million pieces and faucets capacity was 2.6 million pieces. Our unwavering commitment to quality, innovation, and customer satisfaction continues to guide our efforts as we lead the future of the ceramics industry.

Economic Performance KPIs

↓ 6.50%

Reduction in Sales compared to 2023

AED 234M

Net Profit

AED 592.20M

Total EBITDA

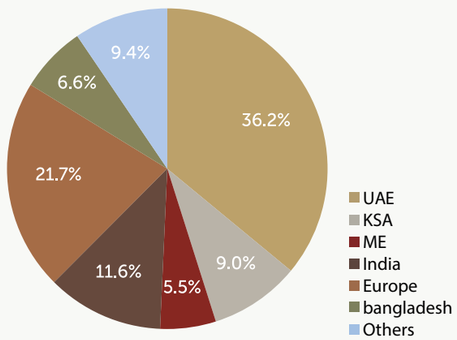
2.35x

Net Debt to EBITDA in 2024

Total Production Capacity

118M Square meters of tiles	5.7M pieces of sanitaryware
2.6M pieces of faucets	36M pieces of tableware

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.

2006

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

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.

2012

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

Launch of Maximus Mega Slab, a super-sized slab.

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.

2021

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

2022

RAK Ceramics inks 100% KLUDI acquisition deal.

2023

RAK Ceramics pioneers sustainable logistics by partnering with DHL and Rail Direct - Etihad.

RAK Ceramics participates in COP28

2024

Attainment of ISO 50001 across Tiles, Sanitaryware and Tableware.

CookingRAK receives most prestigious 'Best of the Best' RED DOT award.

Awards 2024

In 2024, RAK Ceramics has received recognition for its excellence and received several awards spanning innovation, sustainability and industry leadership, as mentioned below.

RAK Ceramics wins 4 Awards at Stevie Awards 2024

Group CEO, Mr. Abdallah Massaad, was awarded Thought Leader of the Year with a prestigious Gold award, as well as winning two Silvers for Achievement in Product Innovation (CookingRAK) and Excellence in Innovation in Manufacturing Industries category, along with Bronze for Innovative Achievement in Sustainability

International ICT Awards 2024 - Intelligent Manufacturing

International ICT Awards recognized RAK Ceramics in the Enterprise category for Intelligent Manufacturing Implementation. This prestigious award highlights our ongoing commitment to innovation and sustainability in manufacturing.

RAK Ceramics

Group CEO, Mr. Abdallah Massaad, was honored with the “CEO of the Year - Private Sector” award, recognizing outstanding leadership. We also received recognition for our “Best Nationalization Initiative” and “Employer of the Year” in the private sector, reflecting our dedication to empowering local talent and fostering a supportive workplace.

Gulf Industrial Excellence Award - Gulf Organization for Industrial Consulting

Group CEO, Mr. Abdallah Massaad, proudly received the Gulf Industrial Excellence Award on behalf of RAK Ceramics. This prestigious recognition highlights our ongoing commitment to quality, innovation and industry leadership.

2024 MENA Green Building Award - Sustainable Building Product of the Year – Indoor Air Quality

RAK Ceramics won the 2024 MENA Green Building Award for ‘Sustainable Building Product of the Year – Indoor Air Quality’.

Quality Circle Forum of India HQ - QCFI Annual Convention Case Study Competition

Competing against 325 companies, our team secured Gold for both case studies on Workplace Management Transformation with 5S and Maintenance Cost Reduction in Polishing & Squaring. This achievement highlights the dedication and innovation of our team in driving excellence.

Awards 2024 (contd.)

ACIMAC TecnAward 2024 - Innovation and Sustainability

RAK Ceramics received a prestigious award which recognizes innovation and sustainability in the ceramics industry, specifically focusing on technological advancements, environmental impact reduction, and the integration of sustainable practices in production processes.

DHL Global Forwarding honors RAK Ceramics

DHL Global Forwarding honored RAK Ceramics for a remarkable achievement: On the successful dispatch of more than a thousand containers using the highly efficient and sustainable intermodal road/rail transport solution in conjunction with RailDirect, a joint venture between Etihad Rail and DHL Global Forwarding.

KLUDI receives “Innovative Fitting Specialist of the Year”

KLUDI received the prestigious “Innovative Fitting Specialist of the Year” at the Design Middle East Awards. This accolade highlights our dedication to innovation and quality. The Design Middle East Awards, held at Hilton Al Habtoor City, Dubai, provided a remarkable platform that recognized the region’s top architects, designers, projects and firms.

Best Tiling Brand - BKUMagazine Awards 2024

A prestigious accolade was presented to RAK Ceramics which recognizes our outstanding achievements within the bathroom, kitchen, and tiling sectors. The award aims to honor brands that demonstrate excellence in product quality, innovation, customer service, and overall contribution to the tiling industry.

Archiproducts Design Award 2024 - “Finishes” category

RAK Ceramics won the prestigious Archiproducts Design Award 2024 in the “Finishes” category for the fourth consecutive year with GREY ANTIQUE, an innovative expression of the Mix and Match concept.

Red Dot: Best of the Best - Product Design category

CookingRAK, our invisible induction cooktop, had the highest recognition in the competition, awarded to products that truly exemplify the pinnacle of design and quality. Additionally, we secured the “Red Dot” acknowledgment in the Product Design category for CookingRAK’s outstanding innovative design.

OUR SUSTAINABILITY FRAMEWORK

Our Sustainability Commitment

"We are dedicated to leveraging our products and expertise to create a sustainable world jointly in collaboration with our customers, partners and wider community. We prioritize key initiatives that have multiplier via decarbonization, sustainable products and circularity, high performing workforce, sustainable procurement, community investment and sustainability governance."

At RAK Ceramics, our dedication goes beyond producing premium-quality products—we strive to make a meaningful difference in society. We are committed to sustainability through using our expertise and resources to drive positive change. To support this vision, we are developing an ESG Strategy for 2024-2030, in alignment with global and industry standards, to help us lead in sustainability. This strategy will focus on key areas such as decarbonization, circularity, and workforce development, and will guide the ongoing enhancement of our business practices. It will be integrated throughout our operations and executed through our Sustainability Governance framework.

In response to changing market demands, we have shifted our focus towards increasing the production of gres porcelain tiles, a more resource-intensive process. To mitigate this impact, we have implemented various resource reduction initiatives, detailed in this report, to optimize our consumption.

Innovation and creativity are deeply embedded in our organizational culture, driving us to explore groundbreaking ideas. We foster an environment that encourages imagination, curiosity, and innovation, empowering us to challenge conventions and create positive change within our industry and beyond.

At RAK Ceramics, our commitment to sustainability shapes every facet of our operations. We take pride in using our products and expertise to contribute to a better world, and we invite you to join us on this journey toward a more sustainable future.

Our Stakeholders

Stakeholder engagement is a vital part of our sustainability efforts. We work closely with them to identify key priorities and evaluate our progress in each of the six areas below.

1. STRATEGIC PARTNERS

Engagement Areas: Financial performance, value creation, transparency & disclosure, climate change and energy use, sustainable products.

Outcome of Engagement: Regular updates on strategy and developments.

2. BUSINESS PARTNERS

Engagement Areas: Product quality and cost, climate change and mitigation, product innovation, partnerships, customer satisfaction, relationship management.

Outcome of Engagement: Cost optimization, environmental initiatives, investment in product innovation.

3. TALENT COMMUNITY

Engagement Areas: 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, induction program for new starters.

4. SUPPLY CHAIN COLLABORATORS

Engagement Areas: Reputation, building partnerships, timely payments, supply chain management, sustainability.

Outcome of Engagement: Fostering long-standing partnerships, quality control, ethical practices.

5. REGULATORY PARTNERS

Engagement Areas: 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: Alignment with UAE National Vision, compliance with applicable regulations.

6. COMMUNITY PARTNERS

Engagement Areas: Building partnerships, social impact, community engagement.

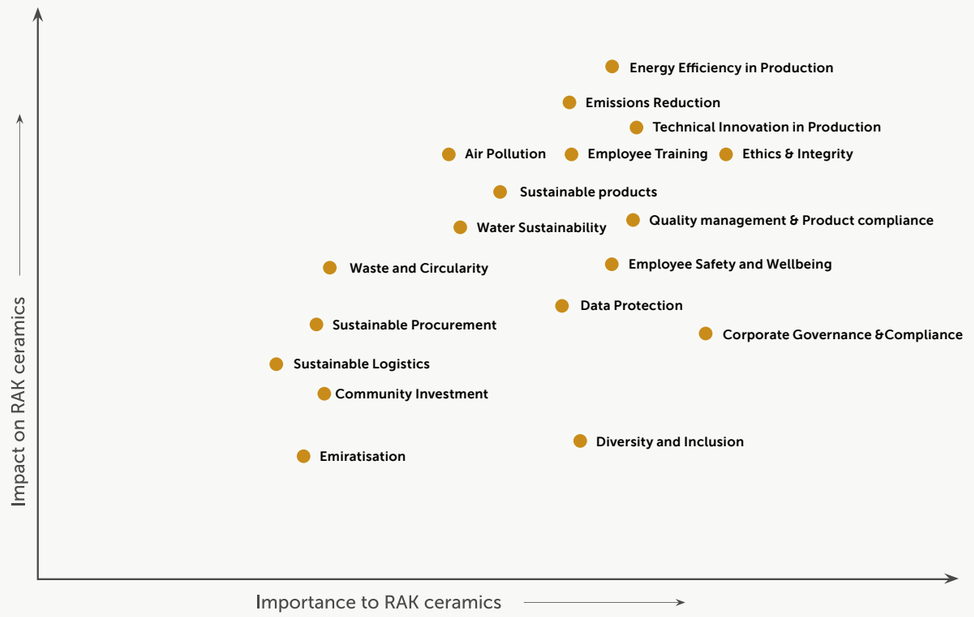
Outcome of Engagement: Sponsorship, participation in community events, volunteering.

Our Sustainability Pillars & Material Topics

We have identified 18 key sustainability material imperatives that form the foundation of our report, based on a comprehensive assessment conducted in early 2023. A dedicated sustainability working group, in partnership with senior management, carefully evaluated each imperative's significance, considering the impact of our operations and evolving industry sustainability trends. The findings from our materiality analysis reinforce our strong commitment to these imperatives. As we continue advancing our sustainability initiatives, we are confident in our path toward becoming leaders in sustainability in the years ahead.

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

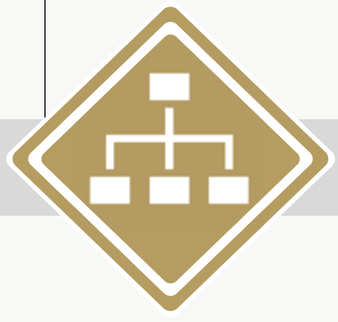


Our Sustainability Pillars & Material Topics (contd.)

We have structured our 18 materiality imperatives into four key pillars, forming the foundation of our Sustainability Framework. These pillars enable us to strategically develop initiatives, allocate resources effectively, and track and report our sustainability progress.

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 our Material Topics

Overview of Sustainability Investments

We remain committed to continuous improvement, regularly evaluating our sustainability performance to refine targets. In 2024, we further invested in reducing our resource intensity through efficient state of the art technologies such as the largest and most energy-efficient sanitaryware kiln, roboting palletizers, and shrink hood wrappings, ensuring greater efficiency and sustainability.

Overview of Commitments

Our sustainability commitments for each of our material topics are outlined below:

Sustainability Pillar & Material Topic		Commitments
Pillar 1: Environmental Impact		
1	Energy Efficiency in Production	Improve the energy efficiency of production through manufacturing innovation.
2	Water Sustainability	Optimize water consumption and improve circularity and use of treated wastewater.
3	Waste and Circularity	Innovate in manufacturing process to optimize use of raw materials and improve re-use of waste in production and final products.
4	Sustainable Logistics	Optimize shipping routes to reduce emissions.
5	Air Pollution	Implement best technologies to reduce air pollutants.
6	Emissions Reduction	Implement a range of initiatives, such as manufacturing innovation and improving accuracy and completeness of emissions calculations, to effectively reduce emissions.
Pillar 2: People & Community		
7	Employee Safety and Wellbeing	Provide a safe and healthy working environment for all our employees to thrive.
8	Employee Training	Create an environment where our employees can continuously develop and improve their capabilities and are recognized for their contributions.
9	Diversity and Inclusion	Foster a diverse and inclusive environment where every employee feels valued, respected and empowered to enable creativity, innovation and employee satisfaction.
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	Use our position as a large global manufacturing company to serve the communities in which we operate.
Pillar 3: Governance		
12	Ethics and Integrity	Conduct business with transparency and accountability, and ensure highest standards of ethics and integrity.
13	Corporate Governance and Compliance	Maintain clear processes and procedures to ensure the the highest standards of corporate governance and compliance, in-line with international and industry best practices.
14	Data Protection	Safeguard our customer data and digital assets by embedding robust data protection processes in our operations.
Pillar 4: Responsible Business & Responsible Employer		
15	Responsible and Sustainable Procurement	Undertake initiatives to improve sustainability in our supply chains and integrate sustainability considerations in procurement processes.
16	Technological Innovation in Production	Continuously innovate and push boundaries to enhance integration of technologies in our production.
17	Product Quality and Compliance	Implement and ensure the continuous improvement of our Quality Management System to manage market needs, risks and opportunities.
18	Sustainable Products	Design and develop production processes and products that consume resources responsibly.

Alignment with SDG Targets

RAK Ceramics has aligned efforts for our business strategy and project pipeline with United Nations Sustainable Development Goals 3, 5, 6, 7, 8, 10, 12, 13 and 16.

SDG	Most relevant targets	Our Strategic Objectives
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Health & Safety Policy and Governance. Health & Safety Awareness. Employee Health Benefits.
	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	Optimize water consumption and improve circularity. 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.
	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	Improve economic performance YoY.
	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	Use resources responsibly in production processes.
	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Wellbeing of our employees.
	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 minimize 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	Increase energy efficiency of production. Emissions reduction & decarbonization.
	16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children 16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels 16.b Promote and enforce non-discriminatory laws and policies for sustainable development	Sustainable & Responsible Procurement approach includes zero tolerance towards child labour. Corporate Governance present. Code of Conduct present.

Policies & Sustainability Governance

OUR SUPPORTING POLICIES

Our commitment to sustainability is built on a strong framework, supported by thorough policies and procedures. We hold several management certifications to uphold the highest standards in both our manufacturing processes and sustainability efforts.

Signifying our dedication to continuous improvement, we now hold three management ISO Certifications; ISO 9000 certification for Quality Management, ISO 14000 certification for Environmental Management, and in 2024 we gained ISO 50001 for Energy Management System across across Tiles, Sanitaryware and Tableware. This international standard provides a framework for establishing, implementing, and maintaining an energy management system to improve energy efficiency and reduce energy consumption.

- **Quality Management Policy:** We ensure customer satisfaction through continuous improvement and high-quality standards.
- **Environmental Health & Safety (EHS) Policy:** EHS practices are integrated into all our operations, promoting safety, health, and environmental protection through responsible practices.
- **Energy & Sustainability Policy:** We prioritize energy efficiency and sustainability through innovation, responsibly reducing our environmental impact.
- **Waste Management Guidelines:** Waste regulations are followed to manage various waste streams effectively.

OUR SUSTAINABILITY GOVERNANCE

ESG governance at RAK Ceramics is currently overseen by both Executive Management and the Board. To enhance oversight, a comprehensive three-tier governance structure has been designed and will be implemented across various organizational levels. This framework will be progressively rolled out as we advance our 2024-2030 sustainability strategy, ensuring stronger alignment with our long-term sustainability goals.

To keep sustainability at the core of our organization, we have formed a dedicated cross-departmental Sustainability Group. This team strategically guides our initiatives and optimizes resource allocation to embed sustainable practices across all operations

Our company is structured into four core segments: Tiles, Sanitaryware , Faucets, and Tableware. Each segment takes ownership of sustainability within their respective areas and implements targeted initiatives to drive positive environmental and social impact. Additionally, departments including EHS, MARCOM, HR, Internal Audit, Legal, Finance, and IT provide coordination and support as needed.

Our QHSE team manages Health & Safety, oversees Environmental Management, Quality, Compliance, and Sustainability Certifications, and plays a crucial role in managing Sustainable Products to ensure they meet high sustainability standards.

