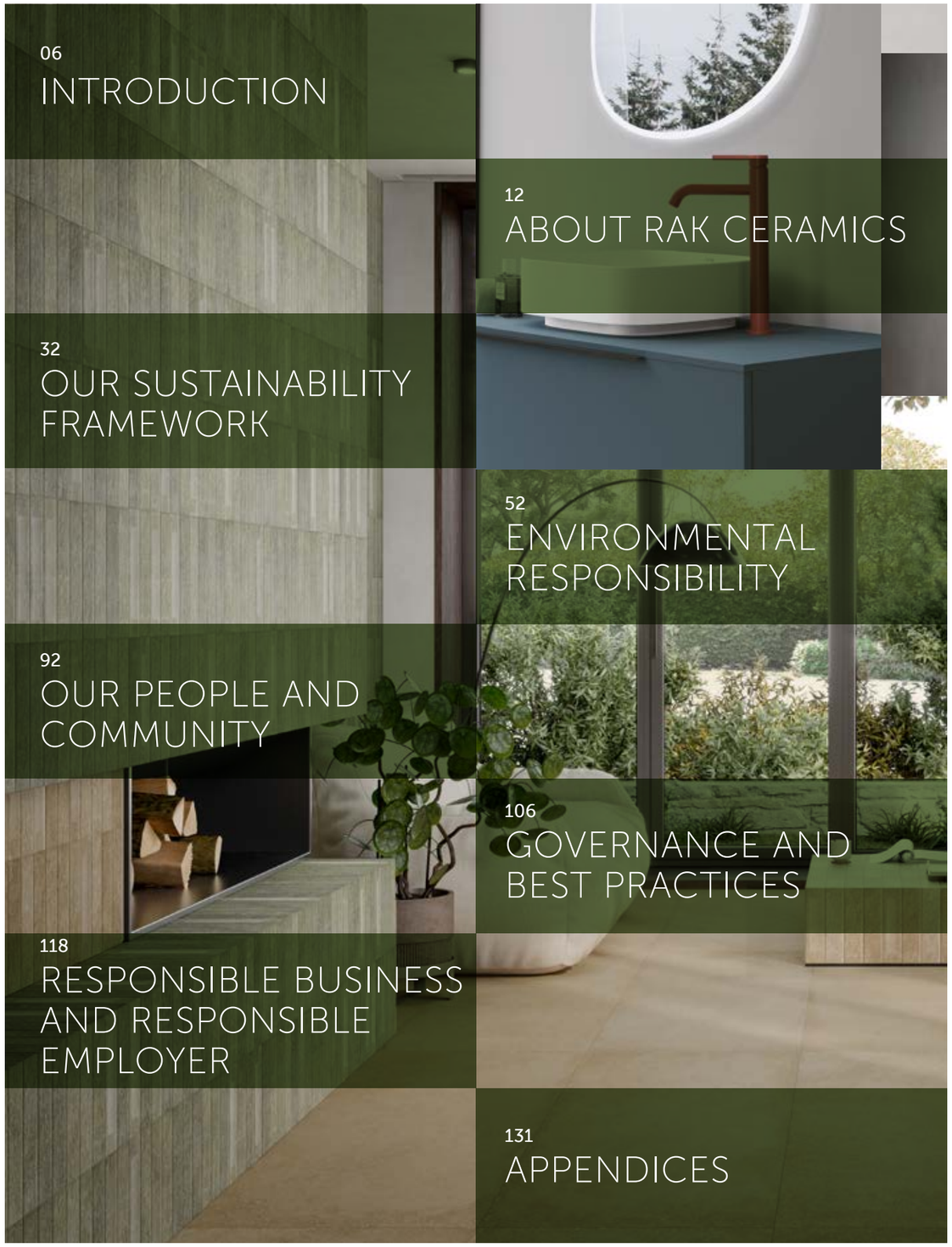
SUSTAINABILITY REPORT 2025

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

We are pleased to present our **sixth public Sustainability Report**, which outlines RAK Ceramics' sustainability performance and progress. Sustainability is a defining pillar of RAK Ceramics' identity, shaping how we operate, innovate, and create long-term value across our global footprint. At RAK Ceramics, sustainability continues to guide our initiatives and inform our strategic direction.

The **2025 Sustainability Report** provides a comprehensive overview of our annual performance and actions for the reporting period from **1 January to 31 December 2025.** The report primarily focuses on our **United Arab Emirates (UAE) operations**, while also highlighting significant contributions from our international entities. It has been developed collaboratively by our Sustainability Working Group, Senior Management, and key stakeholders, reflecting our commitment to responsible and sustainable business practices.

For this reporting cycle, we conducted an **internal assurance process**, which included a detailed review and validation of report content with management and internal stakeholders. While no external third-party assurance was obtained for this report, the appointment of an external assurer remains an option that may be considered in future reporting cycles.

This Sustainability Report has been prepared **with reference to the GRI Standards** and incorporates disclosures aligned with leading international sustainability frameworks. It also includes reporting against the **Abu Dhabi Securities Exchange's 31 Key Performance Indicators (KPIs),** which are presented in detail in the Appendix.

We remain committed to contributing to the **United Nations Sustainable Development Goals (UN SDGs)** and to supporting national priorities, including the **UAE Net Zero by 2050 Strategic Initiative**, the **UAE Climate Change Plan 2017–2050**, and the **UAE Energy Strategy 2050**. In line with our values of transparency and accountability, sustainability considerations are integrated across our core operations, and our progress is disclosed annually through this Sustainability Report, which is published alongside our **Annual Report** and **Corporate Governance Report**. Together, these publications provide stakeholders with a comprehensive view of our financial performance, governance structure, risk management approach, and sustainability impact.

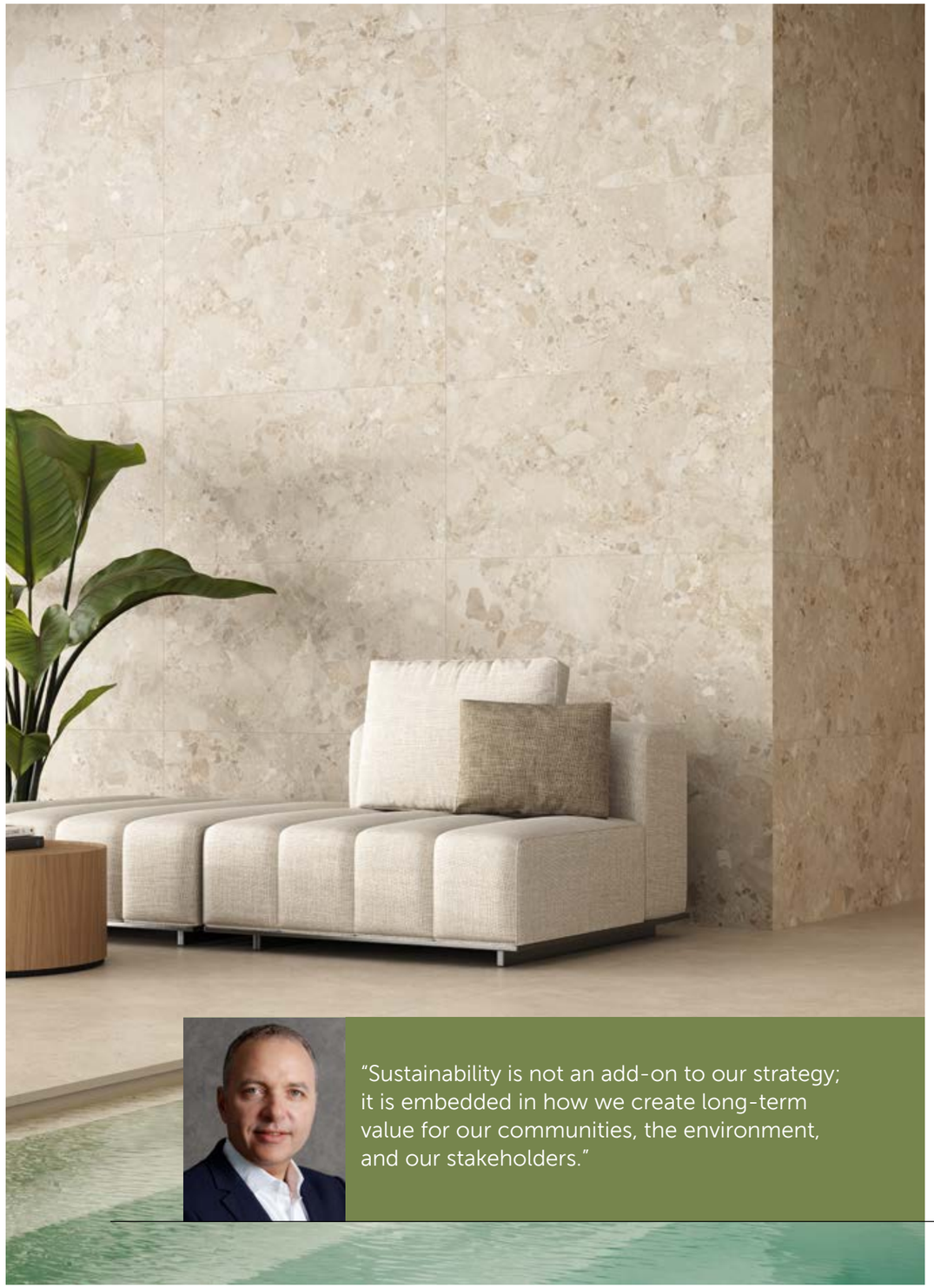
References to the "**Global Group**" or "**Group**" in this report include our operations in the **UAE, Bangladesh, and India**, as well as our subsidiaries **RAK Porcelain LLC, Kludi RAK LLC**, and **Elegance Ceramics LLC** in the UAE. Where RAK Ceramics "Tableware Division" or "Tableware" is referenced, it shall be read and understood as RAK Porcelain LLC. The initiatives, KPI's and data within this Sustainability Report **refer solely to our operations in UAE**, if not explicitly described as Global Group details.

This year, we are pleased to have improved our data provision, by breaking down energy, water, waste and emissions data per manufacturing line (Tiles, Sanitaryware, Faucets & Tableware).

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

FURTHER INFORMATION

For any inquiries related to this report, please contact the Chief Sustainability and Governance Officer at **ESG.communications@rakceramics.com.**



"Sustainability is not an add-on to our strategy; it is embedded in how we create long-term value for our communities, the environment, and our stakeholders."

Group CEO's Message

Dear Stakeholders,

At RAK Ceramics, sustainability is not an add-on to our strategy; it is embedded in how we create long-term value for our communities, the environment, and our stakeholders. Our progress is guided by the four pillars of our sustainability framework: **Environmental Responsibility; Our People and Community; Governance and Best Practices; and Responsible Business, Responsible Employer.**

This sixth Sustainability Report highlights how these commitments are translated into action, shaping our operations, informing strategic decisions, and driving sustainable growth across the Group.

In advancing our environmental ambitions, 2025 marked a significant milestone through our partnership with Gulf Cryo to establish the UAE's first industrial carbon recovery and reuse facility. This pioneering project captures CO_2 emissions from our operations and converts them into high-purity, food-grade CO_2 for use across the food, healthcare, and agriculture sectors, demonstrating leadership in circular carbon management and supporting the UAE's Net Zero 2050 agenda. During the year, we also achieved full utilization of our Effluent Treatment Plant (ETP), further strengthening our commitment to responsible water stewardship and resource efficiency.

Our people and the communities in which we operate remain central to our success. Throughout 2025, we continued to priorities employee wellbeing, development, and engagement, advancing Emiratization, expanding our workforce, and reinforcing our focus on safety, training, diversity, and wellbeing. Through deeper community engagement and local talent development, we aim to create shared value and contribute meaningfully to national development priorities.

Strong governance and ethical conduct support our approach to responsible business. In 2025, we strengthened our governance framework through updates to our Global Code of Conduct and Conflict of Interest policies. These enhancements embed our mission, vision, and purpose; strengthen human rights protections; expand guidance on digital ethics and the responsible use of AI; reinforce legal and financial compliance; clarify anti-bribery practices; and deepen our commitment to diversity, equity, and inclusion, fostering a workplace free from discrimination and harassment.

As a Responsible Business and Employer, we further advanced our circular economy practices by expanding our Re-Use tile range, manufactured entirely from recycled materials. This initiative enhances product performance, broadens market access, and introduces innovative designs that reduce waste, conserve resources, and support more sustainable production processes.

As a signatory to the United Nations Global Compact, we remain committed to ethical business conduct, transparency, and alignment with global sustainability principles. We continue to embed best practices in corporate governance, data protection, and compliance to ensure accountability across the Group.

Looking ahead, we remain focused on innovation, strategic partnerships, and responsible growth, building a resilient business that delivers sustainable products, protects the environment, empowers our people, and creates long-term value for all stakeholders.

ABDALLAH MASSAAD
Group CEO

About RAK Ceramics

RAK CERAMICS

Our Vision

To be the world's leading ceramics lifestyle solutions provider. With the latest technologies all under one roof, we can offer true customization in every sense of the word.

ABOUT
RAK CERAMICS

Business Overview

Founded in 1989 and headquartered in the United Arab Emirates, we serve clients in more than 150 countries through a network of operational hubs in Middle East, Europe, Africa, Asia, North and South America and Australia. Within UAE we have more than 7,000 staff from more than 40 nationalities.

We are a publicly listed company on the Abu Dhabi Securities Exchange in the United Arab Emirates and on the Dhaka Stock Exchange in Bangladesh and as a group have an annual turnover of approximately US$1 billion.

In 2025, our global manufacturing capacity reached 118 million square meters for ceramics and gres porcelain tiles. Sanitaryware production capacity totaled 5.7 million pieces, tableware output reached 36 million pieces, and faucets output stood at 2.6 million pieces. Our continued focus on quality, innovation, and customer satisfaction remains central to our ambition to shape the future of the ceramics industry.

RAK Ceramics operates an integrated manufacturing and distribution model, supported by a diversified product portfolio spanning tiles, sanitaryware, faucets, and tableware. The Group's vertically integrated operations, advanced manufacturing capabilities, and global distribution network enable it to serve a wide range of residential, commercial, and hospitality customers across international markets.

With a strong focus on design, quality, and innovation, RAK Ceramics combines large-scale production with technical expertise to deliver value-driven solutions tailored to evolving customer and market requirements. The Group continues to leverage its manufacturing scale, brand portfolio, and operational efficiencies to strengthen its competitive position while supporting long-term growth across key geographies.

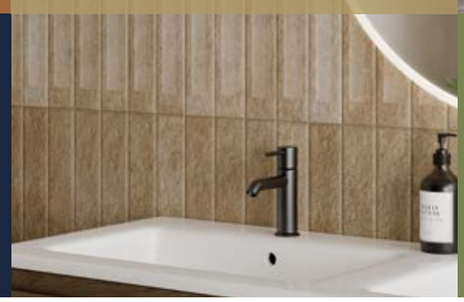
118 Million
SQUARE METERS OF TILES GLOBALLY

5.7 Million
PIECES OF SANITARYWARE GLOBALLY

PRESENCE IN
150 Countries

USD $ 1 Billion
ANNUAL TURNOVER GLOBALLY

23
STATE OF THE ART PLANTS GLOBALLY



7,098
STAFF IN UAE

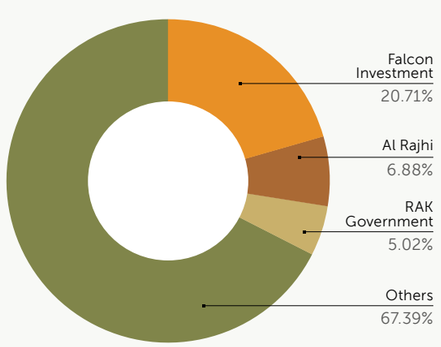
Business Overview

OWNERSHIP STRUCTURE OF RAK CERAMICS

RAK Ceramics maintains a diversified shareholding structure that supports strong corporate governance and long-term stability. As at the reporting period, **Falcon Investment Co. LLC** is the largest identified shareholder, holding **20.71%** of the Company's shares, followed by **Al Rajhi Partners LLC** with **6.88%**, and the **Government of Ras Al Khaimah** with a **5.02%** shareholding. The remaining 67.39% of shares are held by other public and institutional investors.

This diversified ownership base enhances market liquidity and reflects broad investor confidence in the Company's strategy and performance. The shareholding structure supports balanced oversight, accountability, and alignment with shareholder interests, in line with applicable regulatory requirements and best practices in corporate governance.

Overview of RAK Ceramics' Ownership distribution as at the reporting period

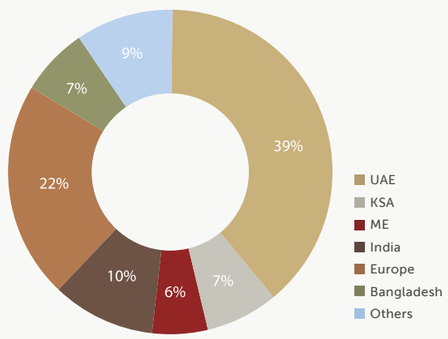


OREVENUE BY GLOBAL REGIONS

Revenue is led by the **UAE (39.1%)**, followed by **Europe (21.7%)** and **India (10.1%)**, with the remaining share distributed across KSA, SME, Bangladesh, and other markets.

Listed on the Abu Dhabi Securities Exchange, we consistently achieve a stable annual turnover of approximately US$ 1 billion, our exceptional gross margins were maintained through optimized production processes and enhanced capacity utilization.

Overview of RAK Ceramics' Distribution of Revenue across Regions



Economic Performance KPIs

1.54%

INCREASE IN SALES COMPARED TO 2024 GLOBALLY

AED 623.6M

TOTAL EBITDA GLOBALLY

AED 248.5M

NET PROFIT GLOBALLY

2.4X

NET DEBT TO EBITDA IN 2025 GLOBALLY

Our Purpose Today

To become the world's leading ceramic lifestyle solutions provider

LIFESTYLE BRAND

We are a globally recognized ceramics brand offering integrated lifestyle solutions that combine design, functionality, and performance across residential, commercial, and hospitality spaces.

HIGH-END QUALITY

We are known for our extensive product range and our ability to deliver premium-quality products at competitive value, supported by advanced manufacturing capabilities and rigorous quality standards.

INNOVATION

Innovation is central to our philosophy. Through continuous investment in technology, design, and process improvement, we consistently advance product development and manufacturing excellence.

SUSTAINABILITY

We operate responsibly and in harmony with our communities, embedding ethical practices, resource efficiency, and environmental stewardship across our operations to create long-term positive impact.

Our Purpose
Performance Highlights 2025

Environmental Responsibility

Our People & Community

Governance & Best Practices

Responsible Business, Responsible Employer

⬇ 0.55%
Reduction in Total Energy Consumption

⬇ 26%
Decrease in Overall Petrol Consumption

17
Governance Meetings held in 2025 with ESG reporting to the Board

⬆ 12.4%
Increase in Desalination Water Treated

0
Substantiated data privacy complaints

0
Material data leaks, cybersecurity incidents, or reportable breaches

⬇ 35.5%
Reduction in Total Sulfur Oxides emissions

⬇ 2.09%
Energy Intensity of Sales

MENA Green Building Awards 2025
Sustainable Building Product of the Year (Indoor Air Quality - Porcelain & Ceramic Tiles)

⬇ 336 tCO_2e
Carbon Emissions Saved from transition to Rail Transport

EcoLabel Certification
by EPDA Ras Al Khaimah (February 2025)

78%
Local supplier base across red clays, GCC materials, and Persian Gulf inputs

7,098
Total Number RAK Ceramics UAE Employees

12.7%
Employees of local nationality in alignment with the Emiratization law

8.96%
Percentage of Female Emirati Employees

Our History

1989

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

1991

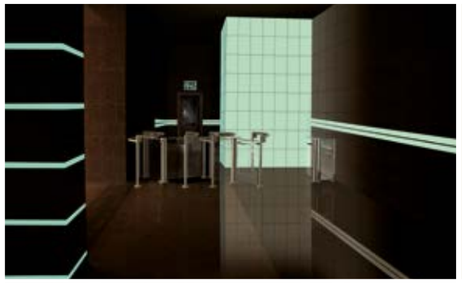
Our first tile plant began operating with an annual output of 1,825,000 square meters of tiles.