The Marketing team coordinates Sustainable Products, Product Development, Community Initiatives, and Customer Management, promoting sustainable practices and innovation while engaging stakeholders to drive positive change.

Our HR department focuses on employee training and well-being initiatives to nurture a skilled and healthy workforce, fostering an inclusive and supportive environment that empowers employees to contribute to our sustainability goals.

Governance initiatives are overseen by our Leadership, egal and Internal Audit teams, ensuring sustainable practices are embedded throughout our organization, monitoring compliance, driving continuous improvement, and upholding governance standards aligned with our sustainability objectives.

Digital Transformation and Data Protection are managed by our IT team to optimize technological systems for efficiency and security while supporting sustainability efforts.

Initiatives for 2025

- Continue to work towards Water Stewardship certification.
- Commence phased implementation of the ESG governance framework across all organizational levels.

Associations

ASSOCIATIONS

RAK Ceramics takes pride in its commitment to environmental sustainability and corporate social responsibility through various collaborations, recognitions, and initiatives:

- **Founding Member of the Emirates Green Building Council:** Actively promotes the development of sustainable buildings across the UAE.
- **Recipient of the Environmental Performance Certificate (EPC):** Awarded by the UAE Ministry of Environment and Water for meeting environmental protection standards and regulations.
- **Recognition by the Emirates Securities and Commodities Authority (SCA):** Honored for adhering to international best practices in governance and transparency.
- **Partnership with EPDA-RAK:** Collaborates with the Environment Protection and Development Authority to conduct joint research, provide recommendations for environmental conservation, and deliver training programs on health, safety, and environmental issues.
- A**ffiliation with the Emirates Environmental Group (EEG):** Engages in educational initiatives, community involvement, and action programs for environmental protection and responsible waste management, contributing to the UAE's sustainable development.
- **Collaboration with MAJRA - National CSR Fund:** Awarded the Impact Seal - Silver Tier, a federal recognition in the UAE that highlights leadership in sustainable practices aligned with Environmental, Social, and Governance (ESG) standards. This achievement reflects the company's commitment to the United Nations Sustainable Development Goals (SDGs) and national sustainability priorities.
- **Membership in the Ecolabel Program:** Certified for its innovative efforts to reduce energy and water consumption, minimize air pollution, and decrease waste generation. This recognition underscores RAK Ceramics' dedication to advancing a greener, more sustainable future.
- **United Nations Global Compact:** We support United Nations Global Compact as part of our commitment to being a responsible company. This commitment is to operate responsibly, in alignment with Ten universal Principles, take actions to support society, and report to the UN Global Compact annually on our ongoing efforts.

Through these initiatives, RAK Ceramics continues to drive positive environmental and social impact while contributing to a sustainable and eco-friendly UAE.

We are a Founding and Corporate member of the **Emirates Green Building Council.**

We support the promotion and development of sustainable buildings in the UAE.

CORPORATE MEMBER EmiratesGBC

FURTHER DETAILS ON CSR PROGRAMS ARE AVAILABLE IN THE COMMUNITY INVESTMENT SECTION.

PERFORMANCE HIGHLIGHTS

Key KPIs

⬇ 1.86%

Reduction in energy intensity of Tiles production compared to 2023 (per GJ/m2)

⬆ 10.85%

Increase in use of treated wastewater in Tiles production compared to 2023 (over 70% since 2020)

⬆ 82%

Savings in CO2 emissions by transporting goods by rail instead of road

⬆ 10.06%

Savings in overall energy consumption in Tableware production compared to 2023

10.80%

Emiratization Rate in 2024

⬇ 23.38%

Reduction in volume of hazardous waste generatedcompared to 2023

77%

Of our suppliers are local

93,152

Hours of training completed by employees in UAE

⬆ 80%

Of all our packaging is recycled and/or recyclable

47,753 m^3

Freshwater savings in Tableware production during 2024

30%

Females in administrative roles

100%

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

Success Stories

ISO 50001

Our ISO 50001 certification across Tiles, Sanitaryware and Tableware highlights our commitment to energy management, efficiency, and sustainable innovation.

100% ZERO WASTE

Our Re-Use series features tiles made from 100% pre-consumer recycled materials. In sanitaryware, 100% of clay rejects are recycled, while in tableware, we reintegrate 100% of rejected pieces, with 20% redirected to tile manufacturing. For faucets, we achieve a 100% reuse rate by reintegrating rejected pieces into production.

Success Stories (contd.)

70% HIGHER EFFICIENCY

We are proud to introduce the world's largest and most energy-efficient sanitaryware kiln. Its adaptable cycle speeds align with production demand, achieving 45% lower fuel consumption than tunnel kilns and 70% lower than shuttle kilns, marking a major breakthrough in sustainable manufacturing.

In 2024, we innovated through advanced technology and prioritized environmental conservation to create sustainable and eco-friendly product solutions.

WE INNOVATE THROUGH TECHNOLOGY

At RAK Ceramics, we aim to be at the forefront of technological innovation by continuously investing in state-of-the-art manufacturing technologies across all of our product lines.

We are committed to integrating the latest advancements to enhance product quality, improve efficiency, ensuring that we meet the evolving needs of our customers and the market.

IN 2024 WE UNVEILED...

Technological Advancements in Lean for Sustainable and Efficient Manufacturing

New In-House Frit Production for Reduced Import Reliance

Automated Logistics and QR Codes Integration for Streamlined Operations

New High Efficiency Kiln for Efficiency and Productivity Increases

WE FOCUS ON ENVIRONMENTAL CONSERVATION

Environmental conservation is a core focus at RAK Ceramics, and it's deeply embedded in both our business practices and values. We are dedicated to minimizing our environmental footprint through sustainable manufacturing processes, resource conservation, and eco-friendly innovations.

We strive to create products that not only meet high standards of quality but also that contribute to a greener, more sustainable future.

IN 2024 WE INVESTED IN...

Optimizing Materials and Supply Chain Efficiency for Waste Reduction

100% Recycling of Fired Porcelain Waste for a Circular Economy

Sustainability Through Lean Production for More Sustainable Products

Annual Earth Day Tree Planting for Carbon Offsetting and Environmental Responsibility

Success Stories (contd.)

Our four product lines are focused on enhancing energy, water, and waste efficiency for improved environmental performance.

TILES

↓ 1.86%

Reduction in energy intensity of tiles production compared to 2023 (per GJ/m2)

758,580 kwh

Estimated power savings as a result of 21 power savings initiatives executed in 2024

45,900 m3

Estimated savings through waste water reutilization in Body Preparation

95-98%

Of Effluent Treatment Plants (ETP) sludge and Green Tile materials are recycled

SANITARYWARE

↓ 28%

Reduction in gas consumption in production in 2024

1,671

Metric tons of CO_2 saved by enhancing productivity in operational processes

↓ 11.98%

Decrease in water consumption for sanitaryware production in 2024

25%

Of total production are re-used Greenware sanitaryware

TABLEWARE

100%

Of all rejected pieces are reintroduced in Tableware production, with 20% being forwarded to tiles

7%

Recycled waste in products in 2024

↓ 23.47%

Reduction in water consumption due to advancements in Effluent Treatment Plant

321,840 kWh

Power saving due to installation of VFDs and other power saving initiatives

FAUCETS

↑ 21.87%

Overall increase in the production of faucets in 2024

0.15

Energy intensity of faucet sales in 2024 (per GJ/000 AED)

↓ 72.52%

Decrease in the water intensity of faucets in sales for 2024

100%

Of all rejected pieces are reused, integrating them back into the production process

Success Stories (contd.)

Sustainability Pillar & Material Topic		2023 Achievements	2024 Achievements
Pillar 1: Environmental Impact			
1	Energy Efficiency in Production	15% Reduction in purchased electricity compared to 2022; -34.25% Reduction in Diesel Consumption compared to 2022; 20.46% reduction in energy intensity of sales (GJ / 000 AED).	Compared to 2023: 25% reduction in total Tiles energy consumption; In Sanitaryware energy intensity of sales (GJ / 000 AED) increased by 6%, and gas consumption per unit dropped by 28%; 10% reduction in total Tableware energy consumption.
2	Water Sustainability	100% of all our wastewater continues to be treated on-site, ensuring compliance with regulatory standards and minimizing environmental impact.	Commissioned a 3,500 m^3/day Seawater Reverse Osmosis (SWRO) plant; reduced sanitaryware total water consumption by 11.98% compared to 2023; Tableware total water consumption was reduced by 23.47% due to the Effluent Treatment Plant (ETP). The ETP now capable of recycling 100%; -72.52% decrease in the water intensity of Faucets in sales.
3	Waste and Circularity	100% of non-hazardous waste is either reintroduced in production or recycled by 3rd parties.	New Frit manufacturing plant in Tiles, reducing imports, increasing circularity and local reliance. 100% reused materials in Faucets.
4	Sustainable Logistics	Reduced movement of materials by 0.89 million kilometers, by engaging in multi-model transport and including sea and rail in routes.	Road movements reduced by 1.2 million Kms per annum, saving 2,328.44 tCO2e.
5	Air Pollution	Achieved significant decreases in pollutant concentrations, including Sulphur Dioxide (SO2) and Nitrogen Oxides (NOx), compared to 2022.	Achieved reductions on Nitrous Oxides (NOx) pollution.
6	Emissions Reduction	-1,844.9 tons CO2e emissions avoided in 2023. -36,297.8 tons CO2e avoided by reducing imports of 276,265 tons of raw materials annually.	- 6.19% reduction in total operational emissions compared to 2023. - Additionally, by using sea freight over road transport, we avoided approximately 1.1 million tCO_2e emissions.
Pillar 2: People & Community			
7	Employee Safety and Wellbeing	Maintained major work-related injuries at 12, while minor injuries increased to 208 from 167 in 2022, reflecting enhanced monitoring and reporting practices. Additionally, the audits successfully identified and resolved 208 EHS hazards.	Major work-related injuries at 24, while minor injuries decreased from 208 in 2023 to 178 in 2024.Our audits successfully identified and resolved 2,218 EHS hazards.
8	Employee Training	107,650 Hours of training completed by employees in UAE	95,152 Hours of training completed by employees in UAE
9	Diversity and Inclusion	29.93% Females in administrative roles	30% Females in administrative roles
10	Emiratisation	10% Emiratization Rate	10.8% Emiratization Rate
11	Community Investment	Invested 0.06% of the revenues in CSR (Corporate Social Responsibility) initiatives to support communities.	Invested 0.02% of Group revenue of AED 3.2 billion and 0.29% of net profit of AED 234 million to support communities.

Sustainability Pillar & Material Topic		2023 Achievements	2024 Achievements
PILLAR 3: GOVERNANCE			
12	Ethics & Integrity	Commitment: Conduct business with transparency and accountability, and ensure highest standards of ethics and integrity.	Continued commitment towards operating with transparency and accountability, upholding the highest standards of ethics and integrity in all business practices.
13	Corporate Governance & Compliance	Commitment: Maintain clear processes and procedures to ensure the the highest standards of corporate governance and compliance, in-line with international and industry best practices.	Continued commitment towards establishing clear processes and procedures to uphold the highest standards of corporate governance and compliance, aligned with international and industry best practices.
14	Data Protection	Commitment: Safeguard our customer data and digital assets by embedding robust data protection processes in our operations.	Standardization of network infrastructure to enhance security.
Pillar 4: RESPONSIBLE BUSINESS & RESPONSIBLE EMPLOYER			
15	Responsible & Sustainable Procurement	Silver Impact Seal from Majra - Environmental Stewardship.	77% Local suppliers providing Red Clays.
16	Technological Innovation in Production	Achieved one of the highest digital maturity scores from the Ministry of Industry and Advanced Technology.	ACIMAC TecnAward 2024 - Innovation and Sustainability.
17	Quality management & Product compliance	Commitment: Implement and ensure the continuous improvement of our Quality Management System to manage market needs, risks and opportunities.	Continued commitment towards sustaining the ongoing enhancement of our Quality Management System to address market demands, risks, and opportunities.
18	Sustainable products/ Environmentally friendly products	Received the Eco Label Sustainability Certificate from RAK EPDA, recognizing commitment to sustainable practices and environmental responsibility.	2024 MENA Green Building Award - Sustainable Building Product of the Year – Indoor Air Quality.

PILLAR 1:
ENVIRONMENTAL IMPACT

Environment Overview

At RAK Ceramics, we are a Group of four companies - Tiles, Sanitaryware, Faucets, and Tableware united in delivering premium ceramic solutions with a strong focus on sustainability. We acknowledge our significant energy and water intensity and the pivotal role we play in energy and water conservation and climate change mitigation. Consequently, we prioritize efforts to reduce our consumption by investing in technologies that enhance the energy and water efficiency of our production processes, as well as waste reduction initiatives.

Faucets: Eco-friendly faucets and bathroom fittings with a strong focus on water-saving technology, offering up to 60% saving on water consumption. In 2024, RAK Ceramics' faucets production achieved a 21.87% increase in production, and despite higher energy demands, we successfully implemented energy-saving initiatives, including the installation of Variable Frequency Drives (VFDs), contributing to a more efficient manufacturing process.

Sanitaryware: Complete solutions provider offering products designed to suit all budgets and tastes with accessories and bathroom furniture. Driving energy efficiency in sanitaryware production, exemplified by a 45% reduction in fuel consumption through our investment in one of the largest tunnel kilns in the industry.

Tableware: Products supplied to over 40,000 hotels in more than 165 countries with clients including JW Marriot, Hilton, Hyatt and Sheraton amongst others. We achieved significant energy and water savings in 2024, including 10.06% reduction in overall energy consumption & 23.47% reduction in fresh water consumption, while earning ISO 50001 certification for our Energy Management System along with Tiles & Sanitary ware.

Tiles: In 2024, we improved energy efficiency by saving 45,880 MMBTU of gas through kiln heat recovery projects and reducing spray dryer production. For water efficiency, we boosted water sustainability by adding a 3,500 m^3/day Seawater Reverse Osmosis (SWRO) plant, cutting external water reliance by 700 m^3/day. For waste and circularity, we reduced fired loss and improved sustainability by increasing recycled material use, launching "Mission 98" to cut fired rejection rates, and reintegrating waste like polishing sludge and Effluent Treatment Plant waste back into production

We implement multiple environmental initiatives to enhance energy efficiency and reduce our environmental footprint. Firstly, we operate two cogeneration plants with gas turbines, maximizing efficiency by utilizing exhaust air for ceramic spray dryers, thereby significantly reducing natural gas consumption and emissions. Secondly, we recover thermal energy from roller kilns using a heat recovery system, minimizing energy loss through flue gas and cooling gas exhaust stacks. Additionally, we piloted replacing chillers with cooling towers to decrease power consumption, and we have upgraded our power plant by replacing heavy fuel oil engines with natural gas engines, reducing carbon emissions and increasing on-site electricity generation. These efforts collectively contribute to our commitment to sustainability and energy conservation.

Between 2023 and 2024, our total energy consumption witnessed a 9.09% decrease from 7.04 PJ to 6.40 PJ, while our energy intensity of sales decreased slightly by 0.19% between 2023 and 2024. We also witnessed a decrease in natural gas, purchased electricity and diesel consumption in 2024.

This reduction in energy consumption and intensity reflects our ongoing efforts to optimize resource use, which is particularly important given the higher energy and water demands of GP tile production. In 2024, RAK UAE achieved a GP production of 26.58 million M2, with a Ceramics:GP ratio of 37:63.

From 2025 onwards, we will intensify our efforts to reduce the resource intensity of GP tile production in response to evolving market trends. This commitment will further solidify our position as a forward-thinking leader in sustainability.

↓ 9.09%

Decrease in Energy Consumption compared to 2023

↓ 8.84%

Decrease in Natural Gas Consumption compared to 2023 (MMBTU)

↓ 5.02%

Reduction in Diesel Consumption compared to 2023

↓ 0.19%

Decrease in Energy Intensity of Sales compared to 2023

↓ 22.80%

Reduction in purchased electricity compared to 2023

We operate 3 Effluent Treatment Plants, 1 Sewage Treatment Plant and 1 Desalination Plant

Our organization has implemented a Closed-Loop Manufacturing System to enhance water and waste management across all production processes. We ensure that 100% of our wastewater is treated and partially reused on-site through our Effluent Treatment Plants, and Sewage Treatment Plant. Additionally, we have a Desalination Plant, all contributing to sustainable and efficient resource utilization.

In 2024, our 3 Effluent Treatment Plants (ETP) treated 938,897 m3, and our 1 Sewage Treatment Plant (STP) treated 190,124 m3 of wastewater.