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 - 21

RAK Ceramics celebrates 30 years of success.

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.

2025

ICV Excellence Award at Make it in the emirates Awards

Continua Plus Launch.

Carbon Capture Plant Inauguration - Gulf Cryo x RAK Ceramics

Product Overview - Brands & Product Line

RAK Ceramics operates a structured brand portfolio delivering integrated ceramic and bathroom solutions across global markets. The flagship RAK Ceramics brand offers tiles, and sanitaryware, while RAK Porcelain specializes in premium tableware, and Kludi focuses on faucets and sanitary fittings. Together, the brands provide a comprehensive product portfolio spanning tiles, sanitaryware, faucets, and tableware, supporting diverse residential, commercial, and hospitality needs worldwide. RAK Ceramics manages an integrated value chain spanning raw material processing, manufacturing, distribution, and after-sales services.

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 Marriott, 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.

Awards 2025

In 2025, RAK Ceramics earned widespread regional and international recognition across sustainability, manufacturing excellence, design innovation, product quality, and national value creation, reinforcing its leadership in responsible manufacturing and premium design.

EcoLabel Award

RAK Ceramics was awarded the EcoLabel Certification by the Environment Protection and Development Authority (EPDA), Ras Al Khaimah, under its EcoLabel Program in February 2025. The recognition reflects the Group's commitment to environmental stewardship and responsible operational practices.

In-Country Value (ICV) Excellence Award – Make it in the Emirates 2025

RAK Ceramics was awarded the ICV Excellence Award at the Make it in the Emirates (MIITE) Awards 2025, hosted by the UAE Ministry of Industry and Advanced Technology. The award recognizes the Group's commitment to local manufacturing, procurement, and talent development in support of the UAE's ICV Programme, aimed at enhancing national economic resilience.

Business Excellence Award – Westford Awards 2025

RAK Ceramics received the Business Excellence Award at the Westford Awards 2025 in Dubai. This recognition underscores the Group's continued focus on innovation, sustainability, and leadership within the ceramics industry.

MENA Green Building Awards 2025

RAK Ceramics was recognized for Sustainable Building Product of the Year – Indoor Air Quality for Porcelain and Ceramic Tiles at the MENA Green Building Awards 2025. In addition, the Re-Use Series Tiles were shortlisted for Sustainable Building Material of the Year – Construction Material, highlighting progress in circular design, innovation and resource efficiency.

Design Middle East Award 2025 –KLUDI

KLUDI was honored with the Design Middle East Award 2025 for Design Excellence in Bathroom Fittings. The award celebrates the brand's commitment to innovation, precision engineering, and timeless design.

Sustainability 2040 Awards – Manufacturing (Gold), Middle East

RAK Ceramics received the Gold Award in the Manufacturing category at the Sustainability 2040 Awards – Middle East. The recognition acknowledges leadership and sustained efforts in advancing sustainable manufacturing practices across the region.

Awards 2025 (contd.)

The Major German Brands 2026 – KLUDI

KLUDI participated in the release of The Major German Brands 2026, held under the theme "The Transformative Power of Design." The recognition highlights KLUDI's commitment to design-led innovation and forward-thinking product solutions.

Top Luxury Brand 2025 – KLUDI

KLUDI was awarded the Top Luxury Brand 2025 title by WAD, recognizing its leadership in luxury, innovation, and design excellence in bathroom and kitchen fittings.

Archiproducts Design Awards 2025 – Longlisting

Two product ranges, I SASSI with SofTech Technology and RE-USE, a 100% recycled tile range, were longlisted for the Archiproducts Design Awards 2025. The recognition highlights excellence in innovation, craftsmanship, and responsible product design.

Quality Circle Forum – Performance Highlights

RAK Ceramics achieved strong results at the Quality Circle Forum, with seven case studies submitted across Tiles and Logistics & Warehouse functions. Based on QCFI evaluation, the submissions received six Gold trophies and one Silver trophy, reflecting a culture of continuous improvement.

Gold Idea Design Award 2025 – Distinction Product

The RAK-Batu washbasin collection received the Distinction Product award at the Gold Idea Design Award 2025 in China. This accolade recognizes outstanding achievement in design and innovation, reinforcing the Group's global design leadership.

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.

Innovation and Research First

Transforming Innovation and Research into **Safer, More Durable,** and **Sustainable Living Environments**

Innovation and research are central to RAK Ceramics' sustainability journey, enabling the development of products that combine advanced performance, durability, and responsible design. At the core of this effort is the InnoTech Lab, the Group's research and innovation hub, which continuously develops cutting-edge solutions that redefine material performance and user experience while extending product life cycles and reducing long-term environmental impact.

Two key innovations introduced through the InnoTech Lab, SOFTECH and ScratchGuard, demonstrate how technological advancement can enhance functionality, safety, and durability without compromising design aesthetics.

SOFTECH – SEAMLESS INDOOR–OUTDOOR PERFORMANCE

SOFTECH technology has been developed to support fluid, safe, and comfortable spaces as contemporary architecture increasingly integrates indoor and outdoor environments. Its innovation lies in an advanced micro-particle application process that fills surface micro-cavities, creating a velvety, uniform, and easily cleanable finish while maintaining refined aesthetics.

The surface delivers anti-reflective and non-slip performance, with safety confirmed by R10 A+B ratings for interior applications and R11 A+B+C ratings for exterior applications, supporting use across residential, commercial, and public spaces. SOFTECH is showcased in the I Sassi (The Stones) collection, previewed at Cersaie, which draws inspiration from ancient calcarenite stone settlements and is available in Borgogna and Matera styles across four neutral color variations.

SCRATCHGUARD – DURABILITY, RESISTANCE, AND HYGIENE

ScratchGuard is one of the most advanced anti-scratch technologies developed by RAK Ceramics for porcelain stoneware surfaces, addressing the growing demand for long-lasting performance alongside visual appeal. Applicable to polished finishes, the technology provides enhanced protection against deep scratches caused by metallic objects, preserving surface integrity and appearance over time.

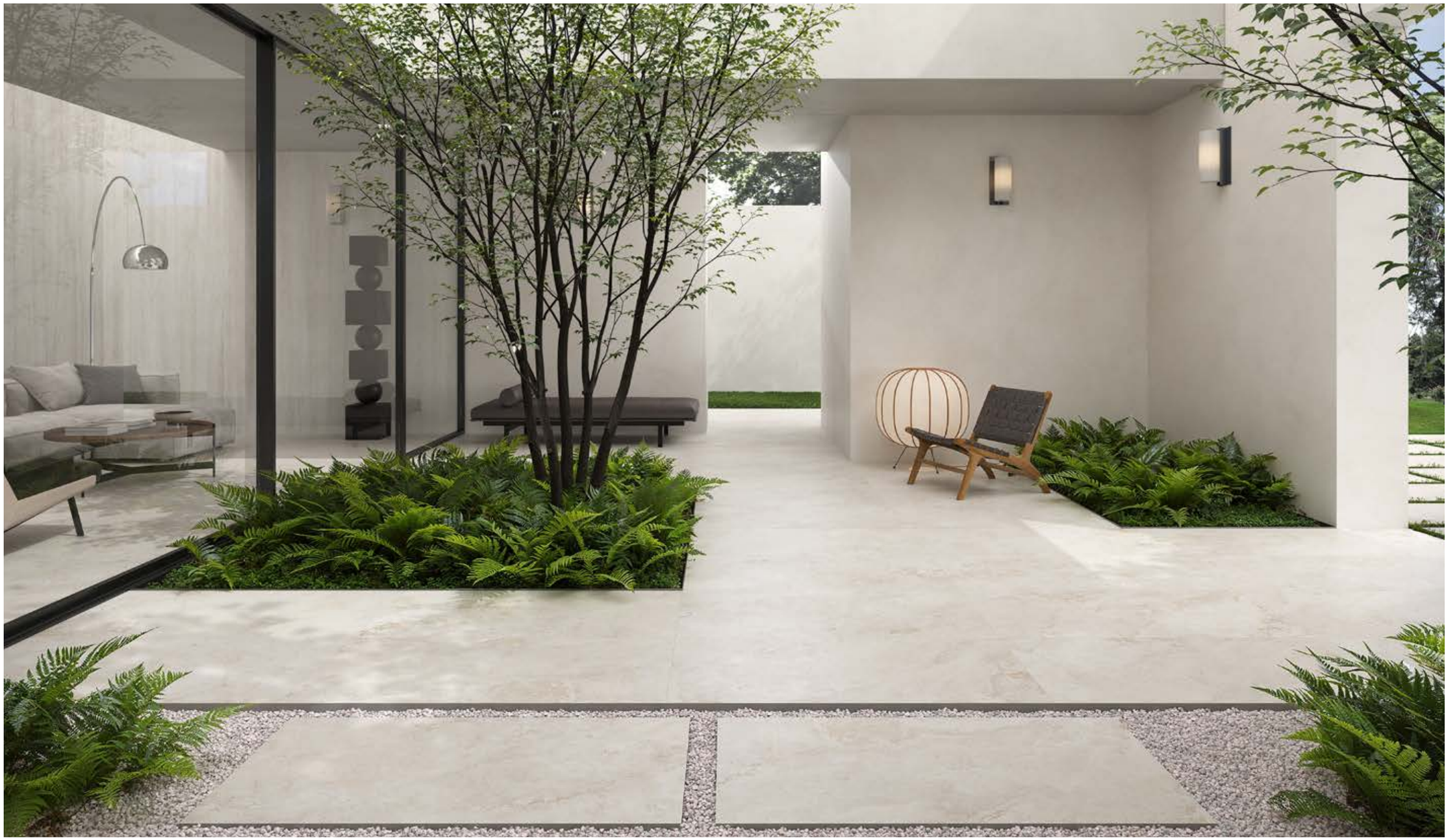
By extending product lifespan and reducing maintenance and replacement needs, ScratchGuard supports long-term resource efficiency and improved hygiene. The technology is featured in collections such as Calacatta Macchia Vecchia and Alaska White, offered in Maximus formats suitable for continuous surfaces and high-traffic applications.

Sustainability at RAK Ceramics

RAK CERAMICS

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."



OUR SUSTAINABILITY FRAMEWORK

Sustainability Commitment at RAK Ceramics

"Our commitment to sustainability goes beyond environmental performance, it is about people, progress, and purpose.At RAK Ceramics, we are dedicated to operating responsibly, empowering our workforce, and supporting the communities we serve. As we advance our Sustainability Strategy 2024–2030, we remain focused on building a business that delivers lasting impact for both society and the planet."

At RAK Ceramics, sustainability is a core element of our mission and underpins every aspect of our business. We leverage our products, expertise, and scale to create long-term value in collaboration with our customers, partners, and the wider community, focusing on high-impact priorities such as decarbonization, circular and sustainable products, a high-performing workforce, responsible procurement, community investment, and strong sustainability governance. Environmental stewardship is embedded across our entire manufacturing chain, from product design and raw material sourcing to efficient operational processes, allowing us to make a meaningful and lasting contribution to society, strengthen communities, and enhance the quality of life for both local communities and our workforce.

To further strengthen this commitment, we have been actively working on our Sustainability Strategy for 2024–2030, aligned with global best practices and industry standards. This strategy will guide our long-term sustainability roadmap and focus on key priority areas such as decarbonization, circularity, resource efficiency, innovation, and workforce development. It will be embedded across our operations and implemented through a structured Sustainability Governance framework to ensure accountability, transparency, and continuous improvement.

In response to evolving market demands, we have increased our focus on the production of gres porcelain tiles, a more resource-intensive process. To mitigate the associated environmental impact, we have implemented a range of resource-reduction initiatives, detailed in this report, aimed at optimizing energy, water, and raw material consumption. Our efforts include improving energy efficiency, reducing pollution, enhancing biodiversity, and adopting Clean Development Mechanism (CDM) projects to lower carbon emissions during manufacturing.

Waste management remains a critical pillar of our sustainability approach. Through a comprehensive waste management framework, we minimize, recycle, and repurpose waste, supporting a circular economy and reducing our overall environmental footprint. Our Closed Loop Manufacturing System enables the treatment and reuse of wastewater and the recycling of waste materials across all product lines, significantly optimizing water and waste management processes.

Innovation and creativity are deeply embedded in our organizational culture. We foster an environment that encourages imagination, curiosity, and continuous improvement, empowering our teams to challenge conventions and develop innovative solutions that drive positive change within our industry and beyond.

At RAK Ceramics, sustainability shapes every facet of our operations. We take pride in using our products, expertise, and partnerships to contribute to a better world, and we remain committed to advancing oursustainability journey through our 2024–2030 strategy, creating long-term value for our business, society, and the environment.

Our Sustainability Pillars & Material Topics

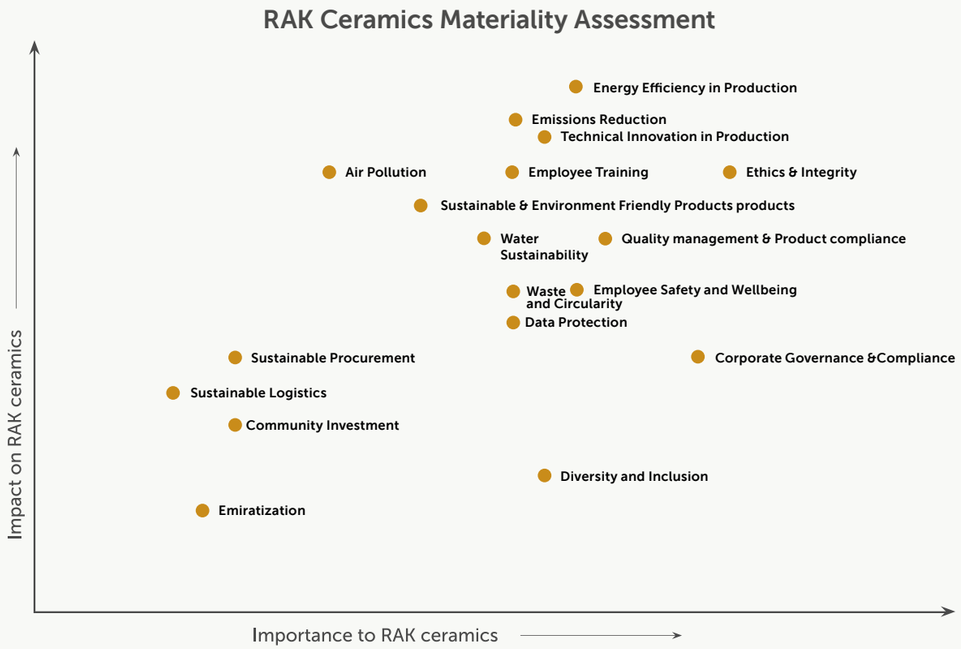
RAK Ceramics has identified 18 key sustainability material topics that form the foundation of this report, based on a comprehensive materiality assessment conducted in early 2023. The assessment was led by a dedicated sustainability working group in collaboration with senior management, who evaluated each topic by considering the impacts of our operations, stakeholder expectations, and evolving sustainability trends within the ceramics and manufacturing sector.

To ensure continued relevance and responsiveness, RAK Ceramics will periodically review and update its materiality assessment to reflect changes in our business, regulatory landscape, stakeholder priorities, and industry best practices. This approach enables us to continuously reassess the significance of sustainability topics and focus our efforts on areas that matter most to our business and stakeholders over time.

The outcomes of our materiality process reinforce our commitment to these priority topics and guide the ongoing development of our sustainability strategy, initiatives, and disclosures, supporting our ambition to strengthen sustainability performance and leadership 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. Emiratization
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



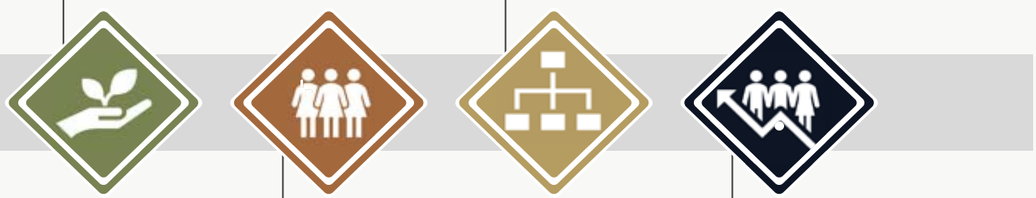
Our 18 material sustainability topics have been organized into four strategic pillars, which together form the foundation of our Sustainability Framework. These pillars provide a structured approach to prioritizing actions, guiding the development of initiatives, enabling effective resource allocation, and supporting consistent tracking and reporting of sustainability performance.

Environmental Responsibility

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

Governance & Best Practices

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



Our People and Community

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

Responsible Business, Responsible Employer

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

Commitments

Our Sustainability Commitments are **Driving Long-term Value Creation**

We remain committed to continuous improvement, regularly evaluating our sustainability performance to refine targets and strengthen outcomes. In 2025, we further invested in reducing resource intensity through the adoption of state-of-the-art technologies, including the largest and most energy-efficient sanitaryware kiln, robotic palletisers, and shrink hood wrapping systems. These investments support improved operational efficiency, reduced environmental impact, and enhanced long-term sustainability performance.

Our sustainability commitments across each material topic form the foundation of our approach to responsible growth.

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 & Best Practices		
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.

Our Stakeholders

At RAK Ceramics, effective stakeholder engagement is a core component of our sustainability approach and decision-making process. We engage regularly with a diverse range of stakeholders to understand their perspectives, manage risks and opportunities, and ensure our business practices remain aligned with stakeholder expectations, regulatory requirements, and national sustainability priorities. The table below outlines our key stakeholder groups, areas of engagement, and the outcomes achieved through these interactions.

Stakeholder Group	Who They Are	Key Engagement Areas	Engagement Outcomes
Strategic Partners	Board and senior leadership responsible for governance and strategic oversight	Financial performance, value creation, transparency and disclosure, climate change, energy use, sustainable products	Strategic oversight, informed decision-making, alignment on long-term strategy and performance
Business Partners	Investors and key commercial partners supporting business growth and market presence	Product quality and cost, climate change mitigation, innovation, partnerships, customer satisfaction, relationship management	Cost optimization, improved environmental performance, continued product innovation and partnership development
Talent Community	RAK Ceramics employees across all functions and locations	Rewards and benefits, career development, health and safety, wellbeing, diversity, equity and inclusion, community involvement	Employee goal setting, skills development, structured onboarding, improved engagement and retention
Supply Chain Collaborators	Suppliers, contractors, and logistics partners involved in delivering materials and services	Reputation management, partnership development, timely payments, supply chain management, sustainability practices	Long-standing partnerships, quality assurance, ethical practices, responsible and resilient supply chains
Regulatory Partners	Government authorities and regulatory bodies at local and national levels	Compliance with regulations, alignment with UAE Vision 2030, UAE Net Zero 2050, UAE Energy Strategy 2050, climate and energy policies	Regulatory compliance, alignment with national sustainability priorities, constructive engagement with authorities
Community Partners	Local communities, social organizations, and non-governmental organizations	Social impact initiatives, partnerships, sponsorships, volunteering and community engagement	Community participation, volunteering activities, positive social outcomes and local development

Leadership and Stakeholder Engagement

RAK Ceramics' commitment to corporate responsibility extends to active industry thought leadership and strategic engagement across regional and global platforms. In 2025, Leonardo de Muro, Corporate Vice President for International Business Development, Marketing and Communication, represented RAK Ceramics at the Al Quoz Entrepreneur Forum, reinforcing the Group's advocacy for sustainable business practices and responsible growth. Through this engagement, RAK Ceramics shared perspectives on sustainable design, innovation-led value creation, and the integration of Sustainability principles into industrial competitiveness. This participation reflects the Group's commitment to transparent governance, cross-sector collaboration, and strategic dialogue, while supporting progress towards SDG 9 (Industry, Innovation and Infrastructure) and SDG 12 (Responsible Consumption and Production).