Impressively, 100% of all our wastewater continues to be treated on-site, ensuring compliance with regulatory standards and minimizing environmental impact. Our commitment to water sustainability is evident in our proactive approach to wastewater and desalinated water management. The total wastewater treated in 2024 was 1,129,011 m^3, there was also a 24.4% rise in the treatment of desalinated water, which reached a total of 2,013,853 m^3 in 2024.

Plant	Effluent Treatment Plants		
Year	2023	2024	% change
Water Treated (m3)	1,035,286	938,897	-9.31%
Plant	Sewage Treatment Plant		
Year	2023	2024	% change
Water Treated (m3)	188,081	190,124	1.09%
Plant	Desalination Plant		
Year	2023	2024	% change
Water Treated (m3)	1,522,420	2,013,853	24.4%

Initiatives for 2025

Water Stewardship: Continue working towards achieving the Water Stewardship certification by SAS Global

↑ 24.40%

Increase in water treated in Desalination Plant compared to 2023

938,897 m3

Of wastewater treated in our 3 ETPs in 2024

1,129,011 m3

Total wastewater treated in 2024

100%

Of all our wastewater is treated on-site.

↑ 1.09%

Increase in wastewater treated in our STP compared to 2023

↑ 24.40%

Increase in desalinated water treated compared to 2023

Tiles

TILES	
Production Process	Sustainability Initiative
Muda	• Use of MUDA materials from Group Companies to formulate a 100% recycled body product
Crushing	• Increase of crushing capacity through modification of existing ceramic clay crusher and installation of new crusher
Atomising / Spraying	• R&D and gradual increment in slip density to reduce gas consumption • Cogeneration of energy, reduced utilization of spray drier with relatively high gas consumption by capacity utilization of Co-generation equipped spray drier • Upgradation of gas turbines • Heat recovery • Upgradation for utilization of kiln hot air
Pressing	• Recovery of powder loss
Firing	• Undertaking of Mission 98 to reduce the fired rejection • Use of fired rejections in fired tiles
Drying	• Installation of bypass line in order to improve the Heat recovery temperature from Kiln to Driers
Polishing	• Recycling the polishing sludge to use in the production
Squaring	• Recycling the squaring powder to use in the production
Packing	• Eco-wrap the carton usage to pack the final products
Electrical Overall	• Variable Frequency Drives (VFD) installations in all plants across different departments • VFDs in sea water pump house • New cooling water installation
Body Preparation	• Water efficiency through waste water reutilization
Slip Preparation	• Reduction in water consumption through increment in slip density

ENERGY EFFICIENCY

As one of the world's leading tile manufacturers, RAK Ceramics recognizes its responsibility to reduce emissions and support climate action. In 2024, total energy consumption for tile production increased by 25% compared to 2023, driven by shifts in product mix and rising demand for Gres Porcelain (GP) tiles. The Ceramic to GP production ratio reached 37:63, up from 61:39 in 2022 and 43:57 in 2023, significantly impacting overall energy usage.

Despite the higher total energy demand, energy intensity for GP tile production decreased by 1.86% due to ongoing efficiency improvements. We also reduced the thickness standardization of key sizes of our Gres Porcelain tiles from 9mm to 8.5mm, achieving a 5.5% reduction in material usage. This change enhances efficiency by lowering raw material consumption, reducing energy use in production, and minimizing environmental impact.

Our sustainability initiatives encompass both energy management and gas reduction strategies. We have upgraded gas turbines and implemented heat recovery systems that capture heat from the kiln and utilize kiln hot air, further improving energy efficiency. In 2024, we executed nine gas reduction projects that optimized heat recovery from kilns and dryers while reducing spray dryer production—one of the most energy-intensive processes—resulting in gas savings of 45,880 MMBTU. Additionally, we completed 21 energy efficiency projects, leading to electricity savings of 758,580 kWh.

In our production processes, we have introduced various energy efficiency measures, including:

- Applying refractory coatings to thermal vessels to improve heat absorption and reduce ambient temperatures.
- Installing auto air regulators and oxygen analyzers to optimize combustion and minimize energy loss.
- Utilizing Vulcan burners and fuel-saving catalysts to enhance fuel efficiency.
- Implementing X-Plate technology to improve combustion efficiency within furnaces.

Furthermore, our research and development efforts have led to a gradual increase in slip density, which has reduced gas consumption during production. The integration of cogeneration energy has effectively decreased reliance on high gas-consuming spray driers, allowing us to reduce energy consumption while enhancing overall process efficiency.

We have also significantly reduced fired rejections through Mission 98, recycling them into new fired tiles to minimize waste and improve resource use. Innovations such as a bypass line to enhance heat recovery temperatures from the kiln to the driers, along with the recycling of polishing sludge and squaring powder for production, have further optimized material use throughout our operations.

Currently, we are advancing three direct energy-saving initiatives. Having successfully implemented smart factory technologies, we are now establishing a high-efficiency sustainable manufacturing unit, reinforcing our commitment to energy conservation and responsible production.

↓ 1.86%

Reduction in energy intensity of GP tiles production compared to 2023 (per GJ/m2)

↓ 5.50%

Reduction in GP tiles thickness

Materials Manufacturing	Gas Consumption Reduction between 2017-2024 (%)	Electricity Consumption Reduction between 2017-2024 (%)
Glazed Porcelain (GP)	36.4%	33.73%
Red Body (RB)	30.55%	26.11%

Tiles (contd.)

ENERGY EFFICIENCY

In 2024, RAK Ceramics continued to make significant strides in sustainability with the establishment of new production facilities, enhancing efficiency, reducing environmental impact, and meeting evolving market demands.

ENERGY-EFFICIENT SMART MANUFACTURING

RAK Ceramics has transformed its tile production process by modernizing operations and adopting a more streamlined approach. Previously, manufacturing relied on four glaze lines and two kiln operations until 2018. By shifting to a single-line operation, productivity increased by 16% in 2023 compared to prior capacity, with an additional 3.8% growth in 2024 over the 2023 average.

Beyond improving efficiency, this modernization has driven substantial energy savings. Power consumption has decreased from 4.18 kWh/m^2 in 2018 to an average of 4.06 kWh/m^2 in 2024, while gas consumption has reduced from 0.097 MMBtu/m^2 in 2018 to 0.084 MMBtu/m^2 in 2024. These improvements reflect a strong commitment to sustainability, reducing both operational costs and the company's environmental footprint.

The new facility has also optimized production by prioritizing high-demand tile formats, particularly Gres Porcelain 60 x 120 cm tiles, which offer better productivity compared to larger sizes. In 2024, the facility expanded its capabilities to include a higher proportion of larger slab sizes, demonstrating adaptability to market trends while maintaining efficiency. This transition to smart manufacturing represents a strategic move towards increased productivity and sustainability in tile manufacturing.

SUSTAINABLE SLAB PRODUCTION WITH ADVANCED TECHNOLOGY

In 2024, RAK Ceramics began developing a state-of-the-art exclusive slab production unit, an ongoing project that integrates sustainability and innovation to enhance efficiency and minimize environmental impact. The facility is equipped with the advanced PCR 2180 system, one of the most efficient technologies for producing larger slab formats, ensuring higher productivity while minimizing resource consumption.

A key sustainability feature is the near-zero fuel horizontal dryer, which utilizes total heat recovery from the kiln. This innovation has led to a 35.97% reduction in gas consumption compared to previous facilities, significantly lowering energy usage and emissions. Additionally, the unit is projected to achieve a 36.84% decrease in power consumption, contributing to both cost savings and environmental sustainability.

The facility also houses the longest European kiln in the Middle East, spanning 300 meters, further enhancing production capacity and efficiency. Additionally, a digital decoration and glazing line enables high-definition designs while minimizing waste, and automated processes, such as an automatic shrink hood wrapping machine, improve operational efficiency and reduce material handling losses.

Through these advancements, RAK Ceramics continues to lead in sustainable manufacturing, integrating cutting-edge technology and energy-efficient processes to drive productivity while reducing environmental impact.

ENERGY EFFICIENCY INITIATIVES SUMMARY

SMART MANUFACTURING UNIT

The installation of this new production facility transitioned from four glaze lines and two kiln operations to a single line operation. It resulted in a productivity increase of 16% in 2023 and an additional 3.8% in 2024, while reducing power consumption from 4.18 KwH/M2 in 2018 to 4.06 KwH/M2 in 2024.

EXCLUSIVE STATE OF THE ART SLAB MANUFACTURING UNIT

The new unit has the advanced PCR 2180 system, a near-zero fuel horizontal dryer, and the Middle East's longest European kiln (300m), enhancing efficiency, productivity, and sustainability in slab production.

ENERGY EFFICIENCY INITIATIVES

In 2024, nine gas reduction projects and 21 energy efficiency initiatives saved 45,880 MMBTU of gas and 758,580 kWh of electricity by optimizing heat recovery and reducing high-energy processes.

POWER SAVINGS

758,580 kWh

estimated savings as a result of 21 power savings initiatives executed in 2024

THERMAL SAVINGS

45,880 MMBTU

savings in gas as a result of 9 thermal savings initiatives executed in 2024

Energy Efficiency Initiatives for 2025 and onwards

- Energy Monitoring Team: Our Team inspects and suggests initiatives to reduce gas consumption in kilns and spray dryers.
- Studying AI Solutions in Kilns: We are exploring AI technology to optimize kiln operations for better energy efficiency.
- Conversion of Red Body Sizes from Wet to Dry Milling: This is planned for 2025 to eliminate spray dryer energy consumption.
- Auto Slab Storage & Picking: We are studying automation for slab handling to minimize damage and improve efficiency.

WATER SUSTAINABILITY

In 2024, we made significant progress in enhancing water sustainability within our tile production processes, with a focus on securing reliable water sources, improving treatment systems, and reducing our environmental impact. Key initiatives included:

SEAWATER REVERSE OSMOSIS (SWRO) PLANT INSTALLATION

We successfully commissioned a 3,500 m^3/day Seawater Reverse Osmosis (SWRO) plant, ensuring a reliable freshwater supply. This new facility has significantly reduced our reliance on external water sources, eliminating the need for outsourcing 700 m^3/day of freshwater and contributing to greater resource self-sufficiency.

Finally, our commitment to water efficiency is reflected in our efforts to reuse wastewater and reduce overall water consumption through innovations like increasing slip density, which lowers water use in the production process.

WATER SAVINGS

45,900 m3

estimated savings through waste water reutilization in Body Preparation

WATER SAVINGS

↓ 8%

reduction in water consumption in slip preparation process

Tiles (contd.)

EFFLUENT TREATMENT PLANT (ETP) ENHANCEMENT

We commissioned an advanced Effluent Treatment Plant (ETP), boosting our wastewater treatment capabilities. This initiative has improved the quality of water discharged from our facility while also reducing the need for tanker trips for white water loading, which has minimized transportation-related emissions and resource use.

INTERNAL AND THIRD-PARTY MONITORING

To ensure ongoing compliance with water safety standards and environmental regulations, we implemented a robust monitoring system throughout 2024. This included quarterly third-party assessments and daily internal evaluations to ensure continuous water quality, efficiency, and long-term sustainability of our operations.

These initiatives resulted in lower consumption of both fresh and treated water in 2024 compared to 2023. Additionally, total water usage decreased, while the use of wastewater in tile production increased compared to the previous year. 45,900 M3 of water saved through waste water reutilization in Body Preparation. Through production initiative of increment in slip density we saved close to 8% of water consumption in the slip preparation process.

Water Sustainability Initiatives for 2025 and onwards

- Planned Upgrade – Aeration System in Sewage Treatment Plant (STP): In 2025, we plan to replace the outdated aeration system in our Sewage Treatment Plant (STP) with a new diffused aeration system. This upgrade will further enhance treatment efficiency, reduce power consumption, and contribute to a decrease in our overall energy usage and carbon emissions.
- Upgraded SWRO Plant: In 2025, we will also focus on upgrading our SWRO plant (500 m^3/day) to improve its operational efficiency and better streamline our water management processes.

WASTE AND CIRCULARITY

We have made significant advancements in our production processes, leading to a notable reduction in fired loss. These improvements were achieved by increasing our use of recycled materials, minimizing leakages, and addressing day-to-day handling losses. By optimizing these aspects of our operations, we have enhanced both efficiency and sustainability across our production lines.

In addition, we have focused on reducing sludge generation from our Effluent Treatment Plants (ETPs). This was accomplished by improving the water recycling process within our ETPs, enabling a more efficient use of resources and minimizing waste.

In terms of packaging, we've introduced eco-wrap cartons for packing our final products, reducing our reliance on traditional packaging materials. To support operational efficiency, we've installed Variable Frequency Drives (VFDs) across multiple departments and plants, including in our sea water pump house and cooling water systems, contributing to both energy savings and enhanced equipment performance.

In terms of recycled content in our products, as part of our commitment to quality improvement, we have launched "Mission 98," a comprehensive initiative implemented across all our plants. This mission has significantly reduced fired rejection rates and improved overall production quality. Furthermore, we have increased the utilization of fired rejection materials, polishing sludge, and ETP waste by modifying formulas through a targeted approach. This innovation allows us to reintegrate the total waste generated back into our production processes, reinforcing our focus on sustainability and waste reduction.

A key achievement is our use of MUDA materials from Group Companies to create a 100% recycled body product. This approach helps reduce raw material consumption while promoting circular economy principles. In line with this, we've made significant upgrades to our crushing capacity, including modifying existing ceramic clay crushers and installing new crushers, which has optimized resource use and enhanced production efficiency.

Out of the 12 different types of generated MUDA from tiles manufacturing operations, we are currently utilizing 119% (out of which 19% consumption is from stock quantity.)

Recycled Input Materials (Generated from Tiles production & ETP only)	2022	2023	2024
ETP sludge	70~75%	85~90%	95%~98%
Fired tiles	90~95%	85~90%	190%~200%
Polishing sludge	85~90%	55~60%	80%~82%
Green tile	90~95%	95~100%	95%~98%
Squaring waste powder	85~90%	95~100%	82%~85%

In 2024, the recycling efficiency of ETP sludge improved significantly, reaching 95–98%.

Fired tiles achieved remarkable efficiency, with recycling rates reaching 190–200%. Also, Green tiles and squaring waste powder maintained high recycling efficiencies, at 95–98% and 82–85%, respectively.

RESOURCE SAVINGS

206,025 TONNES

Total MUDA consumption

RESOURCE SAVINGS

95-98%

of ETP sludge and Green Tile materials are recycled

WASTE AND CIRCULARITY INITIATIVES SUMMARY

INCREASE OF RECYCLED CONTENT IN GPG

The recycled content in GPG has increased by 7.82% in 2024 when compared to 2022 baseline, demonstrating a commitment to enhancing sustainability through higher recycling rates.

REDUCTION IN IMPORTED RAW MATERIALS AND INCREASE IN LOCAL MATERIAL USAGE

The initiative has successfully reduced the import of raw materials by 12.51% in 2024 when compared to 2022 baseline , which helps decrease the carbon footprint associated with transportation. The total local consumption of materials increased significantly, from 36,030 tons in 2023 to 54,838 tons in 2024, which reduces reliance on imported materials and minimizes waste.

THICKNESS STANDARDIZATION OF KEY SIZES

By standardizing the thickness of key sizes in Gres Porcelain from 9MM to 8.5MM, the initiative has led to a optimization in raw material consumption and packing costs, contributing to waste reduction.

CONVERSION OF TRAY CARTONS TO MULTIPACK CARTONS

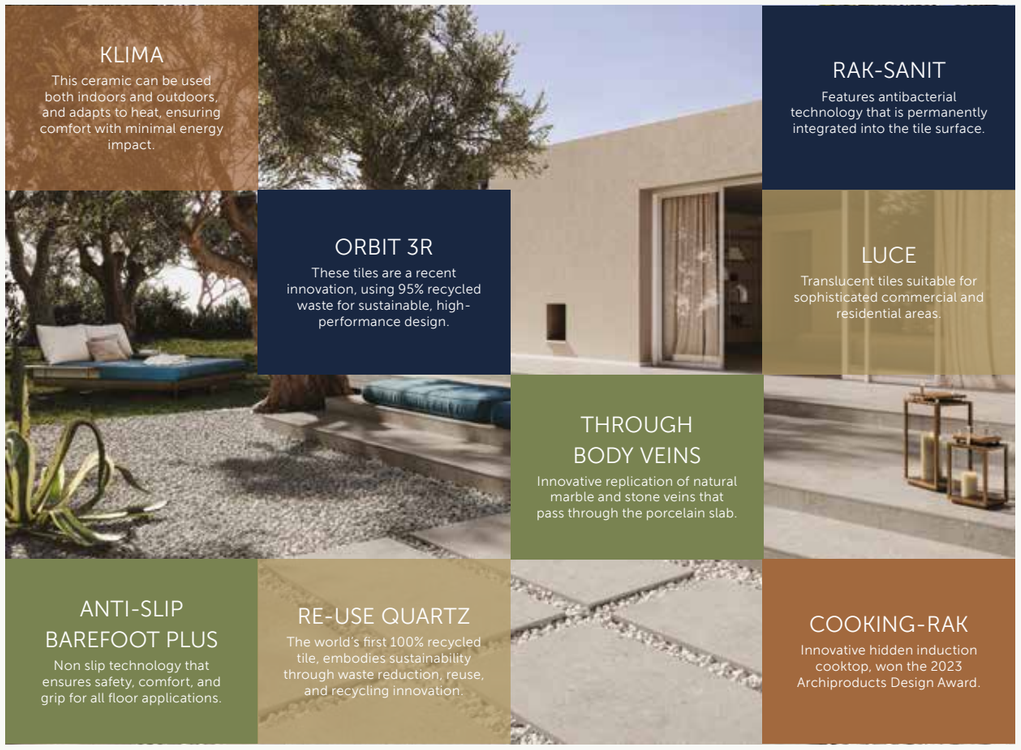
This initiative has reduced packaging consumption by 502.16 tons in 2024, saving approximately 12,052 trees and avoiding water contamination equivalent to 10,040,000 gallons.

FRIT MANUFACTURING PLANT

The establishment of a frit manufacturing plant has reduced dependency on imports. Currently, 40% of materials for frit production are acquired locally.

Tiles (contd.)

TILES SUSTAINABLE PRODUCTS



Waste and Circularity Initiatives for 2025 and onwards

- Resource Intensity: Reduce the resource intensity of our Gres Porcelain tiles.
- Effluent Treatment Plant (ETP): Continue to reduce ETP sludge generation.
- Granulate Production Group (GPG) Recycling: Focus on increasing the recycled content in GPG further, building on the progress made in 2024.

Sanitaryware

SANITARYWARE	
Production Process	Sustainability Initiative
Sanitaryware manufacturing	
Body Preparation	• 100% recycling of greenware rejects. • Recycling of final rejects from manufacturing
Glaze Preparation	• Recycling of waste glaze
Casting	• 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	• Recycling of hot combustion air by using waste heat from kilns for energy saving • Use of energy efficient burners
Moulding	• Product engineering for reducing weight (raw material) and process losses.
Sorting	• Use of recycled water for functional testing of finished products
Electrical & Mechanical	• Maximized use of Variable Frequency Drives in plant equipment • Implement energy saving opportunities in the air compressors • Energy efficient motors for higher loads
Toilet Seat and Cover manufacturing	
ABS Seat & Cover	• 100% recycling of greenware rejected materials
Packing	• Use of recyled materials to make packaging products

Sanitaryware (contd.)

ENERGY EFFICIENCY

We are proud to lead the charge in pioneering energy efficiency within the sanitaryware production industry, driven by our commitment to innovation, quality, and sustainability. As we continue to shape the future of bathroom solutions, our focus remains on producing high-end, sustainably crafted products that not only meet the highest standards but also set new benchmarks for energy-efficient manufacturing.

In 2023, we significantly ramped up our efforts to operate more sustainably, undertaking key initiatives aimed at reducing power consumption. Among the most impactful was our investment in one of the largest tunnel kilns in the industry, coupled with retrofitting several of our existing kilns with cutting-edge technologies designed to reduce fuel consumption. These steps marked a significant leap forward in our pursuit of energy efficiency.

Building on this momentum, 2024 saw the introduction of several advanced solutions. We expanded our energy-saving initiatives with the installation of Variable Frequency Drives (VFDs) and the introduction of a new high-efficiency kiln. A major milestone was the transition from gas-fired burners to an indirect water heating system, which now powers our ECS burners. This shift not only improves energy efficiency by using water to transfer heat, but also reduces our reliance on gas, helping to lower overall energy consumption.

Additionally, we implemented a system to capture and reuse hot air from the TK-6 process using a heat exchanger. The recovered heat is repurposed to warm water, which then powers the ECS burners in the HPC cell and the slip tanks, further driving down energy waste and improving efficiency across our production lines.

Our energy reduction efforts didn't stop there. We also introduced smart technologies such as controlled compressors, energy-efficient motors, and blowers for casting, as well as an indirect water heating system for spagless casting cell. Further in-house modifications to equipment, including setters, control panels, conveyors, and moulding plates, allowed us to enhance both the productivity and energy performance of our manufacturing processes. These projects and other maintenance activities helped us achieve a total reduction of 1,671 metric tons of CO_2.

The impact of these initiatives was clear. In 2024, we saw substantial improvements in our energy efficiency metrics. The energy intensity of sales (GJ / 000 AED) increased by 6%, and gas consumption per unit dropped by 28%.

These groundbreaking projects are not only a testament to our leadership in sustainable manufacturing but also underscore our ongoing dedication to pioneering innovative solutions that benefit both our business and the environment.

↑ 28%

Savings in gas consumption in production in 2024

1,671

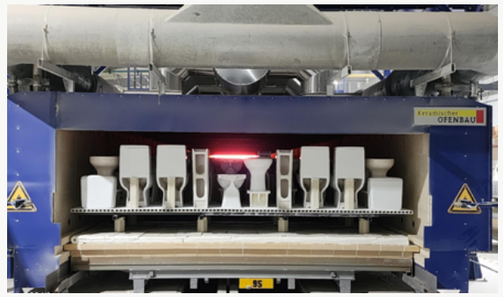
Metric tons of CO_2 saved by enhancing productivity in operational processes

ENERGY EFFICIENCY - WORLD'S MOST EFFICIENT SANITARYWARE KILN

RAK Ceramics is proud to introduce the largest and most energy-efficient sanitaryware kiln in the world. Measuring 162 meters in length and 4 meters in width, this groundbreaking kiln can process up to 1.4 million units per annum. Designed with versatility in mind, it operates with adjustable cycle speeds (16, 18, or 20 hours) to align with varying production demands.

The kiln's specific fuel consumption is 715 Kcal/kg of ware, representing a 45% reduction compared to our existing tunnel kilns and a 70% decrease compared to shuttle kilns. In terms of electricity consumption, the kiln uses just 0.025 kWh/kg of ware, following a similar percentage reduction in energy use. This cutting-edge kiln is also future-ready, with the ability to be converted to 100% hydrogen fuel, further enhancing its sustainability credentials.

This installation marks a significant step in our manufacturing roadmap for a highly automated, high-efficiency plant, driving RAK Ceramics towards even more sustainable and innovative production processes.



Energy Efficiency Initiatives for 2025 and onwards

- Equipment Upgrades: Installation of VFDs, IE5 motors, and cooling tower to enhance energy efficiency.
- Sustainability Improvements: Airflow meters, air dryers, and efficient ceiling fans to optimize air and energy use.
- Energy Optimization: Improved plant lighting and burner runtime adjustments to reduce overall energy consumption.

WATER SUSTAINABILITY

In 2024, we made remarkable strides in advancing water sustainability within our sanitaryware production. Through a series of targeted initiatives aimed at improving efficiency and boosting the reuse and recycling of wastewater, we successfully reduced our total water consumption by 11.98% compared to 2023.

Our ongoing commitment to reducing water intensity in both production and sales remains at the forefront of our sustainability efforts. In 2024, we achieved a significant reduction in the water intensity of production by 15%, showcasing the success of our water efficiency strategies. However, we also observed an increase in the water intensity of sales by 29%.

These results reflect our continued dedication to optimizing water use and promoting sustainability across every aspect of our operations, further cementing our position as a leader in water-conscious manufacturing within the sanitaryware industry.

↑ 11.98%

Savings in water consumption for Sanitaryware production in 2024

↓ 15%

Decrease in water intensity in Sanitaryware production in 2024

Water Sustainability Initiatives for 2025 and onwards

- We will continue to work towards reducing the water intensity of production.
- We aim to further improve the reuse and recycling of our wastewater.

Sanitaryware (contd.)

Recycled Input Materials		2021	2022	2023	2024
Fired Sanitaryware	Re-used Fired Sanitaryware rejects (as % of production)	2%	2%	2%	2%
	Re-used Fired Sanitaryware rejects (Tons)	1,066	1,143	842.5	654.0
	Total Fired Sanitaryware rejects generated (Tons)	4,059	6,593	5,046	4,690
	Re-used Fired Sanitaryware rejects (as % of total generated)	26.3%	17.3%	16.7%	13.9%
Green Sanitaryware	Re-used Greenware Sanitaryware (as % of production)	20%	25%	25%	25%
	Re-used Greenware Sanitaryware (Tons)	13,332	19,210	14,154	12,553
	Total Green Sanitaryware rejects generated (Tons)	13,332	19,210	14,154	12,553
	Re-used Greenware Sanitaryware rejects (as % of total generated)	100%	100%	100%	100%
Raw Glazes	Re-used reclaimed glaze (as % of production)	45.94%	44.14%	40.02%	40.8%
	Re-used reclaimed glaze (Tons)	2,458	2,660	2,001	1,884
	Total reclaimed glaze generated (Tons)	Data not available	2,665	2,164	1,936
	Re-used reclaimed glaze (as % of total generated)		99.8%	92.5%	97.3%

In sanitaryware production: From the total waste generated from the sanitaryware plant, 100% Greenware Waste is recycled and reintroduced within sanitaryware raw material production. 13.9% of Fired ware rejects is reprocessed and reintroduced with raw material production, while the remaining fired wastes moved to Tiles plant process. In 2024, 97.3% reclaimed glaze was used, an increase of 4.8% more compared to 2023.

WASTE AND CIRCULARITY

In 2024, we took bold steps to enhance resource efficiency, minimize waste, and drive circularity within our sanitaryware production.

Our commitment to circularity is evident in the impressive waste recovery rates we achieved. On average to date we recycle 16.2% of the fired rejects we generate through addition into our product. This may go up to 39% after we increase addition, trials of which are in progress.

We recycle all of the clay rejects and 97.3% of raw glaze rejects. The proportion of glaze rejects cannot be 100% as it would affect the manufacturing efficiency due to chances of aesthetic defects in glazes. Our other major process waste is Gypsum (used plaster moulds – about 400 MT per month) which is expected to be used up by a cement manufacturer in a neighboring Emirate. Samples have been sent across for testing at their end.

We also focused on reducing waste at the end-user level. By reformulating our Fireclay products to be “craze” resistant, we’ve helped extend the lifespan of our products, reducing the likelihood of product defects and minimizing waste after sale. Our innovative “RAK Skin” project, which upcycles rejected products into decorative pieces by applying permanent ceramic decal stickers, is another exciting initiative. This project not only reduces waste but also gives new life to materials that would otherwise be discarded.

Through the improvements in our engobe efficiency, we’ve saved an impressive 86.27 tons of waste since 2022. Engobes, liquid clay coatings used for decorative or protective purposes, have been optimized for better performance, significantly reducing material waste during production.

In 2023, we further strengthened our waste reduction efforts by establishing the RAK Ceramics Sanitaryware Training Academy. This initiative empowered our employees with the skills and knowledge to improve yield, reduce defects, and minimize losses. Additionally, the introduction of the 5S improvement system has helped us maintain high standards of Health & Safety while reducing operational losses across the board.

Together, these initiatives represent a powerful commitment to sustainability, waste reduction, and the principles of circularity, ensuring that our products not only meet the highest quality standards but also contribute to a more sustainable future for the industry.

25%

Of total production are re-used Greenware Sanitaryware

↑ 5%

Increase in recycled scrap ABS (Acrylonitrile Butadiene Styrene) and B-grade rejections

Waste and Recycling Initiatives for 2025 and onwards

- We will continue to work towards re-using fired sanitaryware rejects.

Sanitaryware (contd.)

SANITARYWARE SUSTAINABLE PRODUCTS

Tableware

TABLEWARE	
Production Process	Sustainability Initiative
Body & Glaze Preparation	• Recovery of surplus raw materials • 100% production wastewater recycling • Use of finished and semi-finished products (rejections) in specified % for body preparation
Casting	• 100% production wastewater recycling • Rejections (semi-finished pieces) reuse
Biscuit Firing	• 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	• Compliance with regulations for proper use of materials (to remove) • 100% production wastewater recycling
Glost Firing	• 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	• Made to order to avoid wastage
QC / Sorting & Foot Grinding	• 100% production wastewater recycling • 100% of rejections (finished pieces) are recycled and reused
Packing	• Packaging policy in place for use of only recyclable or compostable or reusable materials for packaging • New cartons made from 80% recycled material which are 100% recyclable
Electrical & Mechanical	• Installation of additional Variable Frequency Drive to factory equipment for energy saving • Heat Recovery Systems installed in 3 kilns
General	• Dust collectors with dust filters are installed for dust generating equipment and areas • Dust and Flue gas emission at RAK Porcelain is regularly monitored and tested by third party laboratories to ensure that emissions do not cross the maximum allowed limit as per government regulatory body and international guidelines (to remove) • Optimized use of natural sunlight for lighting the factory. Skylight roofing are placed throughout manufacturing space, allowing natural light to pervade the workspaces and thereby reducing the energy consumption for lights

Tableware (contd.)

ENERGY EFFICIENCY

In 2024, our efforts to improve energy efficiency in tableware production yielded both successes and challenges. There was a significant decrease in total sales and production of tableware; down 6.13% and 11.19% respectively.

In 2024, we reduced our overall energy consumption by 10.06%, with fuel usage down 11.09% and electricity consumption decreasing by 4.36%, highlighting our continued efficiency improvements. Furthermore, we achieved a major milestone with the receipt of ISO 50001:2018 certification for our Energy Management System (EnMS) across Tiles, Sanitaryware and Tableware. This certification reinforces our commitment to improving energy performance and systematically reducing energy consumption across all operations.

Several key initiatives contributed to these results, including the installation of additional Variable Frequency Drives (VFDs) and enhanced heat recovery systems to 3 of our kilns. These upgrades played a vital role in driving energy savings, resulting in 3,797 MMBTU of natural gas savings and 321,840 kWh of electricity savings from these initiatives alone.

While energy intensity increased due to the operational scaling back, we remain dedicated to further optimizing our energy usage, reducing inefficiencies, and driving sustainability through continued innovation in energy management.

ENERGY SAVINGS

321,840 kWh

Savings due to installation of VFDs and other energy saving initiatives

NATURAL GAS SAVINGS

3,797 MMBTU

Savings due to enhanced heat recovery systems

Energy Efficiency Initiatives for 2025 and onwards

- VFD Installation : Our team is planning to install VFDs in more machines.
- Chiller Replacement : We are going to replace the chiller system with cooling tower for energy savings
- Exhaust fan replacement : We are planning to replace the roof exhaust fan with turbine ventilator fans to improve energy efficiency.
- Pneumatic diaphragm pump replacement : Our Team plans to replace the pneumatic diaphragm pump with electric operated pump for energy savings.

WATER SUSTAINABILITY

Achieving water sustainability in our Tableware production has been a journey defined by hard work, dedication, and a commitment to continuous improvement. In 2024, we took significant steps forward, driven by relentless effort to optimize our water usage and reduce our environmental impact.

Through rigorous planning and implementation of innovative strategies, we succeeded in decreasing the water intensity of production by 13.88%. This achievement reflects the tireless efforts of our team to enhance manufacturing processes and find more efficient ways to use water. But the story doesn't stop there—our overall total water consumption was reduced by an impressive 23.47%, thanks in large part to the advancements made in our Effluent Treatment Plant (ETP). The ETP, now capable of recycling 100% of the wastewater generated from our tableware production, became a cornerstone of our water-saving initiatives.

This achievement was the result of countless hours of hard work to upgrade and fine-tune the system, ensuring that we could maximize the use of recycled water and minimize our dependence on freshwater resources.

The use of recycled water played a critical role in minimizing the impact, and we knew that the work we were putting into maximizing the use of reclaimed water was helping to keep our operations more sustainable despite these challenges.