RAK Ceramics actively engages with financial institutions, regulators, and sustainability leaders to support the advancement of sustainable finance and responsible investment frameworks in the UAE. In October 2025, the Group participated in the CFO Roundtable on Enabling Environments for SDG-Linked Investment, co-hosted by the UN Global Compact Network UAE and S&P Global, in partnership with the World Green Economy Organization, as part of the World Green Economy Summit in Dubai. Represented by Mr. P.K. Chand, Group CFO,, the closed-door forum brought together CFOs, regulators, and sustainability experts to exchange insights on scaling SDG-linked finance, sustainable finance taxonomy frameworks, disclosure standards, and policy enablers. This engagement reflects RAK Ceramics' commitment to contributing to credible, impact-linked investment decision-making and strengthening the broader sustainable finance ecosystem.

In parallel, RAK Ceramics engages with regulatory partners, business partners, industry peers, and community partners to support the global positioning of UAE manufacturing. Mr. Abdallah Massaad, Group Chief Executive Officer, participated in the Make it in the Emirates roundtable titled "What It Takes to Take the 'Made in the Emirates' Brand Globally". During the session, he highlighted the role of advanced manufacturing, quality assurance, sustainable production practices, innovation, technology integration, and workforce capability in enhancing global competitiveness. The discussion underscored the importance of collaborative engagement between the public and private sectors and the role of supportive regulatory frameworks in driving continuous improvement and elevating the UAE's manufacturing footprint internationally.

United Nations Sustainable Development Goals Alignment

RAK Ceramics supports the United Nations Sustainable Development Goals (SDGs) and aligns its business strategy and project pipeline with the full set of 17 Goals, integrating environmental, social, and governance priorities across its operations.

No Poverty

RAK Ceramics supports SDG 1 through employee wellbeing initiatives and by ensuring equitable access to employment, training, and career development opportunities across its operations. These initiatives are designed to support economic security, improve access to essential services, and reduce vulnerability, contributing to stable and inclusive employment conditions.

Zero Hunger

RAK Ceramics supports SDG 2 – Zero Hunger through its participation in the Joy of Giving Initiative, implemented in collaboration with the Red Crescent to provide essential food supplies to families facing hardship. The program reflects the Group's commitment to community welfare and humanitarian support, particularly for vulnerable segments of society. By contributing to timely food assistance and collective relief efforts, the initiative helps address immediate nutritional needs while reinforcing social solidarity and community resilience across the regions where the Group operates.

Good Health and Well-Being

RAK Ceramics contributes to SDG 3 through the implementation of a comprehensive Health and Safety Policy and a structured governance framework governing workplace health and safety practices. These efforts are reinforced through regular health and safety awareness initiatives and the provision of employee health benefits, supporting employee wellbeing and the effective management of health risks, including those associated with hazardous chemicals and pollution.

Quality Education

RAK Ceramics supports SDG 4 by investing in employee training and skills development programs across its operations. These programs include technical and vocational training, health and safety competency development, and digital and IT systems training, strengthening employee capabilities, productivity, and long-term career progression.

Gender Equality

RAK Ceramics aligns with SDG 5 by promoting gender diversity and inclusion across all organizational levels. The company focuses on increasing the representation of women in leadership and decision-making roles, supported by bias-free recruitment practices, inclusive workplace policies, and initiatives to address stereotypes and discrimination, ensuring equal opportunities for career advancement, and reflects our CEO's Statement of Support for gender equality.

Clean Water and Sanitation

RAK Ceramics contributes to SDG 6 through optimized water consumption and strengthened circular water management practices across its operations. Fully functional Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) enable water treatment and reuse, with the Tableware service line achieving 100% reuse of treated water through its ETP. The company continues to improve water-use efficiency and progress toward water stewardship certification, reinforcing its commitment to responsible and sustainable water management.

United Nations Sustainable Development Goals Alignment (contd.)

Affordable and Clean Energy

RAK Ceramics supports SDG 7 by enhancing energy efficiency across its manufacturing processes. Through process optimization and the adoption of energy-efficient technologies, the company works to reduce energy intensity and promote cleaner energy use within its operations.

Decent Work and Economic Growth

RAK Ceramics contributes to SDG 8 by strengthening economic productivity through innovation, technological upgrading, and responsible resource use. The company aims to improve year-on-year economic performance while promoting decent work, safe working conditions, and sustainable industrial growth.

Industry, Innovation and Infrastructure

RAK Ceramics aligns with SDG 9 through ongoing investment in innovation and the upgrading of industrial infrastructure. The adoption of advanced technologies, research initiatives, and resilient production systems supports improved operational efficiency, product quality, and long-term competitiveness.

Reduced Inequalities

RAK Ceramics supports SDG 10 through inclusive workplace practices that promote fairness, equal opportunity, and employee wellbeing. Policies relating to recruitment, training, and career progression help foster a respectful and equitable working environment across the organization.

Sustainable Cities and Communities

RAK Ceramics contributes to SDG 11 by reducing the environmental impact of its manufacturing operations, particularly in urban and industrial areas. Initiatives focused on waste recycling, circular production practices, and energy efficiency and emissions reduction help limit air pollution and waste generation, supporting more sustainable communities.

Responsible Consumption and Production

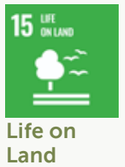
RAK Ceramics demonstrates strong alignment with SDG 12 through responsible resource management across its production processes. The company improves the management of raw materials, chemicals, and waste while reducing emissions. Its sustainable porcelain tile, RE-USE Quartz, is manufactured using 100% pre-consumer recycled material, diverting production waste from landfill and reducing reliance on virgin resources, and responsible production practices.

Climate Action

RAK Ceramics supports SDG 13 by integrating climate-related considerations into its operational strategies. Its initiatives are aligned with the UAE Net Zero 2050 strategic initiative and focus on improving energy efficiency, reducing emissions, and advancing decarbonization. This includes investments in innovative solutions such as the Gulf Cryo Carbon Capture initiative. Together, these efforts contribute to mitigating climate-related risks and supporting broader climate action objectives.

Life Below Water

RAK Ceramics contributes to SDG 14 through effective wastewater and discharge management practices, supported by fully functional Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) that enable water treatment and reuse. By controlling land-based sources of pollution, the company works to minimize potential impacts on marine and aquatic ecosystems. In parallel, its mangrove plantation initiative in partnership with EPDA helps protect coastal biodiversity.



Life on Land

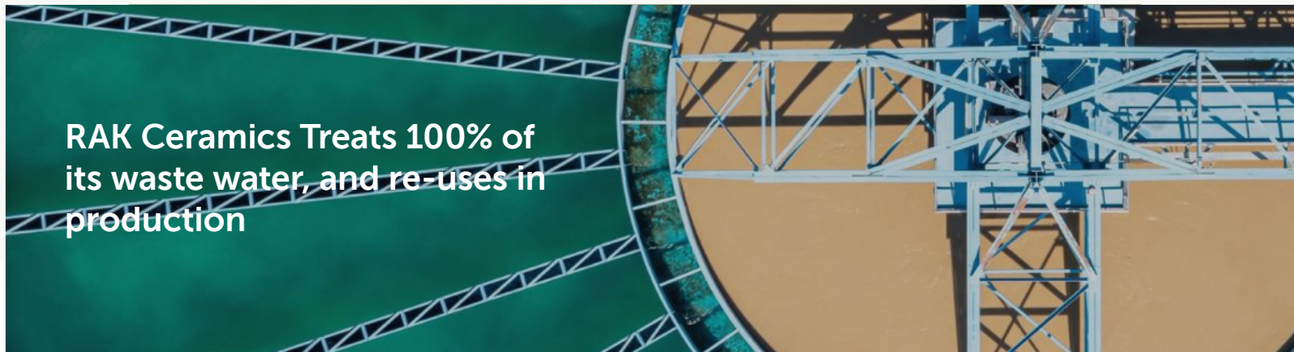
RAK Ceramics aligns with SDG 15 by promoting sustainable resource use and waste reduction to minimize pressure on natural resources. These practices contribute to reduced land degradation and support the protection of terrestrial ecosystems.

Peace, Justice and Strong Institutions

RAK Ceramics supports SDG 16 through strong governance structures, ethical business practices, and transparent institutional frameworks. The company maintains zero tolerance towards child labor and reinforces accountability through its Global Code of Conduct, which in 2025 was enhanced to prohibit forced labor and modern slavery, strengthen anti-bribery safeguards, responsible digital and AI use, and emphasize diversity, equity, inclusion, and ESG responsibilities.

Partnerships for the Goals

RAK Ceramics advances SDG 17 by collaborating with logistics providers, industry partners, and humanitarian organizations to support sustainability outcomes. Engagements focused on low-carbon supply chains, participation in sustainability platforms, and collaboration with humanitarian organizations strengthen collective action towards sustainable development.



United Nations Sustainable Development Goals Alignment (contd.)

RAK Ceramics has shaped its sustainability and impact strategy to support a more resilient and sustainable future, aligned with all 17 UN Sustainable Development Goals across our four strategic pillars, reflecting the breadth of our operations and value chain and our commitment to creating positive impact for people, planet, and prosperity.

Pillars	Material Topics & Related Future SDGs	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Environmental Responsibility	Climate Change Impacts, Including GHG Emissions											●	●	●				
	Energy Use (Scope 1 & 2 Related)							●					●					
	Water Use (Scope 3 Related)						●			●								
	Pollution (Air/Water)			●					●						●			
	Waste (Hazardous/Non-Hazardous Types)											●	●			●		
Our People & Community	New Supplier Ethical Treatment					●					●						●	
	Skill Development				●													
	Employee Wellbeing & Social Protection	●							●									
	Community Investment	●	●		●				●	●	●							●
Governance & Best Practices	Partnerships & Global Initiatives																	●
Responsible Business, Responsible Employer	Sustainable Procurement								●				●					●
	Technological Innovation in Production									●			●	●				
	Product Quality and Compliance			●									●				●	
	Sustainable Products									●			●	●				

Energy and Sustainability Policy

RAK Ceramics' Energy & Sustainability Policy demonstrates the company's commitment to continually improving energy management, sustainability practices, and operational efficiency.

The policy covers the development and maintenance of energy management systems, reduction of energy consumption, adoption of sustainable products and technologies, and the promotion of awareness across employees and stakeholders. By integrating innovation, sustainable transportation, and nature-based solutions, RAK Ceramics ensures its operations actively contribute to reducing greenhouse gas emissions.

Our policy aligns us directly with the UAE's Net Zero 2050 objectives, we are dedicated to measurable, year-on-year improvements in environmental performance and supporting the nation's transition to a low-carbon, sustainable future.

RAK CERAMICS

ENERGY & SUSTAINABILITY POLICY

It is the policy of RAK Ceramics to continually improve the company's energy and sustainability management practices and procedures by defining, developing, implementing and reviewing processes to meet our commitment to efficiently manage energy usage, the use of sustainable energy, products and services.

To achieve this, we will:

- Develop and maintain an energy management system with the goal of meeting all best practice in harmony with international standards.
- Ensure continual improvement in our energy performance and efficiency through innovation and the use of sustainable equipment, machinery and materials.
- Ensure that future manufacturing processes, technology, related services, and activities are evaluated in consideration with the energy efficiency and sustainability.
- Support the purchase of energy-efficient and sustainable products, equipment, and services.
- Reduce energy consumption on all processes and operations which use significant energy consumption.
- Ensure that the information and resources are provided to achieve the energy and sustainability objectives and targets.
- Minimize energy usage through energy performance improvement, innovation, engineering designs, processes, administrative control and use of sustainable materials and technology.
- Promote energy and sustainability policy throughout RAK Ceramics and stakeholders through awareness, training and best practice communication platform.
- Establish PDCA (Plan, Do, Check, Act) on energy and sustainability objectives and targets.
- Communicate and promote the energy and sustainability policy to stakeholders.
- Set targets and benchmark of our performances, to achieve continuous improvement and ensure compliance with all applicable UAE Regulations including best practice international standards.

The management will visibly and rigorously support the implementation of this policy. We also encourage all employees, contractors and others working for us to support our policy in order to make our Energy Management and Sustainability performance a success and secure the continuing confidence of our customers, investors, supply chain, local community and global stakeholders.

ABDALLAH MASSAAD
Group Chief Executive Officer
20th March 2023

United Nations Global Compact Commitment

RAK Ceramics is committed to the principles of the United Nations Global Compact (UNGC) and aligns its business practices with the Ten Principles covering human rights, labor, environment, and anti-corruption. The Group is also a member of the UN Global Compact Network UAE and actively participates in its subcommittees. This commitment reflects our approach to responsible business conduct and ethical operations across our value chain. The UN Global Compact principles are embedded within our Environmental, Social, and Governance (ESG) pillars, guiding our actions on environmental stewardship, workforce wellbeing and human rights, and strong governance and ethical business practices. By integrating these principles into our policies, governance frameworks, and day-to-day operations, we aim to strengthen transparency, accountability, and long-term value creation while contributing positively to sustainable development.

WE SUPPORT UN GLOBAL COMPACT

Embedding **Global Principles** to drive **Responsible** and **Sustainable Growth**

03/09/2024

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that **RAK Ceramics PJSC** supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our commitment to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. **RAK Ceramics PJSC** will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (CoP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress starting the calendar year after joining the UN Global Compact, and annually thereafter according to the UN Global Compact CoP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- The completion of the online questionnaire of the Communication on Progress through which we will disclose our company's continuous efforts to integrate the Ten Principles into our business strategy, culture and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

Sincerely yours,

Abdallah Massaad,

Group CEO at RAK Ceramics PJSC

"RAK Ceramics PJSC supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption"

Abdallah Massaad, Group CEO

Our Sustainability Associations

RAK Ceramics actively engages with recognized national and international organizations to strengthen its sustainability practices, contribute to collective action, and align its operations with leading environmental, social, and governance standards. These memberships and affiliations support knowledge sharing, policy alignment, and collaborative initiatives that advance sustainable development across the built environment.

Emirates Environmental Group (EEG)

RAK Ceramics is affiliated with the Emirates Environmental Group (EEG) and actively participates in key environmental initiatives such as UAE Clean Up Day and UAE Tree Plantation Day. Through this engagement, the Group contributes to community-led environmental action, supporting biodiversity conservation, ecosystem restoration, and environmental awareness across the UAE. RAK Ceramics is the only corporate logistics partner for the Emirates of Ras Al Khaimah for the Can Collection Drive .

Red Crescent

RAK Ceramics partnered with the Red Crescent through the “Joy of Giving” initiative to support families facing hardship by providing essential food supplies. The collaboration reflects the Group’s commitment to community welfare, humanitarian support, and positive social impact across the regions where it operates.

Ecolabel Program

RAK Ceramics is certified under the Ecolabel Program, recognizing its innovative efforts to reduce energy and water consumption, minimize air pollution, and decrease waste generation. This certification reinforces the Group’s commitment to responsible manufacturing practices and continuous environmental performance improvement.

Emirates Green Building Council (Emirates GBC)

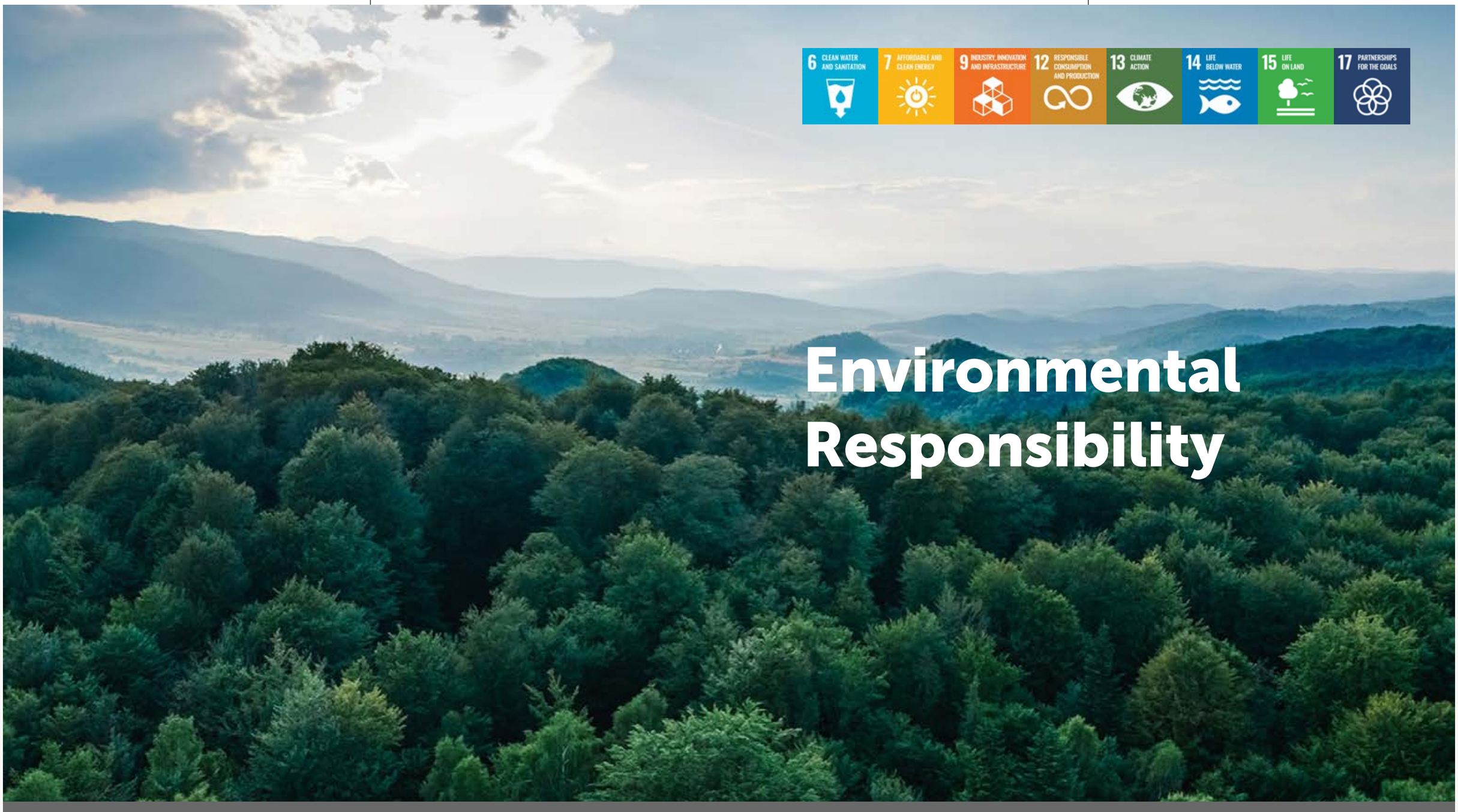
RAK Ceramics is a member of the Emirates Green Building Council, an organization dedicated to promoting sustainable, energy-efficient, and environmentally responsible building practices. Through this membership, the Group collaborates with industry peers, shares technical insights, and supports innovation aimed at advancing greener and healthier built environments, contributing to improved quality of life and sustainable construction practices.

IMPACT SEAL – Platinum Tier

RAK Ceramics has been awarded the IMPACT SEAL – Platinum Tier, the UAE’s official federal recognition for entities demonstrating leading sustainable impact practices. The certification recognizes performance aligned with ESG criteria, the UN Sustainable Development Goals, and national sustainability priorities, reflecting the Group’s contribution to sustainable development at a national level.

Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research

RAK Ceramics signed a Memorandum of Understanding with the Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research to promote collaboration, knowledge exchange, and opportunities for Emirati youth. The partnership supports research, capacity-building, and talent development initiatives, reflecting the Group’s commitment to national development and inclusive growth.



Environmental Responsibility

RAK CERAMICS

Advancing towards a low-impact future by strengthening energy and water efficiency, accelerating circularity, reducing emissions and pollution, and embedding responsible logistics across our value chain.

ENVIRONMENTAL RESPONSIBILITY

RAK Ceramics' Environmental Stewardship and Biodiversity Initiatives

RAK Ceramics remains committed to protecting nature, restoring ecosystems, and supporting sustainable communities through environmental initiatives that emphasize hands-on impact and strategic collaboration. Guided by its sustainability priorities, the Group integrates biodiversity conservation and ecosystem restoration into both community engagement and operational practices

MANGROVE RESTORATION AT KHOR AL MAZAHMI NATURE RESERVE

In partnership with the **Environment Protection and Development Authority (EPDA)**, RAK Ceramics conducted a mangrove tree plantation drive at the **Khor Al Mazahmi Nature Reserve** in Ras Al Khaimah. Mangroves play a vital role in protecting coastlines, enhancing biodiversity, and strengthening climate resilience by acting as natural carbon sinks and buffers against coastal erosion.

This initiative underscores the importance of consistent and conscious environmental action and reflects RAK Ceramics' commitment to biodiversity protection and ecosystem restoration. In recognition of its contribution, RAK Ceramics received a **Certificate of Appreciation from EPDA**, reinforcing the Group's role in supporting local environmental conservation efforts.

This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 13 – Climate Action: Promoting nature-based climate solutions

SDG 14 – Life Below Water: Protecting coastal and marine ecosystems

SDG 15 – Life on Land: Restoring natural habitats and biodiversity

SDG 17 – Partnerships for the Goals: Collaborating with EPDA to deliver tangible environmental impact

COLLABORATIONS WITH THE EMIRATES ENVIRONMENTAL GROUP (EEG)

RAK Ceramics actively collaborates with the Emirates Environmental Group (EEG) to support community-driven environmental action and awareness. Key initiatives include participation in the #CleanUpUAE Campaign, which mobilizes volunteers to protect and preserve natural environments, and the #ForOurEmiratesWePlant initiative, which involved tree plantation at the Special Bee Reserve – Al Minae to support climate action, enhance biodiversity, and restore ecosystems.

These collaborations reflect the Group's commitment to long-term, hands-on environmental engagement and demonstrate the value of partnerships in delivering measurable and lasting environmental outcomes.

SUSTAINABLE PRACTICES ACROSS OPERATIONS

Environmental responsibility is embedded across RAK Ceramics' operations through a range of initiatives focused on ecosystem protection, resource stewardship, and risk management. These include ecosystem restoration and plantation drives aimed at afforestation and carbon sequestration, contributing to climate mitigation and habitat restoration.

The Group also invests in green infrastructure development, establishing green belts across office and plant premises to improve air quality, reduce heat impact, enhance biodiversity, and create healthier working environments. In addition, RAK Ceramics adopts a life cycle approach to environmental management, conducting Environmental Impact Assessments (EIAs), implementing Environmental Management Plans (EMPs), and undertaking continuous monitoring to mitigate environmental risks and reduce its overall footprint.

COMMITMENT TO LONG-TERM ENVIRONMENTAL IMPACT

Guided by the Group Sustainability Policy Statement and HSE Policy, RAK Ceramics remains committed to responsible water stewardship, biodiversity conservation, circularity, and minimizing environmental impacts across the project life cycle, from development through to decommissioning.

Through these initiatives, RAK Ceramics demonstrates its long-term commitment to environmental stewardship and sustainable development, ensuring meaningful contributions to the protection of natural ecosystems and the wellbeing of the communities in which it operates.

Continua Technology at MC5 Factory: Sustainable Innovation in Manufacturing

In 2025, RAK Ceramics achieved a major milestone in sustainable manufacturing with the integration of Continua+ Technology at the MC5 facility. This next-generation system represents a breakthrough in large-format gres porcelain slab production, combining cutting-edge innovation with environmental efficiency.

The new facility is equipped with a 300-meter kiln, the longest in the Middle East, and incorporates a seven-layer horizontal dryer that operates entirely on total heat recovery from the kiln. This closed-loop design significantly reduces fuel consumption and optimizes energy efficiency, contributing to RAK Ceramics' long-term commitment to sustainable industrial operations.

Continua+ Technology enables a more efficient, streamlined production process with precise raw material dosing and reduced waste generation compared to traditional pressing and cutting methods. The plant integrates smart automation systems, including digital glazing, automated quality control, and intelligent scheduling and storage, all of which enhance production precision and lower overall resource use.

Reduction in fuel consumption through total heat recovery from the kiln.

Optimized energy performance via advanced process automation.

Enhanced efficiency in **raw material use** and waste reduction.

I**ncreased production capacity** - up to 4 **million m²** annually, with slabs reaching 180 × 360 cm in size and thicknesses from 6 mm to 20 mm.

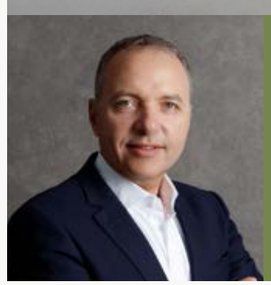
This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 9 – Industry, Innovation and Infrastructure
Introduces advanced manufacturing technology, improving industrial efficiency and supporting sustainable, innovative infrastructure.

SDG 12 – Responsible Consumption and Production
Reduces fuel consumption, optimizes energy use, and improves raw material efficiency, contributing to lower resource use and waste.

SDG 13 – Climate Action
Enhances energy efficiency and lowers fuel consumption, supporting reductions in greenhouse gas emissions from manufacturing operations.

The integration of Continua+ Technology at MC5 underscores RAK Ceramics' leadership in innovation, operational excellence, and sustainable production, setting new standards for efficiency and environmental responsibility in the ceramics industry.



"Our commitment to innovation and sustainability is at the core of our growth strategy. The launch of the new Continua+ line reinforces our leadership in the slab category and demonstrates our dedication to advancing sustainable manufacturing technologies."

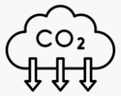
Abdallah Massaad, Group CEO

Carbon Innovation Partnership: Launch of UAE's First Industrial CO_2 Recovery Plant

In 2025, RAK Ceramics reached a major sustainability milestone by partnering with Gulf Cryo to establish the UAE's first industrial carbon recovery and reuse facility. The project marks a pioneering step toward achieving national Net Zero 2050 goals and demonstrates RAK Ceramics' leadership in circular carbon management.

The facility captures carbon dioxide emissions generated from RAK Ceramics' production operations and purifies them into 99.99% food-grade CO_2, creating a valuable resource for industries such as food, healthcare, and agriculture. By transforming emissions into usable products, the initiative showcases how innovation can drive both environmental and economic value.

Beyond its technical achievements, the collaboration reflects a shared vision of industrial decarbonization through partnership and innovation. The plant is designed to recover approximately 17,000 metric tons of CO_2 per year, supporting significant reductions in the company's overall carbon footprint and reinforcing its commitment to responsible manufacturing.



Captures and reuses **17,000 metric tons of CO_2** annually.

Converts emissions into **99.99% pure, food-grade CO_2** for multiple sectors.

Supports the **UAE's Net Zero 2050 vision** through practical, scalable solutions.

This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 9 – Industry, Innovation and Infrastructure
Introduces advanced industrial carbon recovery technology, supporting innovation and low-carbon manufacturing.

SDG 12 – Responsible Consumption and Production
Transforms process emissions into a reusable, food-grade resource, advancing circular economy practices and resource efficiency

SDG 13 – Climate Action
Reduces industrial CO_2 emissions and supports the UAE's Net Zero 2050 targets through measurable emission reductions.

Overview

At RAK Ceramics, environmental responsibility is embedded across our manufacturing operations spanning Tiles, Sanitaryware, Faucets, and Tableware. As a group operating energy- and water-intensive production processes, we recognize the scale of our environmental footprint and the responsibility we carry in managing resources efficiently, reducing emissions, preventing pollution, and advancing circular practices. Our environmental strategy is driven by continuous improvement, underpinned by targeted investments in advanced technologies, process optimization, and operational controls across all service lines.

Energy efficiency and emissions reduction remain central to our environmental performance across Tiles, Sanitaryware, and Tableware manufacturing, supported by continuous upgrades to kilns, heat recovery systems, cogeneration plants, and process optimization initiatives. In Faucets manufacturing, energy-saving measures such as gas cycle optimization initiatives, equipment upgrades, and improved production controls. These initiatives contribute directly to lowering fuel and electricity consumption and reducing Scope 1 and Scope 2 greenhouse gas emissions across RAK Ceramics UAE.

In 2025, total energy consumption amounted to 978,435 GJ, while total Scope 1 and Scope 2 emissions stood at 378,346 tCO2e and 9,453 tCO2e respectively. Energy and emissions intensity metrics were 0.12 tCO2e/1000AED and 0.13 tCO2e/1000AED respectively, reflecting continued efficiency improvements.

Water stewardship is a key priority across all manufacturing operations. Tiles and Sanitaryware facilities continue to strengthen circular water management through wastewater treatment, reuse, and alternative water sourcing solutions, reducing reliance on freshwater supplies. In Faucets and Tableware manufacturing, water-efficient processes, monitoring systems, and reuse practices support lower water intensity across operations.

In 2025, total freshwater withdrawal was 3,411,767 m^3, across manufacturing sites.

Waste management and circularity are integral to environmental performance, particularly within Tiles and Sanitaryware manufacturing. Initiatives focus on reducing fired losses, increasing the use of recycled materials in production, and reintegrating process waste, including polishing sludge and Effluent Treatment Plant waste, back into manufacturing processes. Across the Group, waste segregation, recycling, and recovery programs aim to minimize landfill disposal and improve material efficiency.

Pollution prevention and environmental protection are managed through robust operational controls across all service lines. Emissions to air are addressed through improved combustion efficiency, cleaner fuel use, and process optimization, while effluents are managed through wastewater treatment systems designed to meet regulatory standards.

Responsible chemical management practices further support the prevention of soil, water, and air pollution, helping to minimize impacts on surrounding communities and ecosystems.In 2025 emissions to air and water remained within regulatory limits.

Highlights

2.09%
Decrease in Energy Intensity of Sales

336 tCO_2E
Carbon Emissions Saved from transition to Rail Transport

35.5%
Reduction in Sulfur Dioxide Emissions.

Looking ahead, RAK Ceramics will continue to strengthen its environmental performance across Tiles, Sanitaryware, Faucets, and Tableware manufacturing. By intensifying efforts to reduce energy, water, and emissions intensity, advancing circularity, and strengthening pollution prevention, we aim to decouple growth from resource consumption and reinforce our position as a responsible and forward-looking ceramics manufacturer.

Water Stewardship

37 Years of Protecting and Preserving Water Resources

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 2025, our 3 Effluent Treatment Plants (ETP) treated **968,695 m3**, and our 1 Sewage Treatment Plant (STP) treated **192,957 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 2025 was **1,161,652 m^3**, there was also a 12.45 % rise in the treatment of desalinated water, which reached a total of **2,186,778 m^3** in 2025.

Water Quality

RAK Ceramics UAE sources upstream water withdrawn from the sea for operational consumption, including production processes, offices, and worker accommodations. Treated process water is discharged and returned to the sea in compliance with regulatory requirements.

To ensure water quality, we conduct internal regular monitoring of key parameters and engage third-party laboratories for annual independent testing of both intake and discharge water. These measures verify that discharged water meets environmental standards and protect marine ecosystems.

In line with our ISO 14001 environmental management system, we have established an annual target of 5% reduction in water consumption intensity. Regular monitoring of consumption volumes supports tracking and achievement of this goal.

Looking ahead, we are developing more comprehensive water stewardship objectives, including participation in recognized Water Sense programs, enhanced water efficiency certifications, and setting ambitious long-term targets to further minimize our water footprint and promote responsible water management across operations.

2,186,778 M3
Desalination Water Treated

1,161,652 M3
Wastewater Treated

Water Stewardship

Water efficient Product Solutions

RAK-NEOFIX

RAK-Neofix flushing systems reflect RAK Ceramics' focus on water stewardship, combining advanced technology with efficient dual-flush mechanisms designed to reduce water consumption across residential and commercial applications. The concealed systems and designer push plates integrate seamlessly with wall-hung and back-to-wall WCs and bidets, enabling both aesthetic flexibility and responsible water use. By incorporating reliable, water-saving flush technology and durable concealed installations, RAK-Neofix supports efficient bathroom design while contributing to long-term resource conservation and sustainable built environments.

RAK MAXXFLUSH

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

RAK-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.

Water efficient Product Solutions

KLUDI- Efficient Aerator Technology

Advanced aerator systems enrich water with air, reducing flow rates of washbasin and kitchen fittings to **5 liters per minute or less**. This enables significant water savings while maintaining user comfort and performance.

KLUDI- Optimised Shower Flow

Integrated flow-limitation technology reduces shower water consumption to **9 liters per minute**, supporting water conservation without compromising the showering experience.

KLUDI- Sensor-Activated Water Control

Touchless, sensor-based fittings release water only when required, reducing unnecessary flow and lowering overall consumption. Standard flow reduction further enhances water efficiency in daily use.

KLUDI- Long-Life, High-Durability Components

KLUDI fittings are engineered for longevity, with single-lever mixers tested for up to **210,000 on/off cycles, equivalent to approximately 10 years of use**. Extended product lifespan supports resource efficiency and reduces replacement-related impacts.

Net Zero Strategy

RAK Ceramics recognizes the **UAE Net Zero by 2050 Strategic Initiative** and the national ambition to transition towards a low-carbon economy. As a manufacturing group with energy-intensive operations, we acknowledge the importance of aligning our climate approach with national priorities while ensuring that actions remain appropriate to our operational context.

Currently, RAK Ceramics is focused on **monitoring and managing Scope 1 and Scope 2 greenhouse gas emissions**, covering emissions associated with fuel consumption and purchased electricity across manufacturing operations. This provides a robust baseline for understanding emissions sources and identifying efficiency-driven opportunities that support emissions reduction.

Our approach to Net Zero alignment is centred on **operational efficiency, energy optimization, and emissions-intensity improvements,** which are consistent with the objectives of the UAE Net Zero 2050 Strategy. Through continued investments in energy-efficient technologies, process optimization, and cleaner energy use where feasible, we are progressively strengthening our climate performance while supporting national decarbonization efforts.

As data maturity, regulatory frameworks, and transition pathways continue to evolve, RAK Ceramics will **review and enhance its climate approach over time**, assessing opportunities to further align with the UAE Net Zero agenda in a phased and responsible manner.

Case Study

Advancing Zero-Emission Logistics Through Autonomous Electric Transport

RAK Ceramics has launched the UAE's first commercial fleet of self-driving electric trucks at its operations in the Al Hamra Industrial Zone, Ras Al Khaimah, in partnership with Evocargo Autonomous Logistic Services.

The Evocargo N1 autonomous electric trucks are deployed to transport cargo between RAK Ceramics' facilities within the industrial zone, supporting efficient, zero-emission internal logistics. Each vehicle offers a two-tonne payload capacity, can carry up to six EUR pallets, and operates with a range of up to 200 kilometers per charge.

This initiative directly supports RAK Ceramics' environmental, social and governance (ESG) commitments by reducing emissions from industrial transport, enhancing operational safety through advanced autonomous systems, and enabling responsible adoption of innovative technologies. The deployment also aligns with the UAE and Ras Al Khaimah government's smart mobility agenda, reinforcing RAK Ceramics' role in advancing sustainable industrial growth.

Sustainable Tiles Manufacturing

RE-USE QUARTZ and RE-USE MINERALS 100% pre-consumer recycled material **Sustainable porcelain tiles**

RAK Ceramics introduced Re-Use Quartz, a porcelain tile collection manufactured using 100% pre-consumer recycled materials. The collection integrates materials recovered from multiple ceramic production processes, supporting circular material use, improved resource efficiency, and reduced waste within tile manufacturing.

The Tiles manufacturing process at RAK Ceramics integrates sustainability considerations across each stage of production, from raw material preparation to final packaging. Through targeted initiatives embedded within individual process steps, we focus on improving energy efficiency, optimizing water use, reducing waste, and advancing circular material flows. The table below outlines the key sustainability initiatives implemented across the Tiles production process, alongside associated performance metrics, demonstrating how operational actions translate into measurable environmental outcomes.

SUSTAINABILITY EMBEDDED ACROSS THE TILE PRODUCTION PROCESS

1	Pre-consumer materials	Within Tiles manufacturing, RAK Ceramics promotes circular resource usage through the reuse of treated wastewater and recovered materials generated from Tiles, Sanitaryware, and Tableware operations. Wastewater recycling through the Effluent Treatment Plant (ETP) supports reduced freshwater withdrawal and improved water efficiency. In 2025, these initiatives supported water savings of **18,000 m^3** through internal reuse.
2	Crushing	RAK Ceramics strengthens material efficiency by crushing and reusing unused or rejected raw material stock within tile production. In 2025, a total of **75,446 tonnes** of crushed stock was utilized, compared to approximately **70,000 tonnes in 2024**, representing an increase of around **8%**. This practice significantly reduces the environmental impact associated with mining new raw materials.
3	Atomizing/ Spraying	Energy efficiency improvements at the atomizing and spraying stage were achieved through equipment upgrades and process optimization. Co-generation capacity utilization supported reduced energy consumption, while pump upgrades delivered tangible savings. In 2025, piston pump replacement resulted in electricity savings of approximately **77,112 kWh**, while the replacement of double piston pumps with single pumps delivered additional savings of **40,260 kWh**.
4	Pressing	Productivity and energy optimization were enhanced through the installation of new hydraulic presses. Each new press consumed **0.23 kWh/m^2**, compared to **0.36–0.47 kWh/m^2** for older presses, while productivity improved by approximately **350%** compared to legacy equipment.
5	Firing	Energy efficiency during the firing process was improved through the application of thermal emission refractory coatings, reducing heat loss from kilns. In parallel, the introduction of a **Regenerative Loop Wheel (RLW)** enhanced heat recovery performance, contributing to lower fuel consumption and reduced dryer energy demand.
6	Drying	Drying operations benefited from extensive heat recovery initiatives. Waste heat recovered from kilns and frit plants enabled the upgrade of dryers to operate with near-zero fuel consumption, utilizing hot air from kilns and significantly reducing reliance on additional fuel sources.
7	Polishing	Circular material usage was strengthened by recycling polishing sludge back into the production process. In 2025, a total of **13,063 tonnes** of polishing sludge was reintegrated into tile manufacturing, reducing waste generation and supporting material efficiency.
8	Squaring	Material losses during the squaring process were minimized through the recovery and reuse of squaring powder. In 2025, **15,137 tonnes** of squaring powder were recycled back into production, reducing raw material demand and waste disposal.
9	Packing	Packaging operations benefited from the adoption of eco-wrap and optimization of carton dimensions, reducing paper usage for final product packaging by minimizing excess material. Material handling processes benefited from the installation of a Robo Palletizer, reducing material wastage and improving productivity through automated palletizing operations. Sustainable packaging practices benefited from the elimination of green strap usage for specific carton sizes, reducing plastic consumption, while increasing the number of pieces per box and per pallet reduced the overall requirement for wooden pallets and associated material usage.