The effort behind these initiatives was not easy, but it paid off in the form of a remarkable saving of 47,753 m^3 of freshwater. This wasn't just an achievement on paper—it was a testament to the determination and dedication of every team member involved. From upgrading the ETP to implementing new processes for wastewater recycling, our success was built on hard work, persistence, and a shared commitment to water sustainability. It's this unwavering effort that drives us forward, constantly pushing us to find better solutions and set new standards for efficiency and environmental responsibility.

The results speak for themselves, but it's the effort behind them that truly defines our journey toward a more sustainable future.

WATER SAVINGS

47,753 m3

savings of freshwater through optimization of wastewater recycling process

WATER SAVINGS

↓ 23.47%

reduction in water consumption due to advancements in ETP Plant

Water Sustainability Initiatives for 2025 and onwards

- Recycled Water: We have planned to save 280 m^3 of fresh water per day by using recycled water

WASTE AND CIRCULARITY

A cornerstone of our sustainability efforts has been the introduction of a new carton packaging made from 80% recycled materials. This packaging not only incorporates a significant amount of recycled content but is also fully recyclable, reinforcing our commitment to minimizing waste and advancing the principles of a circular economy. By designing packaging with recycling in mind, we are helping to reduce the demand for virgin materials and close the loop in our production processes.

Additional achievements from 2023 which carried throughout 2024 include:

100%

Of all rejected pieces are reintroduced in Tableware production, with 20% being forwarded to tiles

7%

Recycled waste in products in 2024

We've introduced new carton packaging made from 80% recycled material and fully recyclable, supporting our commitment to waste reduction. Additionally, 100% of rejected plain and colored pieces are recycled, with 80% being reintroduced into production and 20% redirected to our Tiles division. This synergy between departments ensures that waste from one area is effectively utilized in another, maximizing resource efficiency across the board. These initiatives highlight our dedication to minimizing waste and fostering collaboration to improve sustainability throughout our operations.

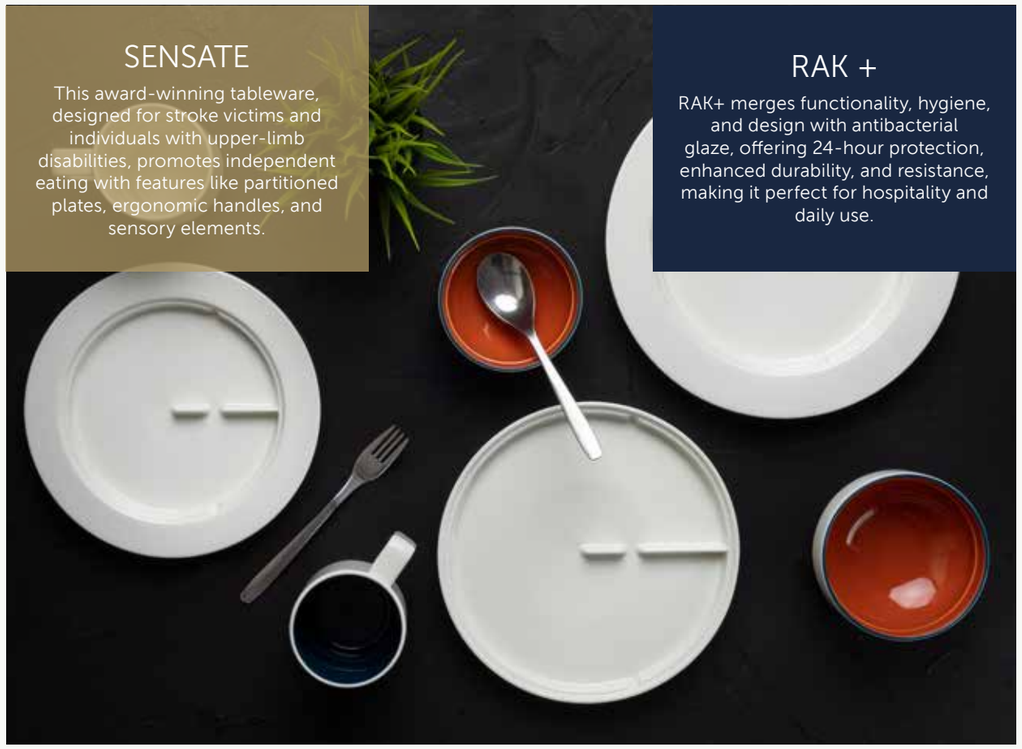
Waste and Circularity Initiatives for 2025 and onwards

- Expanding Product Recycling Program in 2025: Enhance circularity by increasing product recovery and recycling, reducing waste sustainably.

Through these actions, we are taking responsibility for the entire lifecycle of our products and contributing to a future where waste is minimized, and resources are continuously reused.

Tableware (contd.)

TABLEWARE SUSTAINABLE PRODUCTS



SENSATE

This award-winning tableware, designed for stroke victims and individuals with upper-limb disabilities, promotes independent eating with features like partitioned plates, ergonomic handles, and sensory elements.

RAK +

RAK+ merges functionality, hygiene, and design with antibacterial glaze, offering 24-hour protection, enhanced durability, and resistance, making it perfect for hospitality and daily use.

Faucets

FAUCETS	
Production Process	Sustainability Initiative
Sand Core	• Re-using the direct scrape sand from the machine by reprocessing and reducing the waste disposal
CNC	• Peeling tools (Bull nose and ball nose) are replaced by insert tools thereby saving the cycle time. This advance process is applied for time-saving.
Grinding	• In the grinding belt consumption of -320 grit, production qty increased by double, therefore the waist belt disposal is reduced.
Electroplating	• All machinery parts are equipped with sensors and control monitors for each level. Rejected parts are used for surface quality analysis. This will reduce the wastage or rework.
Effluent Treatment Plant	• Implemented the water treatment system and reused the treated water.
Assembly	• Lean process applied in our assembly process (01 table for now) for more productivity with timesaving to direct savings in return.
Packing	• Some cartons are re-used for sample packing. • Use only recyclable, compostable, and reusable materials for packaging.
All waste disposals	• All wastes are separated by category and disposing by proper source. (General, Special & hazardous waste)
Electrical Overall	• Almost all the departments are equipped with Variable Frequency Drives installations in all plants across different departments
Assembly – Accessories Packing	• Reduced manpower to 2 persons from 4 person at accessories packing section by introducing automatic packing machine.

Faucets (contd.)

ENERGY EFFICIENCY

In our faucets production division, we continue to make strides toward enhancing energy efficiency, even as we face the challenges of increased production and rising energy demands. In 2024, we experienced a 50% increase in the energy intensity of sales and a 9.52% rise in the energy intensity of production. These increases were primarily driven by a significant boost in chrome production productivity, which, while contributing to higher output, also led to greater energy consumption per unit.

At the same time, we saw impressive growth, with overall production increasing by 21.87% and sales growing by 15.86%. This expansion naturally led to higher energy demands, but we view this not as a setback, but as a natural part of scaling operations to meet growing market demand. While the rise in energy intensity was inevitable due to these factors, it is important to note that it was not solely due to inefficiencies, but also a result of our commitment to meeting the needs of a dynamic market.

Looking ahead, we are focused on continuous improvement and have already put plans in place for 2025 to enhance energy efficiency even further. A key initiative will be the implementation of a solar energy conversion system, which will significantly reduce our reliance on non-renewable energy sources. This initiative aligns with our long-term sustainability goals and will play a critical role in reducing overall energy consumption, improving energy efficiency, and further advancing our environmental responsibility.

Our journey of energy efficiency is one of constant learning and progress, and we are proud of the work we've accomplished so far. As we continue to grow, we are committed to adopting innovative solutions that reduce our environmental footprint while supporting our business objectives. Every step forward represents our ongoing dedication to not just meeting, but exceeding, our sustainability goals.

↑ 21.87%

Overall increase in the production of faucets in 2024

0.15

Energy intensity of faucet sales in 2024 (per GJ/000 AED)

WATER SUSTAINABILITY

In 2024, our water sustainability efforts within the faucets production division were met with a series of challenges. The increase in production volumes, coupled with the addition of new machinery, led to a rise in overall water consumption by 27.54%. While this presented an obstacle, we remained determined to find solutions that would allow us to continue advancing our sustainability goals. Despite these challenges, we are proud to report that the water intensity of production remained steady, aligning with 2023 levels, thanks to our ongoing commitment to optimizing water use.

A standout achievement amidst these difficulties was the successful reuse of 406 m^3 of wastewater each month. Through innovative recycling initiatives—repurposing water from washroom flush tanks, as well as from chiller and boiler systems—we were able to significantly reduce our reliance on freshwater, all while maintaining the efficiency and pace of production. This accomplishment highlights our resilience and ability to adapt and innovate even when faced with complex challenges.

Energy Efficiency Initiatives for 2025 and onwards

- All lights will be converted to LED lights.

Water Sustainability Initiatives for 2025 and onwards

- Water efficiency: Optimize water use, ensuring sustainable growth without increasing consumption.

WATER INTENSITY

↓ 72.52%

Decrease in the water intensity of faucets in sales for 2024

INCREASE IN PRODUCTION

↑ 0.06

Overall increase in the production of faucets in 2024 (m3/piece)

WASTE AND CIRCULARITY

In our faucets production division, we are proud of the significant strides we've made in waste reduction and advancing circularity. We have successfully achieved a 100% reuse rate for all rejected pieces, reintegrating them back into the production process, ensuring that no material goes to waste. This approach reflects our dedication to creating a circular production model where every piece of material is valued and repurposed.

A key milestone in 2024 was our achievement in reducing carton waste by an impressive 20 tons per month. This was driven by the implementation of improved packaging practices and enhanced waste management systems. This accomplishment has had a major positive impact on the environment, supporting our broader sustainability objectives by significantly reducing the waste generated by our production processes.

Furthermore, we took steps to increase the efficiency of our material use by introducing a process to reuse scrap sand. By reprocessing this material, we have been able to achieve approximately 20% savings per month. Not only does this reduce waste, but it also optimizes our resource usage, demonstrating our commitment to the principles of a circular economy.

These achievements showcase the progress we've made and the hard work we continue to put into creating a more sustainable and circular production process. With each step, we are advancing toward a future where waste is minimized, resources are maximized, and our environmental footprint is continually reduced.

20

Tons of carton waste reduced per month

100%

Of all rejected pieces are reused, integrating them back into the production process

Waste and Circularity Initiatives for 2025 and onwards

- Waste Reduction: Aim to boost productivity, reduce grinding belt waste, and cut special waste by 1 ton monthly for sustainability.

Sustainable Logistics

At RAK Ceramics, we're committed to reducing our environmental impact through smarter logistics and procurement. In 2024, we saved around 856,000 kilometers through improved boggy trip performance, which also led to diesel savings of IG 30,000.

By shifting to multimodal transport for raw materials, we have significantly reduced road transport for export containers. Annually, our use of rail freight has cut road distance by 1.2 million kilometers, avoiding 2,328.44 tCO_2e emissions. Additionally, our transition to sea freight has replaced 28,671 nautical miles of road transport, preventing approximately 1.1 million tCO_2e emissions.

In 2024, we further enhanced sustainability by replacing a diesel forklift with a battery-operated model in our carpentry shop, cutting annual diesel consumption by 300 Imperial gallons.

Looking forward, we're exploring carbon capture and biogas generation from solid waste, with plans for implementation in 2025.

⬇ 1.2M km

Reduction in road movement by using rail transport saving

2,328.44 tCO_2e emissions

⬆ 28,671 Nautical Miles

Savings in annual travel of raw material transportation by sea freight compared to road in 2024 saving

1.1 million tCO_2e emissions

⬆ 30,000 IG

Of Diesel Savings in 2024 through improved boggy trip performance

Air Pollution

As part of our ongoing commitment to sustainability, we have made significant strides in reducing our environmental footprint, particularly in the area of air pollution. One of the key pollutants we have focused on reducing is Nitrous Oxides (NOx), which are primarily produced during combustion processes. Over the past year, we are proud to report a notable decrease in NOx emissions, thanks to the implementation of advanced technologies and optimization of our operations. This reduction is a clear reflection of our dedication to minimizing harmful air pollutants and mitigating the impacts of climate change. The decrease in NOx is also significant in reducing the formation of ground-level ozone, a key contributor to smog, as well as improving air quality in surrounding communities.

However, the increase in Sulfur Oxides (SOx), Total Suspended Particles (TSP), and Carbon Monoxide (CO) presents a challenge that we must address moving forward. These increases are primarily due to the rise in production volumes driven by increasing market demand. As production capacity expands, certain emissions have risen as a natural byproduct of this growth. SOx emissions have increased as a result of higher fuel consumption in our manufacturing processes, while TSP and CO levels have been affected by intensified operational activities.

While these increases are a reflection of the growing demand for our products, we are actively working to find solutions to mitigate these emissions. We are exploring the adoption of cleaner technologies and renewable energy sources to power our operations. Additionally, we are reviewing our production processes to identify areas where energy efficiency can be improved and emissions can be reduced.

Pollutants	mg/Nm3 Ave./hr.	
	2023	2024
NOx	2351.03	2,138.15
SOx	346.68	810.22
Total Suspended Particles (TSP)	446.24	738.6
CO	1946.87	2276.76

Emissions

OVERVIEW

Understanding our responsibility in minimizing emissions, we are committed to addressing climate change. Therefore, we focus on enhancing environmental stewardship across our value chain, sourcing raw materials sustainably, and optimizing manufacturing efficiency. Our approach to equipment and production processes prioritizes resource reduction and effective management.

EMISSIONS RESULTS 2023-24

We have been reporting our carbon emissions since 2019. In 2022, we updated our emission calculation methodology to align with the UNFCCC calculator. In 2023 and for 2024, we calculated our emissions as per this methodology as well.

In 2023-24, our total operational emissions decreased by 7.22% and emissions intensity of sales decreased slightly by 0.19%. Key highlights on our emissions from 2023-24 are discussed below:

SCOPE 1 EMISSIONS

Between 2023 and 2024, our Scope 1 emissions saw a decrease of 6.53%, driven by several key initiatives:

- Natural Gas: As the largest contributor to our Scope 1 emissions, natural gas usage decreased by 6.57% (Kt CO2e) compared to 2023. This reduction was achieved through the replacement of heavy fuel oil engines with natural gas engines, along with improvements in Variable Frequency Drives (VFDs) and enhanced heat recovery systems in our kilns. Additionally, our two cogeneration plants, which utilize gas turbines and exhaust air for ceramic spray dryers, have played a significant role in further reducing natural gas consumption.
- Diesel: We reduced diesel usage by enhancing boggy trip performance and transitioning from diesel forklifts to battery-operated models.
- Fuel Oil: Following the conversion of all engines to natural gas in 2023, our fuel oil consumption was reduced to zero.
- Petrol: The most notable reduction came from petrol consumption, which dropped by 68.41% from 2023 to 2024. This was primarily driven by the shift from road to rail for transporting goods.
- Refrigerants: Emissions from refrigerants declined by 2.74% (Kgs), thanks to investments in more efficient and advanced HVAC systems.

Emissions in 2022-24 by Scope (kt CO2e)

Emission Sources	Unit	2022	2023	2024	2023-24 % Change
Natural Gas	kt CO2e	353.20	387.18	361.76	-6.57%
Diesel	kt CO2e	11.70	7.69	7.18	-6.63%
Fuel Oil	kt CO2e	0.76	0		0%
Petrol	kt CO2e	0.03	0.11	0.03	-68.41%
Refrigerants	kt CO2e	5.31	5.11	4.97	-2.74%
Total Scope 1	**kt CO2e**	**371.01**	**400.08**	**373.96**	**-6.53%**
Electricity purchased	kt CO2e	11.92	10.11	6.60	-30.11%
Total Scope 2	**kt CO2e**	**11.92**	**10.11**	**6.60**	**-34.72%**
Total Operational Emissions	**kt CO2e**	**382.93**	**410.19**	**380.56**	**-7.22%**
Total Revenue	Billion AED	3.52	3.45	3.14	-8.99%
Emissions Intensity	**kg CO2e / 000 AED**	**108.79**	**160.65**	**165.59**	**3.08%**

↓ 34.72 %

Decrease in Scope 2 emissions compared to 2023

↓ 7.22 %

Decreasein Total Operational emissions compared to 2023

SCOPE 2 EMISSIONS

Between 2023-24, our Scope 2 emissions decreased by by 34.72%. In our Scope 2, we only calculate electricity purchased, and exclude electricity generated from our power plant, as the natural gas used to fuel the power plant, is included in our Scope 1 emissions.

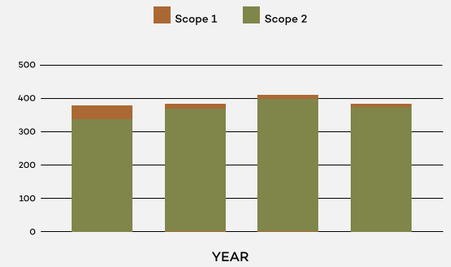
PROGRESS TOWARDS CLIMATE ACTION

We have taken several strides in the last few years to reduce and optimize our energy consumption, which includes, but is not limited to setting up 3 cogeneration plants, undertaking heat recovery, and replacing our chillers with cooling towers. We aim to continue these efforts in the future, with all our divisions exploring and undertaking the latest energy efficiency measures on an annual basis.

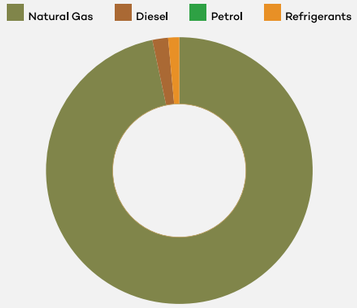
CARBON CAPTURE UTILIZATION AND STORAGE (CCUS)

Furthermore, we are actively developing Carbon Capture, Utilization, and Storage (CCUS) within an industrial symbiosis framework, with the goal of making it operational in the coming years.

TOTAL EMISSIONS FROM 2021-24 (ktCO2e)



SCOPE 1 EMISSION SOURCE BREAKDOWN IN 2024 (ktCO2e)



Initiatives for 2025

- Global and Scope 3 Carbon Calculations: Continue to work towards capturing our global carbon footprint, and Scope 3 emissions.
- Energy Efficiency: Continue our efforts & investments towards energy savings across all our product lines.
- CCUS: Continue to work towards CCUS operationalization.

PILLAR 2:
PEOPLE & COMMUNITY

Diversity & Inclusion | Emiratization

OVERVIEW

RAK Ceramics employs approximately 5,184 individuals across the Group, with a strong commitment to creating a diverse and inclusive workplace where every employee has the opportunity to contribute to the company's growth. We ensure equal employment opportunities, fair advancement prospects, and equitable remuneration, regardless of age, race, color, religion, gender, or disability. In 2024, we successfully onboarded 478 new employees in UAE, further strengthening our workforce to support increased production capacities and drive continued business success.

EMIRATIZATION

We remain committed to strengthening our workforce with national talent in support of the UAE's Emiratization goals outlined in the 2021 vision, and in line with the Federal Decree-Law No. 33 of 2021 Regarding the Regulation of Employment Relationship, which outlines various aspects of labor relations, including Emiratisation targets.. Our Human Resources team collaborates closely with the Ministry of Human Resources and Emiratisation to enhance the representation of Emiratis within our organization. In 2024, Emiratis made up 10.8% of our administrative workforce, reflecting our ongoing dedication to this important initiative.

DIVERSITY & INCLUSION

In 2024, women made up 30% of administrative employees, an increase from 2023. Gender diversity in Sales and Advocacy functions improved from 1W:3M to 1W:2M, and despite a reduction in overall headcount, female employees increased to 204. We maintain a zero-tolerance policy on gender pay gaps, with women earning 2.64 times more than men on average. Additionally, ethnic diversity in Sales & Advocacy, B2B, and Retail Sales was enhanced to improve representation and meet local market language needs.

Ratio of Total Remuneration – Women to Men		
	2023	2024
Band 1 (para professionals)	2.46	2.55
Band 2 (professionals)	1.67	1.71
Band 3 (middle management)	1.09	1.09
Total Gender Pay Ratio	**2.56**	**2.64**

5,184

Employees across the Group

10.80%

Employees of local nationality in alignment with the Emiratisation law

2.64

Gender pay ratio in 2024

30%

Females in Administrative Roles

Initiatives for 2025

- ASCEND program: ASCEND roll out is scheduled for Q1 2025, draft has been submitted and presented to businesses. The ASCEND program at RAK Ceramics reflects our commitment to fostering employee development and promoting sustainable advancement.
- Gender Diversity:Enhancing gender diversity at the Senior Management level is a key priority for 2025 and onwards.

Employee Safety & Wellbeing

EMPLOYEE HEALTH & SAFETY OVERVIEW

At RAK Ceramics, we prioritize the safety and well-being of our employees, recognizing that a secure and healthy workplace is essential for their happiness and productivity. Below is an overview of our Health & Safety Framework:

1. **Health and Safety Policy:** OOur comprehensive policy aligns with UAE Regulations, including ISO 45001 and OSHAD Code of Practice, alongside international best practices. It extends to all employees, contractors, and visitors across our production units, office buildings, workers' accommodations, and workshops, aiming to prevent accidents, injuries, and occupational illnesses.
2. **Health & Safety Governance:** Our dedicated EHS and Facility Management team oversee the day-to-day management of our health and safety systems. A Safety Committee comprising representatives from various departments meets regularly to address safety concerns 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 to identify hazards, control risks, and identify areas for improvement. All machinery moving parts are properly guarded, and regular risk assessments and plant inspections are conducted.
4. **Safety Protection, Trainings & Awareness**: We prioritize employee safety through comprehensive safety induction training for all employees, visitors, and contractors. Strategic display of safety bulletins and hazard posters enhances awareness, while provision of dust masks and earplugs mitigates health risks associated with dust, noise, and silica exposure. Regular safety trainings further enhance awareness and knowledge. This year, we increased the topics of Environmental, health and safety tool box talks.
5. **Employee Reporting:** Our EHS team operates a 24-hour hotline for reporting unsafe conditions, accidents, or incidents. Upon receiving a report, internal investigations are promptly conducted, and appropriate control measures are implemented to prevent recurrence.
6 **Managing Specific Safety Risks:** Measures to mitigate specific safety risks include air quality testing, dust collector systems, and provision of personal protective equipment (PPE) such as dust masks for respiratory protection against dust and chemical exposure. Installation of silencers and provision of earplugs address high noise levels to prevent hearing problems.

The number of major work-related injuries in 2024 was 24, while recorded minor work-related injuries was 178. This increase, and the increase of TRIR of RAK Porcelain (1.91 to 2.54) and Kludi RAK (0.87 to 2.72) is the result of thorough data capturing and enhancement training for incidents accident reporting. Our audits have identified and resolved 2,218 EHS hazards in 2024.

Through our initiatives and continuous improvement, we remain committed to fostering a safe and healthy workplace for all our employees.

Department	Work Related Injuries (TRIR*)		
	2023	2024	% change
Tiles	2.92	2.71	-7.21%
Sanitaryware	1.75	1.53	-13%
Kludi	0.87	2.72	68%
Porcelain	1.91	2.54	25%
Overall	1.86	2.21	21.5%

EHS Hazards identified & resolved in 2024

*TRIR: Number of incident / Total number of employee hours worked in a year X 200,000

Initiatives for 2025

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

Employee Safety & Wellbeing (contd.)

EMPLOYEE WELLBEING OVERVIEW

At RAK Ceramics, we firmly believe that our employees are our most valuable asset, and their safety and well-being are our top priorities. We are unwavering in our commitment to providing comprehensive medical insurance to all staff and implementing a range of healthcare initiatives throughout the year. By consistently prioritizing the health and welfare of our team, we foster a supportive and thriving work environment where employees can excel. This dedication goes beyond supporting our workforce—it is integral to our broader vision of becoming a global leader in delivering innovative ceramic lifestyle solutions.

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. Free transportation is provided to all employees residing in Ras Al Khaimah, United Arab Emirates.
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

At RAK Ceramics, we are dedicated to fostering a culture of continuous learning and development to empower our employees across all levels. In 2024, we focused on key training areas such as Manufacturing Excellence, Managerial Effectiveness, the Code of Conduct, and Induction Training. These programs were designed to enhance both technical and leadership capabilities, ensuring that every employee is equipped with the skills needed to contribute to the company's success. We also conducted regular performance reviews to align individual goals with organizational objectives, supporting personal growth and professional advancement. With training programs tailored for both administrative and factory roles, we remain committed to building a highly skilled, efficient, and responsible workforce.

RECRUITMENT POLICY - GRADUATE ENGINEER TRAINEES (GETS) AND MANAGEMENT TRAINEES (MTs)

Continuing from 2023, when we implemented a Recruitment Policy for Graduate Engineer Trainees (GETs) and Management Trainees (MTs) to diversify our workforce, we continue to strive to bring fresh perspectives to our workforce. By developing structured 3 to 4-year career plans, this initiative attracts top graduates from leading global universities. Through continuous investment in their growth, we shape future leaders who embody our values of excellence and innovation, reinforcing our commitment to talent development and long-term success.

PROFESSIONAL TRAININGS FOR CAREER ADVANCEMENT

In 2024, we reinforced our commitment to employee development by significantly investing in training initiatives across our manufacturing plants. These comprehensive programs focused on enhancing both technical and behavioral competencies, fostering a culture of excellence and innovation. By prioritizing technical skill development, we equipped our workforce with the expertise needed to excel in an evolving industry landscape. With a focus on technical competencies, including Lean manufacturing principles, Six Sigma, and Total Productive Maintenance, coupled with programs targeting soft skills such as Sales & Service Excellence (continued from 2023) and Manufacturing Excellence, Managerial Effectiveness, the Code of Conduct, and Induction Training in 2024. We also developed a skill development academy to develop casters in-house. Our training efforts totaled to 109,254 man-hours, reaching 2,645 unique participants. Our dedication to continuous learning and employee growth remains steadfast, driving both long-term success and sustainable progress.

ASCEND: DRIVING SUSTAINABLE PROGRESS

The ASCEND program at RAK Ceramics embodies our dedication to empowering employee growth and driving sustainable progress. Introduced to support career advancement in our Retail division, ASCEND offers clear pathways for employees, encouraging professional development through two distinct career paths: Managerial and Specialist. By investing in employee growth, ASCEND fosters a culture of continuous learning and inclusivity, promoting equal access to opportunities and strengthening organizational resilience. As a cornerstone of our commitment to sustainable business practices, ASCEND enhances employee engagement, retention, and productivity, contributing to a more dynamic and agile workforce. This program will be scaled to all divisions in 2024.

ENVIRONMENT, HEALTH & SAFETY TRAININGS

In 2024, we maintained a strong focus on ensuring the safety and well-being of our workforce through comprehensive training sessions covering environmental, health, and safety protocols. With 122 topics covered in our training sessions in 2024,compared to 78 in 2023, we provided essential knowledge and skills to navigate potential risks effectively, encompassing areas such as hazard identification, emergency procedures, and general maintenance, reinforcing our commitment to upholding the highest standards of workplace safety.

ASCEND
Program introduced in Retail division

122
Topics covered in EHS training sessions

2,645
Unique employees trained in 2024

17.55
Average training hours achieved per employee in 2024

Initiatives for 2025

- Number of Training Manhours: For 2025, RAK Ceramics has partnered with a leading online provider with a target of 10,000 manhours for Sales and Administrative staff, this will be on top of the trainings conducted for Manufacturing. The target number of training manhours per person will be 20.
- Expand ASCEND: Progress with Purpose to all divisions in the company.

Community Investment

OVERVIEW

In line with our Company's strategic goals and our dedication to Corporate Social Responsibility (CSR), we continue to focus on advancing our CSR initiatives and community development efforts. We are excited to share that in 2024, we have maintained strong progress in our CSR activities, making notable strides across all strategic areas. In fact, we invested 0.29% of our net profit into CSR initiatives to support local communities. Our ongoing commitment to improving the quality of life for those we serve and promoting responsible, sustainable innovation remains a key driver of our business growth.

EMPLOYEE ENGAGEMENT IN OUR COMMUNITY

This year, we prioritized employee engagement through a variety of cultural, health, and wellness initiatives that fostered unity and inclusivity across our workforce. We celebrated key events such as UAE National Day, Christmas, International Women's Day, and the arrival of Ramadan, creating meaningful connections through shared experiences. Sporting events like Chess and Table Tennis tournaments encouraged teamwork, while our sustainability-focused Christmas celebration highlighted environmental consciousness. These events were complemented by health initiatives, including participation in the Terry Fox Run and awareness campaigns on Cancer and Heart Health, reinforcing our commitment to employee well-being.

In addition to internal engagement, we deepened our commitment to social responsibility through impactful CSR initiatives. Our employees participated in the Joy of Giving campaign with the Red Crescent, contributed to the UAE Stands with Lebanon campaign, and marked Earth Day with sustainability-focused activities. These initiatives demonstrate our ongoing dedication to both social and environmental causes, ensuring that our corporate culture extends beyond the workplace to create positive, meaningful change in the community and the world at large.

UAE Flag Day Celebration

Student Knowledge Sharing - Georgetown and Westford Universities

UAE Clean Up Day

Health awareness program conducted for blue collars

'For Our Emirates We Plant' with Emirates Environmental Group (EEG)

Earth Day Annual Tree Planting

PILLAR 3: GOVERNANCE

Corporate Governance

OVERVIEW

We believe that strong corporate governance is fundamental to operating a responsible, profitable, and sustainable business that delivers value. Our commitment to corporate governance enhances management accountability, safeguards the interests of shareholders and stakeholders, and supports our broader community. To uphold these principles, we have implemented a comprehensive set of governance policies and procedures aligned with global best practices and fully compliant with UAE regulations, including Resolution No. 3 of 2020 issued by the Securities and Commodities Authority (SCA) on Corporate Governance Rules and Corporate Discipline Standards. This ensures the highest level of oversight by our Board of Directors, Executive Management, and employees.

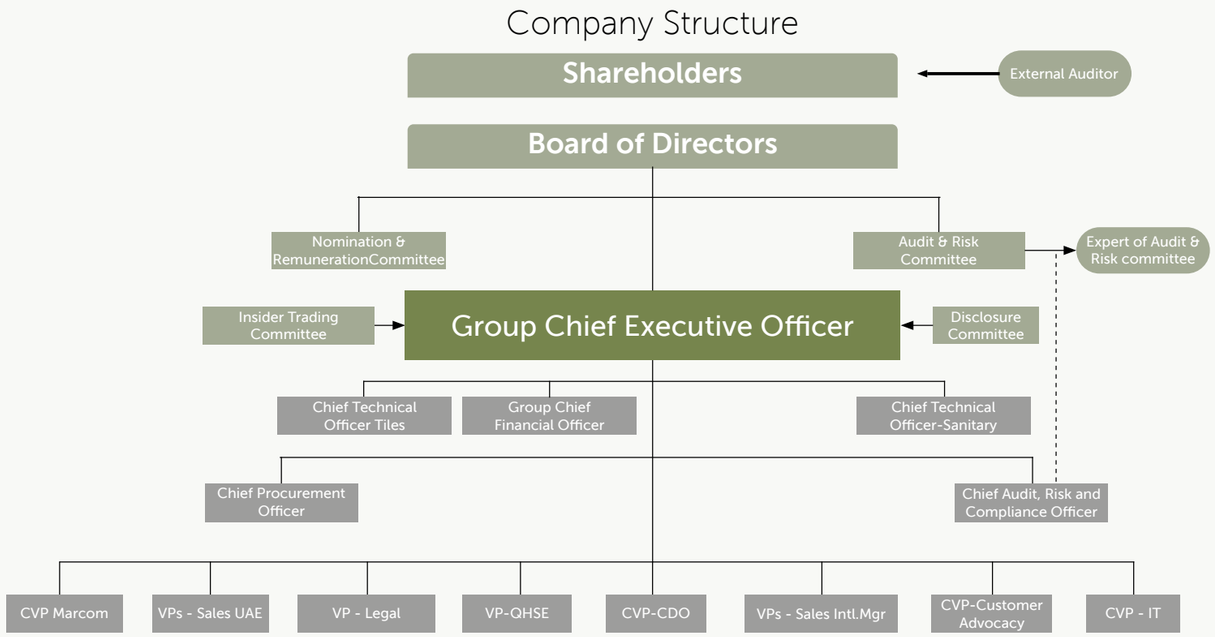
BOARD

The Board is accountable 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 ensuring adequate controls to drive success and long-term value creation. The Board plays a central role in the Corporate Governance Framework by ensuring compliance with legal and regulatory obligations, the Company's Memorandum and Articles of Association, and its duties toward shareholders.