ENERGY EFFICIENCY IN PRODUCTION

As one of the world's leading tile manufacturers, RAK Ceramics continues to focus on improving energy efficiency and reducing emissions across its production operations. In 2025, total energy consumption for tile production increased in line with higher production volumes and a continued shift toward higher energy-intensity Gres Porcelain (GP) products. Total energy consumption for production reached approximately 30.72 million m^2 of GP, equivalent to 133,372,181 kWh, reflecting the higher energy requirements of GP manufacturing compared to ceramic tiles.

Despite the increase in overall energy demand, energy intensity for GP tile production improved, with electricity intensity decreasing by approximately 2.3% (from 4.444 kWh/m^2 in 2024 to 4.342 kWh/m^2 in 2025). Energy intensity for red body fuel consumption also improved, declining by approximately 5.9% (from 0.051 MMBTU/m^2 to 0.048 MMBTU/m^2), demonstrating continued operational efficiency gains. Electricity intensity for red body production declined by approximately 3.6% (from 2.301 kWh/m^2 to 2.219 kWh/m^2), reflecting process optimization and improved equipment performance.

Our sustainability initiatives continue to encompass both electricity efficiency and gas reduction strategies. In 2025, RAK Ceramics completed 37 electricity efficiency projects, and thermal efficiency initiatives, focusing on heat recovery from kilns and dryers, optimization of spray dryer operations, recovery of heat from ID fans, and improved utilization of co-generation waste heat. These initiatives delivered total energy savings of approximately 1.26 million kWh in 2025. In parallel, RAK Ceramics is advancing further efficiency measures, including the rollout of energy-centric predictive maintenance systems to monitor motor health, load management systems to optimize demand, and variable speed drives for motors and compressors, with additional projects planned for 2026 to further strengthen energy performance.

SMART ENERGY OPTIMIZATION

RAK Ceramics implemented a comprehensive portfolio of electrical and process optimization projects aimed at reducing power and fuel consumption across its tile manufacturing operations. During the year, a total of 52 electrical projects were identified specifically for power consumption reduction, of which 37 projects were successfully completed, resulting in an estimated electricity saving of 1,262,107 kWh.

Key initiatives included the installation of bypass lines to enhance heat recovery temperatures from kilns to dryers, improving thermal efficiency and reducing fuel requirements. In parallel, co-generation utilization was optimized to offset production from spray dryers, which have relatively higher gas consumption. These measures significantly improved energy integration across processes while reducing dependence on high-energy operations.

PROCESS-LEVEL SUSTAINABILITY IMPROVEMENTS

Across the production life cycle, multiple initiatives were implemented to enhance energy efficiency and reduce energy intensity. In the raw material preparation and crushing stages, process optimization and operational improvements reduced specific energy consumption while improving throughput and equipment utilization. Enhanced reuse of existing material streams also minimized energy demand associated with raw material processing.

In atomizing and spraying operations, targeted equipment upgrades and process reconfiguration improved thermal and electrical efficiency, resulting in reduced power consumption and improved operational reliability. Optimization of spray dryer operations further contributed to measurable reductions in electricity usage while maintaining consistent product quality.

At the pressing and firing stages, investments in upgraded machinery and kiln performance enhancements led to higher productivity with lower specific energy consumption. The introduction of regenerative heat recovery systems and optimized refractory solutions reduced heat losses, improved thermal efficiency, and lowered fuel consumption, contributing to reduced emissions and operating costs.

Sustainable Tiles Manufacturing (contd.)

ENERGY EFFICIENCY IN PRODUCTION

HEAT RECOVERY & DRYER ENERGY OPTIMIZATION

Significant progress was achieved in drying operations through enhanced heat recovery integration. Recovered thermal energy from kiln exhaust was reused in dryer systems, including near-zero fuel dryer upgrades, reducing reliance on primary fuel sources and improving overall process thermal efficiency. These initiatives resulted in lower gas consumption while sustaining production capacity and product quality.

ENERGY-FOCUSED TECHNOLOGY

Energy efficiency and operational performance were further strengthened through targeted technology and infrastructure upgrades. At one of our Plants, the installation of energy-efficient machinery delivered energy savings of 2.66 kWh/m^2, equivalent to approximately 3,891,382 kWh, supporting improved process efficiency across operations.

INFRASTRUCTURE UPGRADES

The introduction of automated defect-detection systems enhanced quality control, reduced rework and manpower requirements, and improved rejection rates, while the deployment of a Manufacturing Operations Management (MOM) system enabled digitalization and improved real-time monitoring, tracking, and control of daily manufacturing activities.

THERMAL SAVINGS

105,595 MMBTU

Estimated savings as a result of thermal efficiency initiatives executed in 2025

POWER SAVINGS

1,262,107 kWh

Estimated savings as a result of 37 power savings initiatives executed in 2025

Energy Efficiency Initiatives - 2026 and Beyond

- Energy-Centric Predictive Maintenance System: A predictive maintenance system focused on motor health monitoring is planned to improve equipment reliability and prevent energy losses due to inefficiencies and unplanned downtime.
- Variable Frequency Drives (VFDs) for Material Transportation Circuit (MTC) Ball Mills:Installation of VFDs on MTC ball mills is planned to optimize motor speed based on process demand, reducing unnecessary power consumption.
- Transformer Load Management System: A transformer load management system is planned to improve load balancing, enhance electrical efficiency, and minimize energy losses across the power distribution network.
- Power Load Optimization Initiatives: Advanced power load management solutions are planned to optimize energy usage, reduce power wastage, and improve overall electrical system efficiency.
- Variable Speed Drive (VSD) Compressors: The adoption of variable speed drive compressors is planned to reduce energy losses during loading and unloading cycles, improving compressed air system efficiency.

WATER SUSTAINABILITY

In 2025, water management within tile manufacturing operations continued to focus on optimized usage, increased reliance on treated water, and improved operational control. The production process also incorporated the use of recycled water and Pre-consumer materials generated from Tiles, Sanitaryware (SWD), and Tableware operations, supporting circular resource utilization across manufacturing units.

The Tiles department strengthened its commitment to alternative water sources, with treated water consumption reaching 947,211 m^3 in 2025, an increase of 4.12% over 2024. The higher utilization of treated water demonstrates continued efforts to reduce dependency on freshwater sources by integrating recycled and treated water into manufacturing processes wherever feasible.

In addition, the reutilization of wastewater through the commissioning of an Effluent Treatment Plant (ETP) at our plant enabled the reuse of treated effluent within operations, resulting in an estimated water saving of 18,000 m^3. This initiative further strengthened freshwater conservation and improved sustainable water management practices.

The ratio of wastewater reuse in tile production remained strong in 2025, reflecting sustained improvements in internal water circulation and reuse practices. Although the reuse percentage showed a marginal variation compared to the previous year, overall performance remained aligned with the company's long-term water stewardship objectives.

Total fresh water consumption for tile production in 2025 stood at 416,320 m^3, reflecting a 7.76% increase compared to 2024. This increase was primarily driven by changes in product portfolio, production mix and operating conditions, while maintaining strict controls on freshwater intake.

These initiatives underline the organization's ongoing focus on responsible water management, balancing production requirements with resource efficiency, and supporting broader sustainability and ESG commitments.

EFFLUENT TREATMENT PLANT (ETP) WATER UTILIZATION

The ETP water utilization project at our plant has been successfully completed, enabling the use of treated effluent within operations and supporting improved water efficiency and sustainable water management practices.

RECYCLED WATER UTILIZATION IN TILE PRODUCTION

Across tile manufacturing processes, recycled water and process-generated materials are increasingly utilized, particularly in the mud preparation and crushing stages. The reuse of treated wastewater through ETP systems has contributed to reduced freshwater intake while maintaining process stability and production efficiency.

PROCESS WATER REUSE & OPTIMIZATION

Water efficiency initiatives implemented across multiple production stages have enabled higher internal water reuse and improved circulation of treated water. These measures support responsible water stewardship by optimizing process water utilization and minimizing dependency on external freshwater resources.

SEA WATER PUMP HOUSE – PUMP UPGRADE

The seawater pump upgrade project at the seawater pump house was completed with the replacement of one pump, resulting in an estimated water saving of 1,500 m^3. This initiative improved pumping efficiency, optimized seawater utilization, and contributed to enhanced water resource management across operations.

Water Sustainability Initiatives - 2026 and Beyond

- Planned ETP Water Utilization Study: In 2026, feasibility studies are planned for the utilization of ETP-treated water in our plants. These studies aim to evaluate the integration of treated effluent into plant operations to enhance water efficiency, reduce reliance on freshwater sources, and strengthen sustainable water management practices across manufacturing facilities.

Sustainable Tiles Manufacturing (contd.)

WATER SUSTAINABILITY

WATER SAVINGS

69%

Of wastewater used in Total Water Consumption

WATER SAVINGS THROUGH RECYCLING

18,000 M3

Water saved from additional Effluent Treatment Plant

WASTE AND CIRCULARITY

In 2025, waste and circularity initiatives within tile manufacturing operations focused on maximizing internal reuse, reducing landfill disposal, and promoting circular material flows across production processes. The organization continued to integrate by-products and process residues back into manufacturing, strengthening its commitment to resource efficiency and circular economy principles.

Tiles operations reused 19.06% of waste in final products, and in Gres Porcelain Glazed (GPG), R&D-led formulation improvements reduced reliance on imported raw materials to 69.65%, increased locally sourced materials to 11.29%, and increased Pre-consumer materials utilization to 19.06% (166,313 tons).

REUSE OF PRE-CONSUMER MATERIALS MATERIALS IN PRODUCTION PROCESSES

The production process incorporated the reuse of Pre-consumer materials materials generated from Tiles, Sanitaryware (SWD), and Tableware operations, particularly in mud preparation and crushing stages. This approach reduced dependence on virgin raw materials, minimized waste generation, and supported production continuity through increased reuse of old stock in crushing operations, thereby lowering raw material extraction requirements.

RECYCLING OF POLISHING SLUDGE AND SQUARING POWDER

Significant progress was achieved in polishing and squaring operations through the recycling and reuse of process by-products. In 2025, approximately 13,063 tons of polishing sludge and 15,137 tons of squaring powder were recycled and reintegrated into the production process, substantially reducing waste sent for disposal while improving overall material utilization efficiency.

PACKAGING OPTIMIZATION AND MATERIAL REDUCTION

Packaging-related circularity measures were strengthened through the adoption of eco-wrap packaging, which enabled reduced carton dimensions and lower paper consumption. The elimination of green plastic strapping for selected product sizes reduced plastic usage, while optimized packing configurations increased pieces per box and per pallet, thereby reducing the overall requirement for wooden pallets.

AUTOMATION AND DIGITALIZATION FOR WASTE REDUCTION

Automation initiatives further supported waste reduction efforts with the installation of a robotic palletizer, which reduced material damage, handling losses, and rework. Technology upgrades and digitalization initiatives also enhanced quality control processes, contributing to lower rejection rates and reduced material waste across operations.

RESOURCE SAVINGS

206,025 Tons

Total Pre-consumer materials consumption

MATERIALS RECYCLED

95-98%

Of ETP sludge and Green Tile materials are recycled

In 2025, RAK Ceramics continued to strengthen waste efficiency and circular resource management across its tile production and effluent treatment operations through the high utilization of recycled input materials. The Company consumed approximately 47,665 tons of ETP sludge, representing 86.6% of total generation, significantly reducing the volume of waste requiring external disposal. Consumption of fired tile rejects reached 59,810 tons, with 53.8% sourced from current-year generation and the balance from existing inventory, demonstrating effective recovery and reuse of both current and legacy waste streams.

Polishing sludge was primarily utilized within the RAK Tiles business, achieving a utilization rate of approximately 55.5%, influenced by changes in ceramic production volumes and a reduced GP ratio; nevertheless, internal reuse continued to support waste diversion and process efficiency. The Company also consumed 77,755 tons of green tile rejects, equivalent to 100% of in-year generation, with additional quantities drawn from stock, reflecting full recovery of this material stream. In addition, 15,137 tons of squaring waste powder were consumed entirely from current-year generation, eliminating the need for disposal.

Overall, these practices enhanced waste efficiency by minimizing hazardous and non-hazardous waste sent to landfill, optimizing the reuse of production by-products, and improving material recovery rates, thereby supporting regulatory compliance, cost efficiency, and RAK Ceramics' broader sustainability objectives.

Waste and Circularity Sustainability Initiatives - 2026 and Beyond

- Planned Reduction of B-Grade Products and Rejections through Enhanced Quality Controls: Enhanced quality inspection protocols and targeted process improvements are planned to reduce B-grade output and product rejections. These initiatives aim to strengthen quality assurance across production stages, minimize material losses, and improve overall production efficiency while reducing waste generation.
- Planned Reutilization of ETP and Polishing Sludge in Manufacturing Processes: Initiatives are planned to expand the reutilization of ETP sludge and polishing sludge within manufacturing processes. These efforts aim to improve material circularity by diverting waste from disposal, reducing dependence on virgin raw materials, and enhancing overall resource efficiency across operations.
- Planned Body Formula Modifications to Increase Locally Sourced Material Content: Body formulation modifications are planned to increase the percentage of locally sourced raw materials used in production. This initiative aims to strengthen supply chain resilience, reduce transportation-related impacts, and improve material efficiency while maintaining product quality standards.

Recycled Input Materials (Generated from Tiles production & ETP only)	2023	2024	2025
ETP sludge	85% - 90%	95% - 98%	85% - 90%
Fired tiles	85% - 90%	190% - 200%	180% - 190%
Polishing sludge	55% - 60%	80% - 82%	55% - 60%
Green tile	95% - 100%	95% - 98%	110% - 115%
Squaring waste powder	95% - 100%	82% - 85%	102% - 105%

Sustainable Faucets Manufacturing

Design Middle East Award 2025

Recognizing **Excellence** in **Design, Innovation,** and Precision Engineering **Craftsmanship**

Sustainability is integrated across each stage of faucet manufacturing at RAK Ceramics, from material preparation to final packaging. Through targeted process optimization, energy-efficient technologies, water reuse, and responsible waste management, the Group focuses on reducing resource intensity, minimizing emissions, and improving operational efficiency across its faucets production processes.

SUSTAINABILITY EMBEDDED ACROSS THE FAUCETS PRODUCTION PROCESS

1	Sand Core	The cycle time reduction initiative improves production efficiency, resulting in lower energy consumption per unit and reduced emissions during the manufacturing process.
2	Casting	Dedicated furnaces for various brass grades enhance operational efficiency, lowering energy needs and minimizing excess emissions from material handling and temperature variation.
3	CNC	Optimizing manpower at the leak test machine through process automation improves operational efficiency, indirectly conserving energy and supporting productivity gains.
4	Grinding & Polishing	Surface machining advancements have improved grinding and polishing efficiency, decreasing cycle time and energy use per component while reducing related carbon emissions.
5	Electroplating	The adoption of a new pre-treatment chemical has improved process efficiency, reducing chemical waste and minimizing potential emissions from treatment residues.
6	ETP	The water treatment system enables the reuse of treated water, significantly reducing freshwater demand and supporting responsible wastewater management.
7	Assembly	The integration of a laser with PAD printing machine optimizes power use and enhances productivity, contributing to overall energy efficiency and lower emissions.
8	Packing	Packaging redesign focuses on both cost reduction and sustainability by promoting the reuse of cartons and transitioning to recyclable, compostable, and reusable materials, while a structured waste segregation system ensures proper categorization and disposal of general, special, and hazardous waste, minimizing environmental impact and supporting regulatory compliance.
9	All waste disposals	Replacing mercury vapor lamps with energy-efficient LED lighting reduces power consumption and emissions, while eliminating mercury-related environmental risks.

ENERGY EFFICIENCY IN PRODUCTION

In our faucets production division, we continue to make strides toward enhancing energy efficiency, even as we navigate operational changes and evolving production dynamics. In 2025, total electricity consumption for faucet production increased to 8.085 million kWh, up 67% from 4.845 million kWh in 2022, while total gas consumption rose to 6,103 MMBTU, a 103% increase from the 2022 baseline of 3,000 MMBTU.

Compared to 2024, overall energy consumption for the faucet line increased by 13.85%. In 2025, we undertook the strategic relocation of certain Stock Keeping Units (SKUs) from Hungary and Germany to the UAE. This shift has involved transitioning the production, storage, and management of select products to our UAE facilities to better align with market needs and operational efficiency. While faucet production volumes declined by 6.31% due to this relocation process, the consolidation of manufacturing in the UAE has delivered meaningful improvements in energy performance. Notably, energy intensity of faucet sales and production decreased by 15.4% and 4.5%, respectively. These reductions highlight the positive impact of centralizing operations, which has allowed us to achieve greater efficiency per unit despite the overall increase in total energy use during this transitional period.

At the same time, we have realized tangible energy savings through targeted initiatives under our Continuous Improvement Projects (CIP). Our efforts to ensure efficient energy use include the in-house production of core shooter shoot head housing components (previously sourced from third-party 'Original Equipment Manufacturer' (OEM) providers), which has enhanced process efficiency, reduced lead times, and contributed to cost and energy optimizations. Additionally, we replaced existing mercury vapor lamps with energy-efficient LED lamps across relevant areas of the production line, further supporting our commitment to lowering consumption while maintaining high-quality output.

Looking ahead, we are focused on continuous improvement and building on these gains to drive even greater energy efficiency in the coming years. As we continue to adapt and grow, we are committed to adopting innovative solutions that reduce our environmental footprint while supporting our business objective.

RAK Ceramics commits to bolstering energy efficiency in the faucets department through targeted initiatives like gas optimization, in-house manufacturing, LED transitions, AC upgrades, and chiller replacements, fostering a sustainable future with minimized greenhouse gas (GHG) emissions.

GAS CYCLE OPTIMIZATION

In the plating process, RAK Ceramics implemented a gas energy saving plan focused on minimizing empty cycle times. By streamlining operations, this initiative reduced machine running hours and subsequently lowered boiler operational time, even amid high production volumes. The result was a significant decrease in gas consumption measured in MMBTU, contributing to lower GHG emissions and cost savings. Apart from the efficient use of energy, this initiative also maintains product quality and output levels, aligning with our ESG objectives. Through careful monitoring and process adjustments, we achieved measurable reductions without compromising workflow. This initiative exemplifies how targeted optimizations can yield substantial environmental benefits, supporting our transition to more sustainable manufacturing practices in the faucets sector.

IN-HOUSE EQUIPMENT MAINTENANCE

RAK Ceramics transitioned from sourcing core shooter shoot head housing from external original equipment manufacturers (OEMs) to in-house production. This shift to local fabrication eliminates dependency on third-party suppliers, reducing procurement lead times and associated transportation emissions. By manufacturing these machine parts internally, we achieve notable cost savings and improve supply chain efficiency. The initiative also encourages skill development among our workforce and minimizes material waste through better control over our production processes. Overall, this move enhances operational agility and contributes to our energy efficiency goals by streamlining manufacturing in the faucets department.

Sustainable Faucets Manufacturing (contd.)

ENERGY INTENSITY

↓ 15.38%

Energy intensity of faucet sales in 2025 compared to 2024 (per GJ/000 AED)

LED LIGHTING UPGRADE

RAK Ceramics replaced outdated mercury vapor lamps with advanced LED lighting systems across the faucets production line. Mercury lights, known for high power consumption and environmental hazards due to toxic materials, were phased out in favor of LEDs that offer superior brightness, longer lifespan, and significantly lower energy use. This upgrade can reduce electricity bills by up to 70% in illuminated areas where this initiative was implemented while improving workplace safety for employees. LEDs also emit less heat, decreasing the load on cooling systems and further conserving energy.