COMPOSITION OF THE BOARD OF DIRECTORS

The current Board consists of seven members:

- The Chairman (Non-Executive, Independent)
- The Vice Chairman (Non-Executive, Non-Independent)
- Two Non-Executive & Non-Independent Directors
- Three Non-Executive & Independent Directors



RAK CERAMICS ORGANIZATIONAL CHART

INDEPENDENCE OF BOARD MEMBERS

The Board comprises four non-executive & independent members and three non-executive & non-independent members, meeting the requirements of Article (9/5) of Resolution No. 3 R.M of 2020 issued by the Securities and Commodities Authority (SCA) concerning Corporate Governance.

Board members are elected every three years. In the event of a vacancy, the Nomination and Remuneration Committee (NRC) recommends candidates for Board selection. The term of the current Board Members expires on 25 March 2027.

BOARD COMMITTEES

The Board has two permanent committees that enhance governance and oversight:

- Audit & Risk Committee (ARC) – Provides oversight of financial reporting, internal controls, and risk management.
- Nomination and Remuneration Committee (NRC) – Handles Board appointments, executive remuneration, and succession planning.

Additionally, the Board oversees the Insider Trading Committee and the Disclosure Committee as part of its governance responsibilities.

BOARD DIVERSITY

Our Board consists of six male members and one female member. The female Board member serves as the Chairperson of the Audit and Risk Committee, reflecting the Company's commitment to diversity and inclusivity at the highest governance level.

FURTHER INFORMATION ABOUT OUR CORPORATE GOVERNANCE IS DETAILED IN OUR CORPORATE GOVERNANCE REPORT.

BOARD PERFORMANCE

The Board conducts regular self-evaluations to assess performance, identify areas for improvement, and enhance governance effectiveness.

CONFLICT OF INTEREST

The Company has a robust Conflict of Interest Policy applicable at both the Board and workforce levels. Potential conflicts among employees are investigated and reported to the Board as needed.

Board members must disclose any potential conflicts of interest before Board meetings, ensuring transparency and accountability.

SUSTAINABILITY GOVERNANCE

There is a structured two-way communication process for sustainability matters, including impacts and critical concerns. The Executive Management escalates key issues to the Board, while the Board provides strategic direction and guidance to address these matters, delegating responsibilities as necessary. These communication channels operate on a quarterly and annual basis, complementing performance discussions, with additional meetings convened as needed. Continuous monitoring and feedback mechanisms ensure progress aligns with the Board's directives on sustainability. Additionally, the ESG Report is regularly presented to the Board for review and oversight.

REMUNERATION POLICIES

We maintain a comprehensive and transparent Remuneration Framework to determine the compensation of different bands and grades of employees.

Ethics

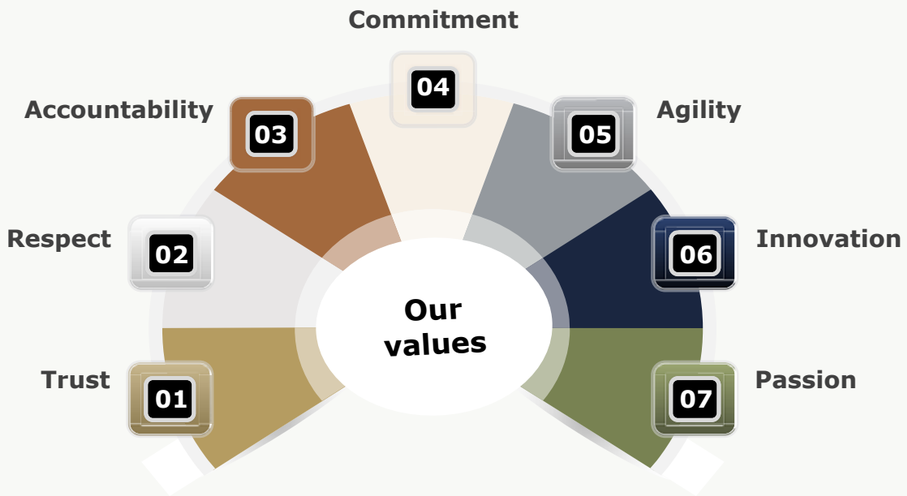
From a corporate governance perspective, the main focus in 2024 was to ensure continuing compliance with the applicable laws of the United Arab Emirates, regulations governed by the Securities and Commodities Authority (SCA), the Abu Dhabi Securities Exchange (ADX) and the Articles of Association of the Company (AoA). We regularly update 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 our 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 emphasize 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.

We maintain a comprehensive grievance reporting mechanism that is accessible to all our employees. We ensure that employees are made aware of this mechanism and the process of utilizing it to report concerns.

List of aspects covered in our Code of Conduct

- 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

At our company, we are committed to driving sustainable growth through digital transformation across all of our plants. We are enhancing operational efficiency and contributing to our Environmental, Social, and Governance (ESG) goals by leveraging cutting-edge technologies that promote sustainability and transparency. For example, our enhanced GPS pallet tracking system helps optimize warehouse logistics, reducing energy consumption and waste while improving inventory management accuracy. We've also introduced Proof of Delivery (POD) systems and ERP enhancements to streamline operations, ensuring efficient production, timely deliveries, and improved customer satisfaction. In our pursuit of sustainability, we've implemented a barcode system for sanitaryware products, ensuring better traceability, resource management, and improved quality control, all of which reduce waste and promote responsible production practices. Additionally, through innovations like our automated Financial Consolidation process and demand forecasting systems, we are ensuring the efficient use of resources and reducing operational waste across multiple levels of the company.

The focus on sustainability extends beyond our production processes. We've standardized network infrastructure to enhance security and minimize environmental impact, as well as optimized our printer fleet to reduce print volumes and waste. Our commitment to reducing our carbon footprint is also evident in our investments in renewable technologies and efficient systems, such as the Helpme portal for IT requests and RAKCARE's digital warranty program, which promote transparency and accountability. Moreover, we are empowering our workforce with tools that enable smarter decision-making, like the robotic automation of supplier orders, and improving customer engagement with innovations like RAKSCAN, which provides quick and easy access to product details. Furthermore, we've standardized website technologies and optimized cloud hosting across Kludi, RAK Ceramics, and RAK Porcelain. This alignment of e-commerce platforms and hosting infrastructure not only ensures greater integration and efficiency but also supports a more sustainable digital footprint by improving energy use and minimizing the environmental impact of our online services. By integrating these technologies, we not only improve internal processes but also contribute to long-term environmental and social sustainability. With these efforts, we are continuously evolving to ensure that sustainability is at the core of our business practices, aiming for a greener, more efficient future.

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

User Education & Awareness
Educating users on security policies and create awerness of cyber risk.

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

Incident management
Incident response and disaster recovery capabilitiey.

Home and Mobile Working
Protect data both in transit and at rest.

Malware Prevention
Anti-malware defenses across the organisation.

Removable media Controls
Controll all access to removable media. Scanall media for malware before importing onto the corporate system.

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

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

Risk Management
Risk identification and migration.

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 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.

77%

Of our suppliers are local

2,328.44 TONS

CO2e saved by utilizing the Rail transportation

↓ 82%

Reduction of Environmental Impact according to RailDirect

65%

Of our frits produced in-house

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 ENERGY MANAGEMENT ISO 50001	ISO 50001:2018 Energy Management System is a voluntary standard for designing, implementing and maintaining an energy management system.
ISO/IEC 27001:2013 CERTIFIED	ISO 27001 ensures the highest standards of information security management.
ecolabel	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
CERTIFIED RECYCLED CONTENT	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.
SUSTAINABILITY FOR CERAMIC TILES ISO 17889-1	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
EPD® THE INTERNATIONAL EPD® SYSTEM	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.
MANUFACTURE 2030	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	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	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	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	ISO 13006, EN 14411 and ANSI A137.1. We manufacture ceramic tiles in accordance with these standard specifications from the UK, Europe and USA.
ISO ISO 17025	Our testing laboratory operates in accordance with ISO/IEC 17025 accredited by the National Association of Testing Authorities, Australia.
Health Product DECLARATION	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
upcyclea Be Great, Be Circular.	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	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	NFPA 285: Standard Fire Test Method for Evaluation of Fire Propagation Characteristics of Exterior Wall Assemblies Containing Combustible Components.
floor score	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.
International Organization for Standardization ISO 14001	ISO 14001:2015 Environmental Management System, is a voluntary standard for designing, implementing and maintaining an environmental management system
Sedex | SMETA	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.
Synesgy The sustainability network.	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.
WATER STEWARDSHIP WAVE VERIFIED BY SCS GLOBAL SERVICES	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 CO2e 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 PartnAership 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 (MOEIUAE). 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.

Conclusion: Sustainability Leader in the Industry

OUR FORWARD-LOOKING STATEMENT

OVERVIEW

In 2024, RAK Ceramics continued its unwavering commitment to sustainability, striving to set new standards in ceramic manufacturing while prioritizing environmental responsibility and social impact. Building upon the foundation laid in previous years, our focus remained on integrating sustainable practices into every aspect of our operations. Through this exercise, we have identified various areas of improvement. As we forge ahead into the future, RAK Ceramics remains steadfast in our commitment to advancing sustainability across all facets of our operations, building upon the progress achieved in 2024.

ENVIRONMENTAL IMPACT

As part of our unwavering commitment to minimizing environmental impact, we continue to advance lean, sustainable, and efficient manufacturing practices.

Water Efficiency: We ensure 100% of our wastewater is treated on-site, meeting the highest regulatory standards. This is achieved through key initiatives such as the installation of a Seawater Reverse Osmosis system, three Effluent Treatment Plants, and a Sewage Treatment Plant—reinforcing our dedication to water conservation.

Waste and Circularity: In our commitment to a circular economy, we prioritize resource efficiency across all production lines. Our tiles are manufactured entirely from 100% pre-consumer recycled materials, reducing waste and promoting sustainability. Within our sanitaryware operations, all clay rejects are fully recycled, while 97.3% of raw glaze rejects are recovered and reused. In tableware production, 100% of rejected pieces are reintegrated, with 20% redirected to tile manufacturing. For faucets, we have successfully achieved a 100% reuse rate, ensuring all rejected pieces are seamlessly reintegrated into production.

Energy Efficiency: Our energy conservation efforts are strengthened by cutting-edge technologies, including the largest and most energy-efficient sanitaryware kiln, which achieves a 70% reduction in energy consumption compared to shuttle kilns and a 45% reduction in specific fuel consumption versus existing tunnel kilns.

By integrating these sustainable innovations into our operations, we continuously enhance water and waste management, improve energy efficiency, and uphold our commitment to environmental stewardship..

PEOPLE & COMMUNITY

People are the heart of RAK Ceramics, and we are unwavering in our commitment to fostering a thriving, diverse, and skilled workforce. In 2024, we achieved 10.8% Emirati representation in our administrative workforce, which aligns with the UAE's Emiratization goals. Our commitment to gender equality is reflected in the fact that women make up 30% of our administrative employees, earning, on average, 2.64 times more than men. Employee safety and well-being remain a top priority, with comprehensive healthcare initiatives, including medical insurance for all staff. Through continuous training and development, we empower our employees, dedicating 93,152 man-hours to enhancing both technical and leadership skills, with 2,645 employees participating. These efforts reflect our ongoing commitment to diversity, inclusion, and fostering a culture of growth, innovation, and learning, all of which are key drivers of our sustainable growth and long-term success. Additionally, we continue to invest in the communities in which we operate, reinforcing our dedication to social responsibility and sustainable development.

GOVERNANCE

The ESG governance structure is currently distributed between Executive Management and the Board. A more comprehensive three-tier governance structure has been envisaged, which will come into effect at various levels within the organization (RAK Ceramics). This structure is expected to be operational progressively in the coming future as RAK Ceramics progresses with the implementation of our 2024-2030 sustainability strategy.

RESPONSIBLE BUSINESS & RESPONSIBLE EMPLOYER

As responsible business owners and employers, we are committed to driving sustainability throughout our supply chains and integrating it into our procurement processes. Our ongoing focus on technological innovation in production has significantly improved both efficiency and sustainability. This commitment extends to product quality and compliance, as demonstrated by the continuous enhancement of our Quality Management System, which effectively addresses market needs, risks, and opportunities. We are dedicated to designing and developing products and processes that use resources responsibly, advancing our commitment to environmental stewardship and sustainable practices at every level of our business. In addition, by standardizing our network infrastructure, we've strengthened security while reducing our environmental impact, further aligning our digital and operational strategies with our sustainability goals.

APPENDIX

ESG Data Tables

Material Topic	KPIs	2022	2023	2024	Units	% Change 2023-24
Pillar: Environmental Impact						
Energy Efficiency	Total Energy Consumption	6.53	7.04	6.40	PJ	-9.09%
	Energy Intensity of Sales	1.86	2.04	2.04	GJ / 000 AED	-0.19%
	Natural Gas consumption	6,168,143	6,761,550	6,163,929	MMBTU	-8.84%
	Diesel consumption	4,323,913.87	2,843,169.80	2,700,429.49	litres	–5.02%
	Petrol consumption	14,302	11,973	14,253.87	litres	19.05%
	HFO consumption	240,8640	0	0	litres	0%
	Total Direct Energy Consumption	6.40	6.94	6.50	PJ	-6.34%
	Direct Energy Intensity of Sales	1.82	2.01	2.02	GJ / 000 AED	0.14%
	Total Electricity Consumption	261,205,647	292,645,802	264,690,320	kWh	-9.55%
	Electricity Consumption Intensity of Sales	74.21	84.82	86.97	kWh / 000 AED	2.53%
	Electricity purchased	33,726,086.31	28,609,300	19,995,840	kWh	-30.11%
	% of Total Energy - Natural Gas	95.63%	85.96%	86.01%	%	0.06%
	% of Total Energy - Diesel	2.36%	10.45%	1.38%	%	-86.79%
	% of Total Energy - Petrol	0.01%	0.01%	0.01%	%	-0%
	% of Total Energy - HFO	0.15%	0%	0%	%	0%
	% of Total Energy - Electricity purchased	1.86%	10.30%	12.61%	%	22.43%
	Electricity generated	227,479,560.69	264,036,502	244,694,480	kWh	-7.33%
	% of electricity purchased	12.91%	9.78%	7.55%	%	-22.80%
	% of electricity generated	87.09%	90.22%	92.45%	%	2.47%
	Energy Intensity of Tiles Production (Fuel) (GP)	0.070	0.077	0.076	MMBTU / m2	-1.30%
	Energy Intensity of Tiles Production (Electricity) (GP)	4.405	4.291	4.444	kWh / m2	3.57%
	Energy Intensity of Tiles Production (Fuel) (Red Body)	0.047	0.045	0.051	MMBTU / m2	13.33%
	Energy Intensity of Tiles Production (Electricity) (Red Body)	2.21	2.252	2.301	kWh / m2	2.18%
	Total Energy Intensity of Tiles Production	0.06	0.05	0.06	GJ /m2	20%
	Total Energy Intensity of Tiles Sales	2.43	2.11	2	GJ / 000 AED	-5.21%

Material Topic	KPIs	2022	2023	2024	Units	% Change 2023-24
Pillar: Environmental Impact (Contd.)						
Energy Efficiency	Energy intensity of Sanitary Ware Production (Fuel)	0.26	0.25	0.18	MMBTU / unit	-28%
	Energy intensity of Sanitary Ware Production (Electricity)	9.24	11.88	12.376	kWh / unit	4.18%
	Total Energy intensity of Sanitaryware Production	0.29	0.30	0.044	GJ / unit	-85.33%
	Total Energy intensity of Sanitaryware Sales	1.96	1.56	0.242	GJ / 000 AED	-84.49%
	Energy intensity of Tableware Production	0.0172	0.0161	0.02	GJ / unit	24.22%
	Energy intensity of Tableware Sales	1.22	1.18	1.65	GJ / 000 AED	39.83%
	Energy intensity of Faucets Production	41	21	23	GJ / unit	9.52%
	Energy intensity of Faucets Sales	0.092	0.10	0.15	GJ / 000 AED	50%
Water Sustainability	Water Consumption	2,588,000	2,745,787	3,142,854	m3	14.46%
	Water Intensity of Sales	0.74	0.80	1.00	m3 / 000 AED	25.02%
	Desalination Water Treated	896,504	1,253,180	1,944,259	m3	55.15%
	Water Purchased	567,643	269,240	69,584	m3	-74.16%
	Effluent Treatment Plant Water Treated	937,955	1,035,286	938,897	m3	-9.31%
	Sewage Treatment Plant Water Treated	223,074	188,081	190,124	m3	1.09%
	Total wastewater treated	1,161,029	1,223,367	1,129,011	m3	-7.71%
Waste & Circularity	Input / material consumption	1,165,668	1,233,528	893,545	tons	-27.56%
	Waste (non-hazardous)	62,415	41,041	43,423	tons	5.80%
	Waste (hazardous)	33.62	287.70	280.36	tons	-23.38%
	Waste Intensity of Sales	17.73	11.90	13.82	kg / 000 AED	16.16%
	Raw material intensity of sales	331.16	357.54	284.57	kg / 000 AED	-20.41%
Sustainable Logistics	Emissions savings from reduction in road movement	1,844.9	1,844.9	2,328.44	tons CO2e	26.21%
Air Pollution	NOX	3,713.10	2,351.03	2,138.15	mg/Nm3 Ave./hr.	-9.05%
	SOX	417.86	346.68	810.22	mg/Nm3 Ave./hr.	133.71%
	Total Suspended Particles (TSP)	425.17	446.24	738.6	mg/Nm3 Ave./hr.	65.52%
	CO	1,417.50	1,946.87	2276.76	mg/Nm3 Ave./hr.	16.94%

ESG Data Tables (contd.)