Energy Efficiency Initiatives - 2026 and Beyond

- Efficient Chiller Replacement: In 2026, RAK Ceramics plans to replace obsolete water chillers in the faucets department with modern units featuring shell-type heat exchangers. The new shell-type exchangers will provide superior thermal efficiency and faster cooling cycles, achieving upto 25% savings in electricity usage. This initiative will help reduce water and energy consumption, aligning with water conservation goals in water scarce regions like the Middle East.
- Packaged AC Conversion: RAK Ceramics plans to convert sand core air conditioning systems to high-efficiency packaged units within the faucets production line. This upgrade will improve the reliability of our systems and extended equipment lifespan. Environmentally, it decreases overall energy use and greenhouse gas emissions associated with cooling processes critical for sand core molding.

WATER SUSTAINABILITY

In 2025, our water sustainability efforts within the faucets production division continued to demonstrate resilience amid growing operational demands. As sales of faucet units increased by 11.83% this year, overall water consumption in the faucet production line rose by 5.21%. This contained increase, well below the growth rate of faucet sales, reflects the effectiveness of water efficiency measures implemented in 2025

Despite these pressures, we are proud to report steady progress in water efficiency. Approximately 8.1% of our wastewater was successfully reused during faucet production, maintaining consistency with performance levels achieved in prior years. Through dedicated initiatives, we saved 1,610 m^3 of water this year, preserving production quality and efficiency.

Looking ahead, we are committed to further improvements through planned initiatives aimed at enhancing water reprocessing and reuse of treated water for industrial purposes, with the goal of minimizing freshwater consumption and building on the positive momentum already established.

RAK Ceramics commits to water sustainability in faucets manufacturing by optimizing usage for growth without added consumption and reusing treated wastewater industrially, reducing freshwater reliance and advancing circular practices in line with UAE environmental goals.

TREATED WATER REUSE

RAK Ceramics has advanced water sustainability in the faucets department by treating and reprocessing wastewater for reuse in industrial processes. Effluent from operations such as surface treatment and rinsing undergoes rigorous treatment in our high-efficiency Effluent Treatment Plant (ETP), before being recycled back into industrial processes.

This closed-loop system significantly cuts freshwater withdrawal and reduces wastewater discharge to near-zero. This initiative positions the faucets production as a model for resource-efficient manufacturing within RAK Ceramics' global operations. Ongoing enhancements, including aeration upgrades, will further optimize water use in this production line.

WATER SUSTAINABILITY

WASTEWATER SAVINGS

8.1%

% of wastewater reused in Faucets production

WATER SAVINGS THROUGH INITIATIVES

1,610 M^3

water saved through water efficiency initiatives

Water Efficiency Initiatives - 2026 and Beyond

To support sustainable growth without increasing overall water consumption, we are planning to implement an Effluent Treatment Plant (ETP) with a water recycling and reuse system.

This initiative will enable:

- Treatment and recovery of process wastewater
- Reuse of treated water in suitable operations
- Reduction in freshwater dependency
- Improved environmental compliance and long-term sustainability

These initiatives reflect our continued commitment to operational excellence and environmental responsibility.

WASTE AND CIRCULARITY

In our faucets production line, we have successfully maintained a 100% reuse rate for all rejected faucet pieces, reintegrating them fully back into the production process. This practice ensures that no material is wasted, delivering consistent savings in raw materials and associated costs ensuring the principles of circularity are effectively implemented into our production model.

A highlight this year has been the significant diversion of waste from landfill through our recycling efforts. Over 68,000 tons of input materials have been recycled and reused, protecting the environment and supporting resource conservation on a substantial scale. In addition, the total waste generated from the faucet service line remained exceptionally low, given the volumes handled during the reporting year, at approximately 180 tons, with 60 tons classified as hazardous and 120 tons as non-hazardous.

Going forward, we aim to build on this success through further waste reduction initiatives. Planned efforts include enhanced recycling of sand core and sand waste to reduce special waste, as well as targeted measures to minimize grinding belt waste and cutting-related special waste by approximately 1 ton per month.These accomplishments demonstrate the progress we continue to maximize resource efficiency during production of our faucets, steadily reducing our environmental footprint. We remain fully dedicated to driving innovation in circularity and advancing our sustainability goals with every step forward.

RAK Ceramics commits to enhancing waste management and circularity in faucets production through optimized electroplating chemicals, sustainable packaging redesign, rigorous waste segregation, and digital instruction transitions, minimizing waste generation and embracing circular principles for a greener future.

Sustainable Faucets Manufacturing (contd.)

ELECTROPLATING PRE-TREATMENT

In our electroplating operations, RAK Ceramics has adopted an advanced pre-treatment chemical that significantly reduces chemical waste volumes. This technology minimizes residue requiring treatment, lowers potential emissions, and enhances overall environmental performance in surface finishing. By reducing hazardous outputs, it decreases disposal needs, supports compliance with stringent regulations, and maintains the high-quality finish of our faucets.

PACKAGING REDESIGN

The packaging team redesigned cartons and materials which substantially reduced packaging waste generation by shifting to recyclable, compostable, and reusable options. This approach conserves natural resources and lowers the environmental impact from single-use materials extending material life cycles throughout the supply chain for faucets products.

TRANSITION TO DIGITAL INSTRUCTION MANUALS

We've transitioned from printed instruction manuals to QR codes, eliminating paper usage entirely. While this initiative streamlines access to assembly instructions for our customers, it also helps conserve water and trees used in paper production by removing unnecessary physical materials from the product life cycle.

Waste and Circularity Sustainability Initiatives - 2026 and Beyond

In alignment with our waste reduction and circular economy objectives, we are committed to minimizing wooden pallet waste generated during our operations.

Our key initiatives include:

- **Reuse:** Reutilizing pallets that are in good condition for internal logistics and material handling activities.
- **Segregation:** Systematically segregating damaged pallets to ensure proper handling and traceability.
- **Responsible Recycling:** Disposing of scrap pallets through authorized third-party recyclers to promote responsible material recovery and circularity.

Through these measures, we aim to reduce landfill waste, optimize resource utilization, and strengthen our sustainability performance.

PACKAGING CARTON WASTE

15%

Decrease in carton waste in 2025

REJECTED PRODUCT REUSE

100%

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

MATERIALS RECYCLED

68,404 TONS

Of waste material was recycled into production

Sustainable Tableware Manufacturing

Recycling **100%** of our **water, repurposing waste,** and harnessing **solar energy**

Sustainability is embedded across RAK Ceramics' Tableware manufacturing operations under RAK Porcelain, with a focus on energy efficiency, water stewardship, and responsible resource use.

The Tableware* manufacturing process at RAK Ceramics embeds sustainability measures across all stages of production, from body and glaze preparation through firing, finishing, and packaging. Process-specific initiatives focus on maximizing water recycling, improving energy efficiency through heat recovery and optimized firing, reducing waste via reuse of rejects and sludge, controlling emissions, and promoting sustainable packaging. This ensures efficient resource use and compliance with environmental regulations while supporting circular production practices. Certain initiatives are consistently followed year-on-year, including 100% recycling of production wastewater across multiple stages, full reuse of rejected pieces at various points in the process, and the application of waste heat recovery techniques in kiln firing operations. These practices form the foundation of our circular approach, delivering reliable environmental benefits and resource savings every year.

SUSTAINABILITY EMBEDDED ACROSS THE TABLEWARE PRODUCTION PROCESS

1	Body & Glaze Preparation	Tableware Division promotes material efficiency and circularity in body and glaze preparation through recovery of surplus raw materials, 100% recycling of production wastewater via the Effluent Treatment Plant (ETP), and controlled reuse of finished and semi-finished rejections at specified percentages for body preparation. These practices reduce virgin raw material demand, minimize waste generation, and support lower freshwater withdrawal while maintaining product quality.
2	Casting	Tableware Division enhances resource circularity in casting by implementing 100% production wastewater recycling through the ETP and full reuse of semi-finished rejections. This approach diverts waste from disposal, conserves raw materials, and contributes to reduced environmental impact across the early forming and initial firing stages.
3	Biscuit Firing	Tableware Division improved kiln energy efficiency by optimizing biscuit firing through X-plates for better loading and firing performance, recovering waste heat from hot pipes to support combustion, and installing VFD inverters on kiln cooling, fume, and hot air fans, reducing fuel and power consumption, lowering GHG emissions, and enhancing overall thermal efficiency.
4	Glazing	Tableware Division ensures resource efficiency in glazing by maintaining 100% recycling of production wastewater through the ETP. This initiative supports reduced freshwater consumption, minimizes effluent discharge, and aligns with environmental compliance while preserving high-quality glaze application.
5	Glost Firing	Tableware Division advances energy efficiency in glost firing by employing X-plates to improve kiln efficiency and achieve lower energy consumption, alongside waste heat recovery from hot pipes to support combustion and VFD inverters on kiln cooling, fume, and hot air fans, reducing fuel and power consumption. These optimizations decrease fuel requirements, reduce operational costs, and lessen the environmental footprint of the final firing stage.
6	Decoration	Tableware Division minimizes material wastage in decoration by adopting a made-to-order approach for designs and applications. This practice avoids overproduction of decorated pieces, reduces scrap generation, and supports leaner resource use while maintaining flexibility and customization for customer needs.
7	QC / Sorting & Foot Grinding	Tableware Division reinforces circularity in quality control, sorting, and foot grinding by implementing 100% production wastewater recycling via the ETP and full recycling/reuse of finished piece rejections. These efforts eliminate landfill disposal, recover valuable materials, and contribute to overall waste minimization in the finishing stages.
8	Packing	Tableware Division advances sustainable packaging in the packing stage through a dedicated policy requiring only recyclable, compostable, or reusable materials, including cartons and boxes made from at least 80% recycled paper. This reduces reliance on virgin materials, lowers packaging-related environmental impact, and supports broader circular economy objectives.

*Where RAK Ceramics "Tableware Division" or "Tableware" is referenced, it shall be read and understood as RAK Porcelain LLC.

Sustainable Tableware Manufacturing (contd.)

ENERGY EFFICIENCY IN PRODUCTION

In 2025, our efforts to improve energy efficiency in tableware production continued to deliver strong results amid stable operations. Production volumes remained high, with 25.27 million pieces being produced.

We achieved a significant reduction in total energy consumption for the tableware service line, down by 13.12% to 368,113 GJ, with the energy mix comprising 84% natural gas and 16% electricity. These savings highlight the ongoing effectiveness of our efficiency measures.

Key energy efficiency initiatives completed in 2025 included the installation of additional Variable Frequency Drives (VFDs) on more production equipment, replacement of existing fans with energy-efficient BLDC fans, and the implementation of heat recovery systems on 4 kilns. These upgrades contributed to meaningful reductions, including a 11.85% decrease in gas consumption per unit for tableware production and savings of approximately 644,950 kWh through our power-saving initiatives.

While we build on the foundation established with the ISO 50001:2018 certification achieved in prior years, we remain dedicated to further optimizing energy usage and driving sustainability through continued innovation. In 2025 we Installed 100 energy meters on significant power-consuming equipment (SEUs) to enable accurate consumption monitoring, strengthen data-driven efficiency analysis, and provide immediate alerts on abnormal energy variations.

Looking ahead, we have targeted initiatives planned for 2026, including modifications to the hydraulic packs on isostatic presses with advanced systems, implementation of centralized vacuum systems in the press area, expansion of VFD usage across the production line, and replacement of existing LED T8 lamps with microwave-sensor-equipped T8 LED tubes. These steps will further enhance energy and cost savings in the coming year.

In 2025, RAK Ceramics' Tableware division advanced energy efficiency through targeted initiatives, achieving notable reductions in gas and electricity consumption. We remain committed to sustainable practices, continually investing in innovative technologies to minimize our environmental footprint and optimize resource use for a greener future.

VARIABLE FREQUENCY DRIVES (VFDS)

In 2025, the Tableware production line expanded the installation of VFDs across additional equipment including kilns, enabling precise control of motor speeds to match operational demands. This upgrade reduces energy wastage during variable load conditions.

BLDC FANS UPGRADE

Tableware Division replaced 125 existing fans with energy-efficient Brushless DC (BLDC) models, which consume significantly less electricity than traditional fans while providing superior performance and longevity. This initiative directly supports our power conservation goals through the reduction of maintenance needs, and promoting a more sustainable manufacturing environment.

KILN HEAT RECOVERY

Heat recovery systems were installed in four kilns to capture and reuse waste heat, improving thermal efficiency in the firing process. This resulted in a 11.85% reduction in gas consumption per unit, lowering GHG emissions and energy costs. By recycling heat, we enhance process sustainability, aligning with our broader ESG objectives for resource optimization in ceramics production.

ENERGY MONITORING & DATA-DRIVEN EFFICIENCY ENHANCEMENT INITIATIVE

As part of our commitment to energy efficiency and operational excellence, we installed 100 energy meters across significant power-consuming equipment (SEUs). This initiative strengthens real-time energy monitoring, enables detailed data analysis to identify efficiency improvement opportunities, and provides immediate alerts on abnormal consumption patterns.

ENERGY SAVINGS

↓ 13%

Reduction in Total Energy Consumption in 2025

Energy Efficiency Initiatives - 2026 and Beyond

- Hydraulic Pack Upgrade: The modification of isostatic presses will incorporate advanced hydraulic pack systems, replacing conventional setups. This upgrade minimizes energy losses from pumps and fluid dynamics, enhances precision in pressure application in the formation of our tableware products while lowering maintenance needs in high-pressure production. The project involves upgrading Isostatic Presses with an advanced hydraulic pack system, replacing the existing conventional setup to significantly reduce power consumption by adopting an inverter-driven motor and simplified hydraulic valve configuration. This modification achieves approximately 60% energy savings, lowers spare parts and maintenance costs by 40–50%, reduces downtime, and improves system reliability while extending the equipment life by nearly 15 years
- Kiln Slab Automation: In 2026, we plan to automate the cleaning process of the kiln slab through the introduction of robotic or mechanized systems to efficiently remove residues and maintain optimal kiln performance. By eliminating manual interventions and ensuring consistent cleanliness, this initiative improves thermal efficiency, reduces energy required for reheating or uneven firing, minimizes downtime, and contributes to lower gas consumption while enhancing product quality and operational safety.
- Centralized Vacuum System: Within the Tableware production line, RAK Ceramics plans to implement a centralized vacuum system within the press area which will consolidate multiple decentralized units into a single, high-efficiency network. This reduces redundant energy use from individual pumps through the optimization of airflow and pressure control within each pump. The introduction of this initiative will also lower noise and heat generation delivering substantial electricity savings through a demand-matched vacuum supply for dust and debris management. Within the Tableware production line, RAK Ceramics proposes to replace seven decentralized vacuum pumps with a single centralized inverter-driven vacuum pump using claw technology in the press area. This system optimizes airflow and pressure control to reduce power consumption by approximately 3.25 kW per hour, eliminate frequent pump servicing, lower spare part requirements, and improve machine uptime while reducing noise and heat generation
- Further improvements through VFD Installation:Further installation of Variable Frequency Drives (VFDs) on additional machines including kilns will enable precise motor speed control tailored to production loads. Building on existing applications, this expansion minimizes energy waste during variable operations, such as in conveyors, fans, or pumps, achieving significant power reductions.

WATER SUSTAINABILITY

Achieving water sustainability in our Tableware production has been a journey defined by hard work and dedication to continuous improvement.

Through rigorous planning and upgrades to our production process, we achieved a remarkable reduction in total water consumption for the tableware service line, more than halving it from 149,098 m^3 in 2024 to 65,923 m^3 in 2025 (a decrease of approximately 55.8%). This freshwater consumption was measured via monthly water meter readings from the RAK Ceramics power plant supply.

A cornerstone of this achievement was the performance of our in-house Effluent Treatment Plant (ETP) which was fully operational during this reporting year and only partially operational in 2024. Our in-house ETP enabled us to recycle 100% of the wastewater generated. In total, we recycled 141,101 m^3 of wastewater, with 93% (131,306 m^3) successfully reused directly in tableware production. This closed-loop approach not only minimized reliance on freshwater resources but also delivered tangible economic benefits, by substituting recycled water for fresh supplies.

We also made strong progress toward our efficiency targets. Water consumption per unit of tableware produced reached 0.003 m^3 in 2025, surpassing our aspirational 2025 target of 0.006 m^3 per unit and demonstrating outstanding optimization compared to prior performance, further advancing our circular production model.

Sustainable Tableware Manufacturing (contd.)

The effort behind these results was immense, from fine-tuning the ETP processes to implementing systems to reuse our recycled wastewater, which delivered 83,175 m^3 of freshwater saved. Looking ahead, we remain focused on building on this momentum with planned enhancements to the existing on-site ETP to optimize the operations.

RECYCLED WATER INTEGRATION

In 2025, the Tableware department successfully substituted up to 70% of fresh water requirements with treated effluent water (ETP water) for production needs, achieving 100% wastewater recycling in critical wet processes: Body & Glaze Preparation, Casting, Glazing, and QC/Sorting & Foot Grinding. The Tableware production line closed the water loop in these areas. By prioritizing recycled water, we enhance resource efficiency without affecting product quality or manufacturing performance.

WATER REUSE

93%

Of wastewater reused into Tableware production

WATER SAVINGS

83,175 m^3

Fresh Water saved in Tableware Production

Water Efficiency Initiatives - 2026 and Beyond

- ETP Optimization 2026: To complement our water recycling efforts, the 2026 plan focuses on technical optimizations to our in-house ETP. To make our water recycling process is as energy-efficient as it is environmentally effective, further reducing the total footprint of our production.

WASTE AND CIRCULARITY

A cornerstone of our sustainability efforts in tableware production continues to be the effective reuse of materials and the pursuit of zero-waste principles. In 2025, we consumed a total of **14,045 tons** of raw materials, of which **617 tons**, were recycled input material from our production. This closed-loop approach reduces the demand for virgin resources and strengthens resource efficiency across our operations.

We are particularly proud to have maintained **100% reintroduction** of all rejected pieces back into the production process. By fully reintegrating these materials, we divert them entirely from landfill, achieve meaningful cost savings, and minimize our environmental impact.

RAW MATERIAL RECOVERY

In the body & glaze preparation process, surplus raw materials are systematically recovered and reused, while finished and semi-finished rejections are incorporated at specified percentages into new body preparations. This closed-loop approach reduces raw material consumption preserves natural resources while being cost-effective without compromising slurry quality or final product integrity.

EXTERNAL WASTE RECYCLING

In 2025, the Tableware department implemented a structured program sending recyclable plastic, wood, and paper waste to certified external vendors for processing and reuse. This initiative diverts significant volumes of non-hazardous waste from landfills and supports responsible disposal. 47% of total waste generated was recycled minimizing our environmental impact.

REJECTIONS REUSE PRODUCTION

During the production process, semi-finished rejections are collected and reused directly in production cycles. This immediate reintegration lowers the need for fresh inputs, and supports efficient resource utilization while upholding consistent casting performance.

SUSTAINABLE PACKAGING POLICY

A dedicated packaging policy mandates the use of only recyclable, compostable, or reusable materials. All packaging boxes and cartons are made from minimum 80% recycled paper. This shift eliminated virgin material dependency and reduces our overall packaging waste footprint.

Additional achievements carried forward and expanded in 2025 include enhanced waste segregation and recycling practices. We collected more comprehensive data on waste streams, with **5.56 tons** of hazardous and **504.4 tons** of non-hazardous waste generated, of which **47% (237.4 tons)** was recycled. We successfully completed the diversion of recyclable plastic, wood, and paper waste to a dedicated vendor, furthermore, we have increased amount of recycled material (production rejections) in our products to 7.5% (up from 7% the previous year).

We are also expanding our product recycling program capacity. Through these actions, we are taking responsibility for the entire life cycle of our materials and contributing to a future where waste is minimized, resources are continuously reused, and circular practices are fully embedded in our operations.

WASTE RECYCLED

47%

Of total waste generated was recycled

USE OF RECYCLED PRODUCT

↑ 7.5%

Increase in Recycled Tableware rejections used in final products compared to 2024

Waste and Circularity Sustainability Initiatives - 2026 and Beyond

- Product Recycling Program Expansion: In 2026, we are scaling our commitment to circular manufacturing by expanding our end-of-life tableware recovery initiative. This program minimizes our environmental footprint by diverting inert ceramic waste from landfills and reintegrating it into our production cycle. By substituting virgin minerals with recycled material, we are simultaneously conserving natural resources, reducing kiln energy consumption, and lowering greenhouse gas emissions. This expansion reinforces our leadership in stewardship, transitioning our operations from a linear model to a closed-loop system that upholds global ESG standards.

Sustainable Sanitaryware Manufacturing

Five new **spiral-flush** and **water closet products** were introduced in 2025, featuring shell and engine technology that reduced product weight by **15%** and enabled Spagless casting without heat energy for mould drying between cycles.

Sanitaryware production at RAK Ceramics is supported by a range of practical initiatives focused on improving resource efficiency and reducing environmental impact across the manufacturing process. These efforts cover key stages from body preparation and casting to sorting, equipment operation, and packaging. By recycling materials, recovering waste heat, optimizing energy use, and reducing water consumption, the sanitaryware division continues to strengthen its operational efficiency while supporting the Group's overall sustainability objectives.

SUSTAINABILITY EMBEDDED ACROSS THE SANITARYWARE PRODUCTION PROCESS

1	Body Preparation	**100%** of greenware rejects and final manufacturing rejects were recycled back into the production process, supporting circular material use and reducing raw material consumption.
2	Glaze Preparation	Waste glaze generated during production was collected and recycled, minimizing material losses and reducing waste sent for disposal.
3	Casting	Waste heat from kilns was utilized for drying wares, while high, medium, and low-pressure (Spagless) casting methods were adopted to reduce LNG consumption for mould drying and lower water use per unit produced.
4	Kiln	Hot combustion air from kilns was recovered and reused to improve energy efficiency, alongside the use of energy-efficient burners to optimize fuel consumption.
5	Moulding	Product engineering initiatives focused on reducing the weight of products and minimizing process losses, lowering raw material use and associated environmental impacts.
6	Sorting	Recycled water was used for functional testing of finished products, reducing freshwater consumption across the production line.
7	Electrical & Mechanical	Energy performance was improved through the expanded use of Variable Frequency Drives (VFDs), implementation of energy-saving opportunities in air compressors, and deployment of energy-efficient motors for higher loads.
8	ABS Seat & Cover Manufacturing	In toilet seat and cover manufacturing, **100%** of greenware rejected materials were recycled back into the process, supporting waste reduction and circular production.
9	Packing	Recycled materials were used to produce packaging products, reducing the reliance on virgin materials and supporting more sustainable packaging practices.

ENERGY EFFICIENCY IN PRODUCTION

Energy efficiency remained a key focus across RAK Ceramics' sanitaryware operations in 2025, with initiatives centered on equipment optimization, motor efficiency upgrades, and improvements to auxiliary systems. A significant portion of the projects involved the installation of Variable Frequency Drives (VFDs) on dryers, ball mills, and other production equipment, replacing conventional star–delta starters to optimize motor speeds and reduce power consumption during operations. In parallel, conventional ceiling fans were replaced with high-efficiency models, lowering electricity demand across production areas. These targeted equipment upgrades improved process control, enhanced operational reliability, and reduced energy intensity across multiple manufacturing processes.

In addition, broader process optimization and energy management measures were implemented to improve performance across core production lines. Collectively, these initiatives delivered an estimated annual electricity saving of approximately 569,000 kWh. The majority of these reductions were achieved through electrical system upgrades, including VFD installations and efficient fan replacements, while combined electrical and mechanical process improvements contributed additional energy savings. These efforts supported lower operating costs, improved equipment performance, and enhanced overall energy efficiency across sanitaryware manufacturing operations.

PROCESS VENTILATION AND FAN OPTIMIZATION

Energy savings were achieved through the replacement and optimization of ventilation systems across multiple process areas. High-efficiency fans were installed in casting, glazing, and finishing sections to reduce power consumption while maintaining required airflow and environmental conditions. The replacement of 684 conventional ceiling fans with high-efficiency models resulted in an estimated annual electricity saving of 111,720 kWh, while improving overall energy performance across sanitaryware operations. These upgrades improved process stability and reduced energy losses associated with older ventilation equipment, contributing to overall reductions in electricity demand across production areas.

VARIABLE FREQUENCY DRIVE (VFD) INSTALLATIONS

Variable Frequency Drives were installed on selected motors, pumps, and process equipment to optimize speed control based on operational demand. By aligning motor performance with actual process requirements, these systems reduced unnecessary energy use and improved equipment efficiency. The replacement of conventional star–delta starters with Variable Frequency Drives (VFDs) across key production equipment delivered an estimated annual electricity saving of 140,023 kWh, while improving motor efficiency and process control. The installation of VFDs contributed to measurable electricity savings while also extending equipment lifespan and improving process control.

MOTOR AND PUMP EFFICIENCY IMPROVEMENTS

Several initiatives focused on upgrading motors and pumps across production lines to more energy-efficient models. These improvements reduced the electrical load of mechanical systems and enhanced operational reliability. By lowering energy intensity across critical manufacturing processes, the upgrades supported both cost savings and reduced emissions associated with electricity consumption.

ENERGY SAVINGS

Electricity saving of

569,000 kWh

Sustainable Sanitaryware Manufacturing (contd.)

AUTOMATION AND PROCESS CONTROL ENHANCEMENTS

Automation upgrades, including robotic systems and improved control mechanisms, were implemented to stabalize production cycles and reduce manual intervention. These enhancements improved process consistency and minimized energy losses associated with fluctuating operations. As a result, energy use per unit of production was reduced while maintaining consistent product quality.

ENERGY MONITORING AND METERING SYSTEMS

Additional energy meters were installed across key production areas to enhance monitoring and enable more accurate tracking of electricity consumption. Improved visibility of energy performance allowed facilities to identify inefficiencies, prioritize upgrades, and support data-driven energy management decisions. These systems form part of the Group's broader effort to continuously monitor and improve operational efficiency.

Energy Efficiency Initiatives - 2026 and Beyond

- Efficient ventilation and cooling upgrades: Replacement of ceiling fans and exhaust systems with energy-efficient models across casting, moulding, and production areas, projected to save 217,014 kWh annually.
- VFD installations for process equipment: Integration of VFDs on glaze ball mills, blunger motors, and pre-dryers to optimize motor speeds and reduce electricity consumption, with projected savings of 140,023 kWh per year.
- Pump and motor efficiency upgrades: Replacement of AODD pumps with roto electric pumps and installation of IE5 energy-efficient motors for ball mills, delivering combined savings of 170,880 kWh annually.
- Compressed air and airflow optimization: Installation of airflow meters for compressors to improve monitoring and reduce excess energy use, expected to save 40,413 kWh per year.
- Engineering and OEM-to-local optimization projects: Targeted equipment and control system upgrades, including robot motors and slip tank control modifications, projected to save 97,070 kWh annually.

WATER SUSTAINABILITY

In 2025, RAK Ceramics implemented a series of targeted water-efficiency measures across its sanitaryware manufacturing operations, focusing on reducing cleaning cycles, optimizing water flow, and improving equipment configurations in high-consumption areas. These initiatives were designed to address water use at the process level, particularly in inspection, setter, and spraying operations where frequent cleaning is required. By refining equipment layouts, modifying production tools, and adjusting water flow parameters, the company reduced unnecessary freshwater consumption while maintaining product quality, hygiene standards, and operational reliability. These efforts form part of RAK Ceramics' broader water stewardship approach, aimed at improving resource efficiency and reducing the environmental footprint of its manufacturing activities.

OPTIMIZATION OF INSPECTION AND CLEANING SYSTEMS

Water use in inspection areas was reduced through process modifications and equipment optimization. A single pressure tank was configured to serve three trap glaze inspection booths, replacing the previous one tank-per-booth setup and lowering overall cleaning water demand. In parallel, water flow rates were reduced in both robot spraying areas and inspection booth sponging zones, ensuring effective cleaning with lower water consumption.

SETTER MODIFICATIONS TO REDUCE CLEANING CYCLES

Production setters were redesigned to minimize the frequency of cleaning. The Asian toilet setter system was modified to reduce the number of required cleaning cycles, while the semi-pedestal setter configuration was upgraded from twelve wooden setters to four stainless steel setters. These changes improved durability and reduced water use associated with maintenance and cleaning processes.

IMPROVED SPRAYING SYSTEM CONFIGURATION

The robot manual spraying system was modified from a conventional cleaning process to a splash-based system using a stainless steel tank. This adjustment reduced water consumption while maintaining effective cleaning performance and process reliability.

WATER CONSUMPTION

244,077 m3

Total Water consumption for Sanitaryware

Water Efficiency Initiatives - 2026 and Beyond

- Optimization of cleaning systems across production areas: Targeted improvements in robot spraying, casting, inspection, and slip house areas, including gutter sealing, pressure-assisted cleaning, and efficient nozzle systems, to reduce cleaning frequency and overall water consumption.
- Installation of automated water control systems: Implementation of auto-drain valves at inspection booths to regulate water discharge, prevent unnecessary flow, and enhance overall water management efficiency across sanitaryware operations.

WASTE AND CIRCULARITY

In 2025, RAK Ceramics implemented targeted waste reduction and circularity initiatives across its sanitaryware operations, focusing on recovering production rejects and reintegrating materials back into the manufacturing cycle. These initiatives were designed to minimize landfill disposal, optimize raw material use, and support a more circular production model. By enhancing recycling processes and incorporating waste streams into product formulations, the company reduced material losses while maintaining product quality and operational efficiency.

RECYCLING OF FIRED WARE INTO SLIP FORMULATION

The company also began crushing fired sanitaryware rejects and incorporating approximately 2% of this material into the existing slip formulation. This approach enables the reuse of previously discarded fired products, reducing waste sent to landfill while lowering the demand for virgin raw materials. The initiative demonstrates the feasibility of integrating recycled content into production without compromising product performance, supporting RAK Ceramics' broader circularity objectives.

GREEN REJECTION WASTE RECOVERY

RAK Ceramics initiated a process to collect green rejection waste generated during the early stages of sanitaryware production and recover it entirely within the internal recycling system. Through improved segregation and material handling practices, 100% of the collected green rejects were reintroduced into the manufacturing process. This initiative helped reduce raw material consumption, minimize waste disposal, and support a closed-loop production approach.

RECYCLED INPUT MATERIALS

13,695

Tons of sanitaryware

Waste and Circularity Sustainability Initiatives - 2026 and Beyond

- Recovery and reuse of dry clay from finishing areas: Collection of dry clay generated in the casting finishing area and reintegration of 100% of the recovered material into the recycling process, reducing raw material consumption and production waste.
- Glaze reclaim system at robot sponging stations: Installation of stainless-steel traps to capture and recover excess glaze, enabling its reuse in the production cycle and supporting waste minimization and circular material use across sanitaryware operations.

Sustainable Logistics

SUSTAINABLE LOGISTICS

RAK Ceramics is working to reduce the environmental impact of its logistics operations by optimizing transport routes, improving modal efficiency, and integrating lower-emission freight solutions across its supply chain. As a global manufacturer with extensive import and export activities, the Group continues to review transport corridors, shift to more efficient modes where feasible, and collaborate with logistics partners to minimise fuel consumption and associated emissions. These efforts aim to improve supply chain efficiency while delivering measurable reductions in transport-related carbon impacts and supporting the Group's broader environmental commitments.

RAIL DIRECT INITIATIVE

To optimize freight transport and lower emissions, we expanded the use of rail for goods movement. In 2025, this initiative saved approximately 1.63 million kilometers in road distance and 133,000 imperial gallons of diesel through reduced road transport. This initiative resulted in 84.81 tCO_2e actual emissions from rail operations, delivering a net saving of 336.19 tCO_2e.

Calculations were independently accredited by a third-party using the EcoTransIT World methodology, which applies a Well-to-Wheel (WTW) approach to account for the full lifecycle of fuel use (extraction, refining, and combustion), along with cargo weight, distance, handling emissions at terminals, and vehicle-specific factors. For road comparison, a Class 60 truck with Euro 2 emission standard was modeled, including a 100% empty rail freight return factor.

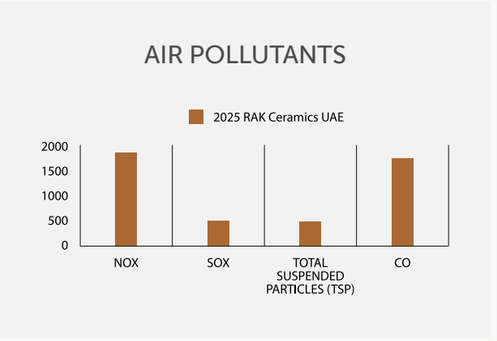
These efforts reflect our ongoing focus on embedding sustainability into procurement decisions, driving measurable reductions, and contributing to long-term environmental and economic benefits across the supply chain.

Air Pollution

AIR POLLUTION

In 2025, RAK Ceramics UAE reported emissions across all major air pollutants, reflecting ongoing monitoring and management of combustion-related impacts. NOx emissions, primarily from natural gas combustion in kilns and spray dryers, totaled 1,892.60 tons. SOx emissions, mainly linked to fuel combustion and trace sulphur in raw materials, amounted to 522.58 tons.

Total Suspended Particles (TSP), largely generated from raw material handling, milling, and kiln operations, reached 492.96 tons, while carbon monoxide (CO), produced through incomplete combustion, totaled 1,751.48 tons. These figure highlights continued air emissions oversight across UAE operations.



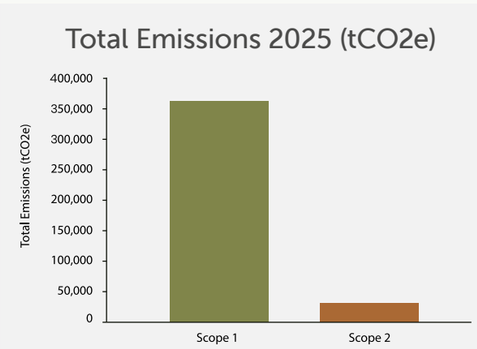
Emissions Reduction

EMISSIONS REDUCTION

Recognizing our role in contributing to climate change mitigation, we remain committed to reducing our emissions footprint. In 2025, we continued to prioritize environmental stewardship throughout our operations by further optimizing manufacturing processes for resource efficiency. Our focus on equipment upgrades, energy management, and emission tracking ensures effective control and continuous improvement in line with our reporting methodology.

We continue our commitment to transparently measuring and reporting carbon emissions, a practice we have maintained since 2019. We calculate our Scope 1 emissions in line with the UNFCCC calculator, applying relevant emission factors to our identified sources, consistent with the methodology we adopted in 2022 and have used since.

In 2025, total operational emissions amounted to 387,800 tCO2e. These changes reflect ongoing operational dynamics and growth in certain activities.

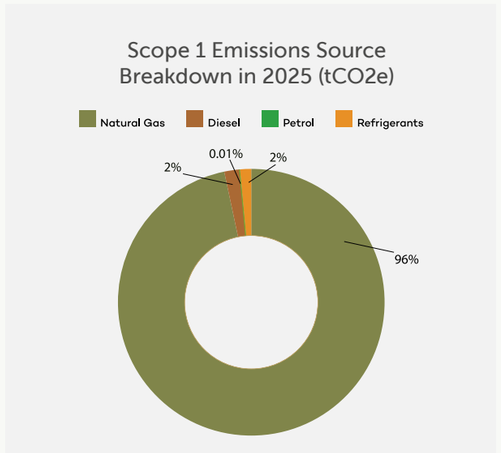


SCOPE 1 EMISSIONS

Scope 1 emissions stood at 378,347 tCO2e overall in 2025:

- **Natural Gas**: As the primary energy source for our gas power plant, natural gas remains the largest contributor to Scope 1 emissions, accounting for 97% of the total amounting to 362,446 tCO2e.
- **Diesel**: Diesel is primarily used by our on-site fleet, including bogies and forklifts. Diesel-related emissions made up less than 0.01% of overall emissions.
- **Petrol**: Petrol supports road transport of goods from production sites to stores. Petrol emissions stood at 24.8 tCO2e, achieved through continued progress in shifting from road to rail transport within the region
- **Refrigerants**: Emissions from refrigerant use increased to 7,277 tCO2e. The majority of refrigerant emissions originated from R22 (HCFC) systems used for air conditioning in production centers.

This reporting maintains consistency with prior years, and we continue to explore opportunities to optimize energy use, fleet transitions, and refrigerant management to mitigate future increases.



SCOPE 2 EMISSIONS

In 2025, our Scope 2 emissions . As noted in prior reporting, natural gas remains our primary source of energy generation through the on-site power plant and is accounted for in Scope 1 emissions.

Accordingly, our Scope 2 calculations include only electricity purchased from external sources, excluding any electricity generated internally by the power plant.

387.8 ktCO2e

Total 2025 Emissions (Scope 1 and Scope 2)

Our People & Community

RAK CERAMICS

Empowering our people by prioritizing safety and wellbeing, advancing inclusion and Emiratization, strengthening skills development, and investing in communities.

Joy of Giving Initiative – Red Crescent Collaboration

In collaboration with the **Red Crescent**, RAK Ceramics implemented the **Joy of Giving Initiative**, a humanitarian program aimed at supporting families facing hardship through the provision of essential food supplies. The initiative reflects a shared commitment to community welfare, social solidarity, and humanitarian support, particularly for vulnerable segments of society.

Through this partnership, RAK Ceramics contributed to collective efforts to deliver timely and practical assistance to those in need, reinforcing the importance of compassion and shared responsibility in addressing social challenges. The initiative also highlights the value of cross-sector collaboration in amplifying impact and responding effectively to community needs.

By supporting the Joy of Giving Initiative, RAK Ceramics demonstrates its commitment to social responsibility beyond its core business operations, contributing to community resilience and inclusive development. The partnership with the Red Crescent aligns with the Group's broader sustainability approach, which emphasizes people-centred initiatives, community engagement, and positive social impact across the regions where it operates.

This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 1 – No Poverty: Supporting vulnerable families through the provision of essential food supplies.

SDG 2 – Zero Hunger: Contributing to food security and access to basic nutrition.

SDG 10 – Reduced Inequalities: Supporting vulnerable segments of society and inclusive community development.

SDG 17 – Partnerships for the Goals: Strengthening cross-sector collaboration with the Red Crescent to deliver social impact.

Collaboration with the Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research

RAK Ceramics entered into a **Memorandum of Understanding (MoU)** with the **Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research**, reinforcing a shared vision to promote collaboration, knowledge exchange, and the creation of meaningful opportunities for Emirati youth. The partnership reflects RAK Ceramics' commitment to supporting national institutions and contributing to the UAE's long-term social and economic development objectives.

The collaboration is intended to support research-driven initiatives, policy dialogue, and capacity-building programs that enable youth development and skills enhancement. Through knowledge sharing and engagement, the partnership aims to bridge the gap between research, industry, and talent development, fostering informed decision-making and innovation.

By working closely with the Foundation, RAK Ceramics seeks to play an active role in nurturing local capabilities, empowering young talent, and supporting initiatives aligned with national priorities for education, workforce readiness, and inclusive growth. This collaboration underscores the Group's broader commitment to social investment, knowledge-based development, and long-term value creation for the communities in which it operates.

This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 4 – Quality Education: Supports education, research, and capacity-building programs that create learning and development opportunities for Emirati youth.

SDG 8 – Decent Work and Economic Growth: Enhances workforce readiness, skills development, and pathways between education and industry, contributing to sustainable economic growth.

SDG 9 – Industry, Innovation and Infrastructure: Promotes research-driven initiatives, knowledge exchange, and innovation that strengthen links between academia, policy, and industry.