Pillar: Environmental Impact								
Material Topic: Emissions Reduction - Emissions Breakdown								
Emission Sources	**Amount Units**	**2022**		**2023**		**2024**		**% change (2023-24)**
		Amount	**kt CO_2e**	**Amount**	**kt CO_2e**	**Amount**	**kt CO_2e**	
Scope 1								
Natural Gas	m3	105,332,629	212.91	191,545,325.78	387.18	168,689,901	361.76	-6.57%
Natural Gas Power Plant	m3	69,402,291	140.29	75,818,418.32	144.06	73,372,440.4	139.41	-3.23%
Diesel	litres	4,323,913.87	11.70	2,843,169.80	7.69	2,700,429.49	7.18	-6.63%
Fuel Oil	litres	240,864	0.76	0	0	0	0	0
Petrol	litres	14,302	0.03	11,973	0.11	14,253.87	0.03	-68.41%
Refrigerants	kgs	2,899.10	5.31	2,774.90	5.11	26.90,70	4.97	-2.74%
Total Scope 1			371.01		400.08		373.96	-6.53%
Electricity purchased	kWh	33,726,086.31	11.92	28,609,300	10.11	19,995,840	6.60	-34.72
Total Scope 2			11.92	28,609,300	10.11	19,995,840	6.60	-34.72
Total Operational Emissions			382.93		554.25		519.97	-6.19
Emissions Intensity of Sales	kg CO2e / 000 AED		**108.79**		**160.65**		**165.59**	**3.08%**

ESG Data Tables (contd.)

Material Topic	KPIs	2022	2023	2024	Units	% change (2023-24)
Pillar: Our People & Community						
Employees	Total employees	6,064	5,530	5,184	No	-6.26%
	% of Full Time Equivalent (FTE) Employees	100	100	100	%	0%
Health & Safety	Total injuries Minor	167	208	178	No	-14.42%
	Total injuries Major	12	12	24	No	100%
Emiratisation	% of Emiratis	11%	10%	10.8%	%	8%
	Increase in % of Emiratis in Administrative roles	8%	15%	13%	%	13%
Employee Turnover	Total New Employees	1404	319	529	No	65.83%
	Employees that have left	677	762	715	No	-6.17%
Employee Training	Administrative Trainings	213	1,914	2196	hours	14.73%
	Factory Training	10,584	107,650	109,254	hours	1.49%
Community Investment	Amount invested in the community, as a percentage of company revenues.	0.02%	0.06%	0.02%	%	-67%
Gender Headcount	Total Employees - Male	5,874	5,330	4,980	No	–6.57%
	Total Employees - Female	190	200	204	No	2%
	Number of Employees - Admin - Female	171	182	189	No	3.85%
	Number of Employees - Admin - Male	403	426	431	No	1.18%
	Number of Employees - Plant - Female	19	18	15	No	–16.67%
	Number of Employees - Plant - Male	5,471	4,904	4548	No	–7.25%
	% of females in Administration	29.79%	29.93%	30%	%	0.23%
	Entry level & Middle Management - Female	8.17%	8.8%	8%	%	–9.09%
	Entry level & Middle Management - Male	91.83%	91.2%	92%	%	0.88%
	Senior management - Women	0	0	0	No	0%
	Middle Management, Senior Management & Executives - Male	45	50	51	No	2%

Material Topic	KPIs	2022	2023	2024	Units	% change (2023-24)
Pillar: Our People & Community (Contd.)						
Gender Pay Ratio	Band 1 Para Professionals	2.34	2.46	2.55	Ratio	3.66%
	Band 2 Professionals	1.62	1.67	1.71	Ratio	2.40%
	Band 3 Middle Management	1.11	1.09	1.09	Ratio	0%
	Total Gender Pay Ratio	2.56	2.56	2.64	Ratio	3.13%
Pillar: Governance & Best Practices						
Pillar: Governance						
CEO Compensation	Ratio of CEO total compensation to median FTE total compensation	88	83	84	Ratio	1.2%
Pillar: Responsible Business, Responsible Employer						
Local Procurement	Total tons of imports substituted with local procurement per annum	256,265	276,265	175,990	ton	-36.30
	Total nautical miles reduced from local procurement per annum	21,715	23,523	28,000	nautical miles	3.13
	Total emissions saved from substituting imports with local procurement per annum	35,170.6	36,297.9	23,638.2	tons CO2e	-34.88%

Note: All People data refers to information for RAK Ceramics PJSC & Group Companies. They do not include RAK Porcelain and KLUDI.

ADX ESG Disclosures

ESG Metric	GRI Standards	Calculation		2022	2023	2024	Units	% change (2023-24)	Comments / Discloser
Category: Environmental									
E1 GHG Emissions	GRI 305: Emissions 2016	E1.1) Total amount in CO2 equivalents, for Scope 1		371.01	400.08	373.96	kt CO2e	-6.53	Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction)
		E1.2) Total amount, in CO2 equivalents, for Scope 2		11.92	10.11	6.60	kt CO2e	-34.72%	Emissions Reduction & Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction)
E2 Emissions Intensity	GRI 305: Emissions 2016	E2.1) Total GHG emissions per output scaling factor		108.79	160.65	165.59	kg / 000 AED	3.08%	Emissions Reduction & Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction)
E3 Energy Usage	GRI 302: Energy 2016	E3.1) Total amount of energy directly consumed		6.40	6.94	6.60	PJ	-4.87%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
		E3.2) Total amount of energy indirectly consumed		0.12	0.10	0.07	PJ	-30.11%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E4. Energy Intensity	GRI 302: Energy 2016	Total direct energy usage per output scaling factor		1.82	2.01	2.02	GJ / 000 AED	0.14%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E5. Energy Mix	GRI 302: Energy 2016	Percentage: Energy usage by generation type							
		% of electricity purchased		12.91%	9.78%	7.55%	%	-22.73%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
		% of electricity generated		87.09%	90.22%	92.45%	%	2.46%	
E6. Water Usage	GRI 303: Water and Effluents 2018	E6.1) Total amount of water consumed		2.50	2.70	3.10	Million m3	14.81%	Data tables (Pillar: Environmental Impact, Topic: Water Sustainability)
		E6.2) Total amount of water reclaimed		1.10	1.20	1.10	Million m3	-8.33	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, Policies & Sustainability Governance
		E7.2) Does your company follow specific waste, water, energy, and/ or recycling policies? Yes/No							Yes, Policies & Sustainability Governance
		E7.3) Does your company use a recognized energy management system?							Yes, Policies & Sustainability Governance
E8. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Management Team oversee and/or manage sustainability issues? Yes/No							Yes, Policies & Sustainability Governance
E9. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Board oversee and/ or manage sustainability issues? Yes/No							Yes, Policies & Sustainability Governance
E10. Climate Risk Mitigation		Total amount invested, annually, in climate-related infrastructure, resilience, and product development		4.5	16.9	22.9m	AED Million	35.5%	Yes, Commitments towards Material Topics

ADX ESG Disclosures (contd.)

ESG Metric	GRI Standards	Calculation		2022	2023	2024	Units	% change (2023-24)	Comments / Discloser
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	88	83	84	Ratio	1.2%	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	2.56	2.56	2.64	Ratio	3.13%	Data tables (Pillar: Social)
S3. Employee Turnover	GRI 401: Employment 2016	S3.1) Percentage: Year-over-year change for full-time employees	6,064	5,530	5184	No	–6.26%	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)
		Female	3.13%	3.62%	3.94%	%	8.84%	
		Male	96.87%	96.38%	96.06%	%	-0.33%	
		S4.2) Percentage: Entry-and mid-level positions held by men and women						
		Female	8.17%	8.8%	8%	%	–9.09%	
		Male	91.83%	91.20%	92%	%	0.88%	
		S4.3) Percentage: Senior- and executive- level positions held by men and women						
		Female	0	0	0	No	0%	
		Male	45	50	51	No	2%	
S5. Temporary Worker Ratio	GRI 102: General Disclosures 2016	S5.1) Percentage: Total enterprise headcount held by part-time employees	0	0	0	No	-	N/A
		S5.2) Percentage: Total enterprise headcount held by contractors and/ or consultants	0	0	0	No	-	N/A
S6. Non-Discrimination	GRI 103: Management Approach 2016*	Does your company follow non- discrimination policy? Yes/No						Yes, Ethics
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)
		Total injuries Minor	167	208.00	178	No	-14.42%	
		Total injuries Major	12	12.00	24	No	100.00%	
S8. Global Health & Safety		Does your company follow an occupational health and/or global health & safety policy? Yes/ No						Yes, Employee Safety & Wellbeing
S9. Child & Forced Labour		S9.1) Does your company follow a child and/or forced labor policy? Yes/No						Yes, Sustainable & Responsible Procurement
		S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No						Yes, Sustainable & Responsible Procurement
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, Sustainable & Responsible Procurement
S11. Nationalisation	Percentage of national employees	Percentage of national employees	11.0%	10%	10.80%	%	8%	Yes, Emiratization
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.	0.02%	0.06%	0.02%	%	-67%	Data tables (Pillar: Social, Topic: Community Investment

ADX ESG Disclosures (contd.)

ESG Metric	GRI Standards	Calculation		2022	2023	2024	Units	% change (2023-24)	Comments / Discloser
Category: Governance									
G1. Board Diversity	GRI 405: Diversity and Equal Opportunity 2016	G1.1) Percentage: Total board seats occupied by men and women							Section: Corporate Governance, Report pg 51-52
		Women		14.29%	14.29%	14%	No	-2%	
		Men		85.71%	85.71%	86%	No	0.00%	
G2. Board Independence		G1.2) Percentage: Committee chairs occupied by men and women							Section: Corporate Governance, Report pg 51-52
		Women		25%	50%	50%	No	0%	
		Men		75%	50%	50%	No	0%	
		G2.1) Does company prohibit CEO from serving as board chair? Yes/No							Yes
		G2.2) Percentage: Total board seats occupied by independent board members		85.71%	85.71%	57.14%	%	-33%	Section: Corporate Governance, Report pg 51-52
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, Data Protection
		G6.2) Has your company taken steps to comply with GDPR rules? Yes/No							Yes
G7. Sustainability Reporting		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, Alignment with SDG Targets
		G8.3) Does your company set targets and report progress on the UN SDGs? Yes/ No							Yes, Alignment with SDG Targets
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 7 Restatements in our 2024 ESG Report. • 2023 Total Scope 2 Emissions - In 2023 we reported this as 0.01 kt CO2e • 2023 Scope 2 Electricity purchased - In 2023 we reported this as 28,609 as this was the figure in MWh, in kWh the figure is 28,609,300 kWh • 2023, % of Electricity purchased - In 2023 we reported this as 0.01% • 2023, % of Electricity generated - In 2023 we reported this as 99.99% • 2023 Total electricity consumption - In 2023 we reported this as 264,065,111 kWh • 2023 Petrol Consumption - In 2023 we reported 11,973.00 litres • 2023 Hazardous Waste Data - In 2023 we reported 28.77 tons
	2-5 External assurance	No external reassurance was sought for this report.
	2-6 Activities, value chain and other business relationships	About RAK Ceramics, Pg 14 & Product Lines, Pg 16
	2-7 Employees	Diversity & Inclusion, Pg 80
	2-9 Governance structure and composition	Corporate Governance, Pg 88
	2-10 Nomination and selection of the highest governance body	Corporate Governance, Pg 88
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, Pg 88
	2-13 Delegation of responsibility for managing impacts	Policies & Sustainability Governance, Pg 36
	2-22 Statement on sustainable development strategy	Our Sustainability Commitment, Pg 28
	2-23 Policy commitments	Commitments towards Material Topics, Pg 34
	2-24 Embedding policy commitments	Policies & Sustainability Governance, Pg 36
	2-25 Processes to remediate negative impacts	Policies & Sustainability Governance, Pg 36
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Pg 90
	2-27 Compliance with laws and regulations	Corporate Governance, Pg 88
	2-28 Membership associations	Associations, Pg 37
	2-29 Approach to stakeholder engagement	Our Stakeholders, Pg 30
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Sustainability Pillars & Material Topics, Pg 31-33
	3-2 List of material topics	Our Sustainability Pillars & Material Topics, Pg 31-33

GRI Standard	Disclosure	Location
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Performance 2024, Pg 18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance 2024, Pg 18
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable & Responsible Procurement, Pg 94
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics, Pg 90
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Pg 90
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	301-2 Recycled input materials used	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	301-3 Reclaimed products and their packaging materials	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency in Production, Pg 76-77 & Data Tables (Topic: Energy Efficiency)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency in Production, Pg 76-77 & Data Tables (Topic: Energy Efficiency)
	302-3 Energy intensity	Energy Efficiency in Production, Pg 76-77 & Data Tables (Topic: Energy Efficiency)
	302-4 Reduction of energy consumption	Energy Efficiency in Production, Pg 76-77 & Data Tables (Topic: Energy Efficiency)
	302-5 Reductions in energy requirements of products and services	Energy Efficiency in Production, Pg 76-77 & Data Tables (Topic: Energy Efficiency)
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Sustainability, Pg 57-63 & Data Tables (Topic: Water Sustainability)
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Water Sustainability, Pg 57-63 & Data Tables (Topic: Water Sustainability)
	303-4 Water discharge	Water Sustainability, Pg 57-63 & Data Tables (Topic: Water Sustainability)
	303-5 Water consumption	Water Sustainability, Pg 57-63 & 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 76-77 & Data Tables (Topic: Emissions Reduction)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions Reduction, Pg 76-77 & Data Tables (Topic: Emissions Reduction)
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Reduction, Pg 76-77 & Data Tables (Topic: Emissions Reduction)
	305-4 GHG emissions intensity	Emissions Reduction, Pg 76-77 & Data Tables (Topic: Emissions Reduction)
	305-5 Reduction of GHG emissions	Emissions Reduction, Pg 76-77 & Data Tables (Topic: Emissions Reduction)
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	306-2 Management of significant waste-related impacts	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	306-3 Waste generated	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	306-4 Waste diverted from disposal	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
	306-5 Waste directed to disposal	Waste & Circularity, Pg 58-59 & Data Tables (Topic: Waste & Circularity)
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pillar 2: People & Community Pg 80-85
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 81-82 (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 83
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training, Pg 83
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training, Pg 83
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity & Inclusion, Pg 80
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Diversity & Inclusion, Pg 80 & 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 81-82
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Safety & Wellbeing, Pg 81-82
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Safety & Wellbeing, Pg 81-82
	403-3 Occupational health services	Employee Safety & Wellbeing, Pg 81-82
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Safety & Wellbeing, Pg 81-82
	403-5 Worker training on occupational health and safety	Employee Safety & Wellbeing, Pg 81-82 & Employee Training Pg 83
	403-6 Promotion of worker health	Employee Safety & Wellbeing, Pg 81-82
	403-9 Work-related injuries	Employee Safety & Wellbeing, Pg 81-82
	403-10 Work-related ill health	Employee Safety & Wellbeing, Pg 81-82
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment, Pg 84-85
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment, Pg 84-85
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Investment, Pg 84-85
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable & Responsible Procurement, Pg 94
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable & Responsible Procurement, Pg 94

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