SDG 17 – Partnerships for the Goals: Demonstrates cross-sector collaboration between industry and a national research foundation to advance shared social and economic objectives.

Empowering Emirati Talent: RAK Job and Internship Fair (RAK JIF) 2025

Empowering National Talent to enable **inclusive growth, strengthen local capabilities,** and support a resilient and future-ready industrial ecosystem.

RAK Ceramics reaffirmed its commitment to **Emiratization and youth development** through its participation as a Gold Sponsor at the **Ras Al Khaimah Job and Internship Fair (RAK JIF) 2025**, organized by the **Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research**. This initiative formed part of the Group's broader **corporate social responsibility (CSR) framework,** aimed at developing local talent, supporting youth employability, and strengthening pathways between education and industry. Through its engagement, RAK Ceramics contributed to building awareness of career opportunities within the manufacturing sector and supporting the development of skills aligned with the future needs of the UAE economy.

This initiative supports the following **United Nations Sustainable Development Goals (SDGs):**

SDG 4 – Quality Education: Supporting skills development and stronger linkages between education and industry.

SDG 8 – Decent Work and Economic Growth: Promoting youth employability, Emiratization, and sustainable employment opportunities.

SDG 9 – Industry, Innovation and Infrastructure: Contributing to the development of a skilled workforce to support industrial growth.

Over 380 Emirati applicants engaged through digital recruitment.

MoU signed with the Al Qasimi Foundation to advance youth development and skills training.

Enhanced private–public collaboration through RAK Ceramics' active participation in policy discussions on talent alignment.

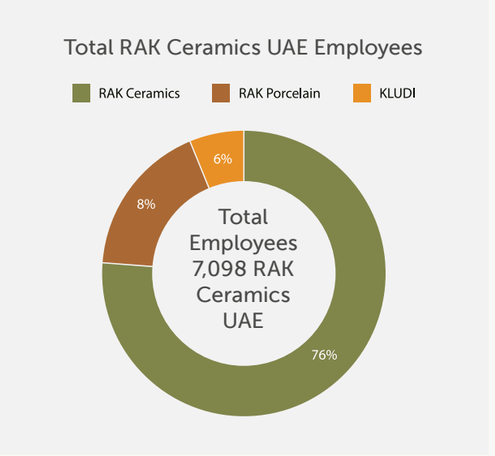
Overview of Our Workforce

At RAK Ceramics UAE, we are committed to fostering a positive work environment by building a diverse, competent, and inclusive workforce that positions us as an exemplary organization in the ceramics manufacturing industry.

As of 2025, RAK Ceramics UAE employs a total of 7,098 employees, the vast majority of whom are Full-Time Equivalent (FTE) at 99.72%, with only 0.28% working part-time. Within the RAK Ceramics UAE, RAK Ceramics is the largest entity, accounting for 76.13% of the total workforce, followed by RAK Porcelain at 17.55% and Kludi at 6.31%.

In 2025, we successfully onboarded 1,914 new employees, a 37% increase compared to 2024, reflecting our continued growth and investment in talent. We uphold equal employment opportunities, fair advancement prospects, and equitable remuneration for all, irrespective of age, race, color, religion, gender, or disability. These principles have been further strengthened through the revision and implementation of our Code of Conduct, which embeds these values at the core of our organizational culture and governance.

As a UAE-based ceramics manufacturer, we remain dedicated to sustainable workforce growth in the region, with Emiratization as our top priority. Through strategic collaborative partnerships and targeted initiatives, we continue to advance national goals while expanding our global footprint, always keeping talent development of local Emiratis at the heart of our operations.



7,098

RAK Ceramics UAE Employees

43 Nationalities

at RAK Ceramics UAE

Employee Safety and Wellbeing

EMPLOYEE SAFETY AND WELLBEING

In 2025, the total number of recordable work-related injuries across RAK Ceramics operations was 192. Of these, 77 were classified as high-consequence injuries, while the remaining 115 were minor injuries.

The most frequent injury types involved the hands, fingers, and legs, injuries commonly associated with direct interaction with machinery and equipment on site. These patterns highlight key hazard areas for workers engaged in production and maintenance activities.

We continue to address these risks through targeted risk assessments, enhanced machine guarding, improved PPE enforcement, regular training on safe operating procedures, and ongoing EHS audits to prevent recurrence and drive further reductions in injury rates.

REGULAR MONITORING AUDITS

EHS conducts regular inspections and audits (covering Mechanical, Electrical, Environmental, and General aspects) across all areas of operations to proactively identify hazards and ensure compliance. This includes routine checks of loading platforms and loading areas to prevent incidents related to material handling and vehicle operations. These systematic audits support early risk detection and support ongoing enhancement of workplace safety standards.

DAILY INSPECTIONS

EHS teams perform daily inspections of PPE usage across all operational areas to verify proper application and condition. Regular training sessions on PPE management, selection, maintenance, and correct usage are provided to employees. Scheduled audits further include checks on PPE availability, stock levels, and quality at the central store, promoting consistent compliance and reducing exposure to workplace hazards.

ANNUAL SPILL & FIRE DRILLS

Annual spill response and fire evacuation drills are conducted across all areas of operation and worker accommodations to test emergency preparedness and response capabilities. These exercises involve all relevant personnel, simulate realistic scenarios, and include debriefs to identify improvements, to ensure readiness and the minimization of potential impacts from chemical spills, fires, or other emergencies.

HEALTH & SAFETY COMMITTEE

Our dedicated EHS and Facility Management team oversees the day-to-day management of health and safety systems. A multidisciplinary Safety Committee, comprising representatives from various departments, meets regularly to review incidents, discuss concerns, evaluate risks, and propose necessary controls and preventive measures. This collaborative structure ensures worker participation and continuous input into safety improvements.

EHS POLICY

Our comprehensive EHS Policy aligns with UAE regulations (including Federal Labor Law provisions and OSHAD Codes of Practice), ISO 45001 requirements for occupational health and safety management systems, and international best practices. It applies to all stakeholders involved in RAK Ceramics operations across production units, office buildings, workers' accommodations, and workshops, with a clear focus on preventing accidents, injuries, and occupational illnesses through hazard identification, risk control, training, and continual improvement.

18,277,286

Total man-hours

0

Fatalities because of work-related injuries

192

Total Recordable Work-Related Injuries

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 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 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.

Diversity and Inclusion

RAK Ceramics is committed to fostering a diverse, equitable, and inclusive workplace that reflects the global nature of its operations and customer base. With employees representing more than 40 nationalities across its international facilities, the Group promotes a culture built on mutual respect, equal opportunity, and fair treatment for all, regardless of gender, nationality, religion, or background. Diversity is viewed as a key driver of innovation, collaboration, and long-term business success.

The Group's human resources policies are designed to ensure merit-based recruitment, fair compensation, and equal access to training and career development opportunities. These practices support a workplace environment where employees are empowered to contribute their skills and perspectives, while also fostering engagement, productivity, and retention across the organization.

RAK Ceramics also supports national workforce development initiatives, including Emiratization programs and youth employment platforms, to strengthen local talent pipelines and create inclusive growth opportunities. Through these efforts, the Group contributes to broader social development objectives while building a resilient and future-ready workforce.

By embedding diversity and inclusion principles into its policies, workplace practices, and community initiatives, RAK Ceramics aims to create a respectful, supportive, and high-performing work environment across all its operations.

In 2025, women represented 4.5% of the overall workforce at RAK Ceramics, up from the previous year. The total number of female employees increased from 204 in 2024 to 321, reflecting a 54% rise in female participation across the organization.

In RAK Ceramics UAE, women held 4.55% of combined Entry Level and Middle Management positions. Representation in Senior Management positions stood at 1.45%. These figures indicate gradual progress in female inclusion at various levels of the organization, even as the overall workforce composition remains predominantly male.

The average gender pay ratio for employees in Paraprofessional, professional and middle management bands was 1.61 (with men earning 1.61 times more than women on average within these bands). As part of our ongoing efforts to minimize inequality, we continue to address this differential through targeted policy measures. Updates to our governance framework, including specific clauses incorporated into the revised Code of Conduct, are being implemented to support fair and equitable remuneration practices and to work toward narrowing the ratio closer to 1 over time.

PARENTAL LEAVE

100% of employees at RAK Ceramics are entitled to parental leave in line with our policies and UAE labor regulations. In 2025, a total of 36 employees took parental leave: 5 females and 31 males. All 36 employees returned to work upon completion of their leave, achieving a 100% return-to-work rate (100% for both females and males). This full return rate demonstrates the effectiveness of our family-friendly policies, which support employees in balancing professional responsibilities with family needs. We remain committed to maintaining and enhancing these provisions to promote employee well-being, gender equality, and long-term retention across the organization.

100%

Of our staff returned to work after parental leave

EMPOWERING WOMEN: CEO STATEMENT FOR WOMEN EMPOWERMENT 2025

The Women's Empowerment Principles (WEP), informed by international labor and human rights standards, are seven steps developed by UN Women and UNGC to guide businesses on the advancement of women empowerment in the workplace. We aim to directly align with the seven principles and the UN SDG Goal 5: Gender Equality with our focus on building an inclusive workforce and sustainable business practices.

Gender diversity strengthens our teams, brings fresh perspectives to our operations, and supports our broader commitment to diversity and inclusion across all levels of the organization. In 2025, our CEO released a Statement of Support for the Women Empowerment Principles that highlighted RAK Ceramics vision and goals to implement sustainable practices that embrace women empowerment through following the seven principles. It was a call to action for all business leaders to use the principles to the benefit societies and companies.

To maintain transparency, we are committed to continuing collection and analyzing sex-disaggregated data. By embedding the WEPs into our strategy, RAK Ceramics aims to create a more balanced, empowered workplace that attracts and retains top talent, enhances creativity in product innovation, and contributes positively to gender equality goals in the UAE.

CEO Statement of Support for the Women's Empowerment Principles

We, business leaders from across the globe, express support for advancing equality between women and men to:

- Bring the broadest pool of talent to our endeavours;
- Further our companies' competitiveness;
- Meet our corporate responsibility and sustainability commitments;
- Model behaviour within our companies that reflects the society we would like for our employees, fellow citizens and families;
- Encourage economic and social conditions that provide opportunities for women and men, girls and boys; and
- Foster sustainable development in the countries in which we operate.

Therefore, we welcome the provisions of the Women's Empowerment Principles – Equality Means Business, produced and disseminated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. The Principles present seven steps that business and other sectors can take to advance and empower women.

Equal treatment of women and men is not just the right thing to do – it is also good for business. The full participation of women in our enterprises and in the larger community makes sound business sense now and in the future. A broad concept of sustainability and corporate responsibility that embraces women's empowerment as a key goal will benefit us all. The seven steps of the Women's Empowerment Principles will help us realize these opportunities.

We encourage business leaders to join us and use the Principles as guidance for actions that we can all take in the workplace, marketplace and community to empower women and benefit our companies and societies. We will strive to use sex-disaggregated data in our sustainability reporting to communicate our progress to our own stakeholders.

CEO* Name: Mr. Abdallah Massaad

Name of the company: RAK Ceramics PJSC

Date: 9/9/2025 Signature:

WOMEN'S EMPOWERMENT PRINCIPLES

United Nations Global Compact

UN WOMEN

Emiratization

In alignment with UN SDG 8: Decent Work and Economic Growth, building our In-Country Value (ICV) and the UAE's national Emiratization goals and legislation, strengthening local Emirati talent and youth development remains a core pillar of our identity at RAK Ceramics.

In 2025, we are proud to employ 901 Emiratis, representing 12.7% of the RAK Ceramics UAE total workforce, an 1.9% increase when compared to 2024. Through targeted initiatives and ongoing engagement, we continue to advance national Emiratization objectives by fostering meaningful opportunities for Emirati talent.

Our key collaborations in 2025 included our partnership with the Sheikh Saud bin Saqr Al Qasimi Foundation to support research-driven initiatives, as well as our role as Gold Sponsor of the Ras Al Khaimah Job and Internship Fair (RAK JIF). Through the RAK JIF alone, we successfully engaged over 380 Emirati candidates, connecting them with career and development opportunities within our organization and the wider industry.

We remain fully committed to the national endeavor of nurturing Emirati talent through dedicated programs, strategic partnerships, and continuous investment in youth development. These efforts not only build a more resilient and self-reliant workforce but also contribute significantly to the socio-economic progress of the UAE, reducing dependence on external talent while creating lasting value for the Emiratis and the UAE as a whole.

12.7%

Employees of local nationality in alignment with the Emiratization law

8.96%

Percentage of Female Emirati Employees

9.09%

Percentage increase in Administrative roles

Employee Training

At RAK Ceramics UAE, we are aim to empower our employees across all levels through career development, dedicated training initiatives and flexible skill building programs. In 2025, we expanded our training focus with the launch of the Retail Academy and targeted programs in sales, customer service, and retail management, alongside a dedicated Leadership Development. These initiatives were designed to strengthen both functional expertise and leadership capabilities, ensuring our teams are well-equipped to meet evolving business demands and deliver exceptional performance.

We continued to provide access to digital learning platforms and conducted tailored in-house sessions to support the practical skill of our employees. We provided performance reviews for 100% of our employees and ensured alignment to individual development goals with organizational priorities, promoting personal growth, as well as efficiencies in day-to-day processes. With programs customized for administrative, retail, and managerial roles, we remain committed to building a highly skilled, adaptable, and motivated workforce that drives innovation throughout our organization.

PROFESSIONAL TRAININGS FOR CAREER ADVANCEMENT

In 2025, we continued to strengthen our commitment to employee development by expanding targeted training initiatives across RAK Ceramics UAE, with a strong emphasis on building both specialized skills and leadership capabilities to support our evolving business needs.

A highlight of 2025 was the launch of the Retail Academy, an initiative designed to equip retail teams with essential competencies in sales, customer service, and retail management. Employees were enrolled in structured programs under this initiative, enabling them to deliver enhanced service and drive performance in customer-facing roles. In parallel, we introduced a dedicated Leadership Development Program, enrolling employees requiring these skills to strengthen strategic thinking and team leadership.

Complementing these efforts, we assigned a wide range of courses through LinkedIn Learning, including topics of high relevance such as AI Literacy, Retail Sales Management, and comprehensive Leadership & Communication Learning Paths. These digital platforms provided flexible and self-paced learning opportunities accessible to employees across functions.

In addition to these initiatives, we delivered focused in-house trainings for the Retail Sales Team, concentrating on practical skills in customer service excellence and sales techniques to ensure immediate application in daily operations.

Across RAK Ceramics and RAK Porcelain, our total training efforts amounted to 136,665 man-hours, engaging more than 3,200 unique participants. These investments reflect our ongoing dedication to continuous learning, skill enhancement, and professional growth, empowering our people to excel and contribute to the long-term success and sustainable progress of the organization.

3,279

Unique RAK Ceramics employees trained in 2025

41

Average training hours achieved per RAK Ceramics Employee in 2025

Community Investment

Our Corporate Social Responsibility (CSR) framework underpins our approach to social investment, guiding how we deliver meaningful, long-term impact through community partnerships and employee-led volunteering. Our initiatives are designed to improve quality of life across the UAE, with a particular focus on communities near our operations, where many of our employees and their families live and work. In 2025, colleagues across the Group took part in more than 11 volunteering and community initiatives, strengthening our commitment to social wellbeing, environmental stewardship, and cultural inclusion. In 2025, we invested 0.45% of our net profit into CSR initiatives to support local communities.

EMPLOYEE ENGAGEMENT IN OUR COMMUNITY

This year, we strengthened community impact through humanitarian support, environmental conservation, learning and development initiatives, cultural engagement, and inclusive sports and wellbeing programs that fostered empathy, unity, and social cohesion across our workforce and communities.

HUMANITARIAN SUPPORT & COMMUNITY OUTREACH

Community engagement remained a key focus throughout the year. During the Holy Month of Ramadan, employees led and participated in donation drives to distribute essential food supplies to those in need. In partnership with humanitarian organizations such as the UAE Red Crescent, we extended support to vulnerable and conflict-affected communities. Our community inclusion initiatives also prioritized the wellbeing of blue-collar workers, promoting welfare, social cohesion, and a sense of belonging. Together, these efforts strengthened community connections while nurturing a culture of empathy and shared responsibility.

NATURAL HERITAGE & ENVIRONMENTAL PROTECTION

Safeguarding and restoring the natural environment continues to be a core pillar of our sustainability agenda. In 2025, our environmental efforts included annual beach clean-ups, mangrove planting and restoration, tree-planting initiatives, and an aluminium can collection drive in Ras Al Khaimah. These initiatives brought together employees, volunteers, and local communities to support biodiversity conservation and protect coastal ecosystems, contributing to the UAE's wider environmental objectives.

GROWTH & LEARNING

We contribute to the UAE's economic and knowledge-driven ambitions by investing in education and youth development. In 2025, our key initiatives included partnerships and engagement with the Al Qasimi Foundation and the Higher Colleges of Technology (HCT). We also delivered educational workshops for blue-collar employees, supporting continuous learning, skills development, and greater awareness.

SPORTS, HEALTH & WELLBEING

We promote health and wellbeing by encouraging employees and communities to stay active and adopt healthier lifestyles. Through inclusive programs accessible to people of all ages, genders, and abilities, we aim to strengthen social connections and empower individuals to make positive lifestyle choices. In 2025, we supported and organized a wide range of sports and wellness initiatives, including football and cricket matches, a table tennis tournament, participation in the RAK Half Marathon and Terry Fox Run, health check-up campaigns, and staff wellbeing activities. These investments in sports and wellbeing enhance quality of life, build stronger teams, and reinforce our culture of care.

CULTURE & COMMUNITY

We honor the UAE's rich cultural heritage while promoting diversity and inclusion across our workforce. Our activities included UAE National Day celebrations, Haq Al Laila, Women's Day, and festive events for Christmas and Diwali. These moments of celebration strengthened cultural understanding, boosted employee engagement, and fostered a strong sense of belonging within our multicultural community.

Governance & Best Practices

RAK CERAMICS

Upholding ethical standards by strengthening governance and compliance, protecting data privacy, fostering transparency, and reinforcing accountability across our organization.

Corporate Governance & Compliance

RAK Ceramics believes that strong corporate governance is fundamental to operating a responsible, and sustainable business that delivers value. We ensure that our 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 framework ensures the highest level of oversight by our Board of Directors, Executive Management, and employees.

OUR LEADERSHIP

BOARD OVERSIGHT AND RESPONSIBILITIES

The Board of Directors is responsible for the overall governance of RAK Ceramics and plays a central role in guiding the Company's strategic direction, overseeing risk management, and ensuring the delivery of sustainable long-term value. The Board provides oversight of strategy formulation, monitors management performance, ensures adequate systems of internal control are in place, and oversees compliance with legal and regulatory requirements, the Company's Memorandum and Articles of Association, and its duties to shareholders.

The Board is accountable to shareholders for the stewardship of the Company and maintains a strong focus on transparency, accountability, and ethical business conduct.

BOARD COMPOSITION AND INDEPENDENCE

The Board comprises seven members, reflecting a balance of skills, experience, and independence. Of the current Board members, 86% are male and 14% are female, and 57% of the Board is independent, reinforcing objective oversight and effective governance. The Chairperson of the Board is independent, and the roles of Chairperson and Chief Executive Officer are clearly separated, with the CEO prohibited from chairing the Board. This structure supports sound governance practices and aligns with regulatory requirements.

Board members undergo regular performance evaluations, including self-assessments, to ensure continued effectiveness and accountability. Directors are elected every three years, and in the event of a vacancy, the Nomination and Remuneration Committee (NRC) recommends suitable candidates for Board approval. The current Board term expires on 25 March 2027.

BOARD COMMITTEES AND GOVERNANCE FRAMEWORK

To support its governance responsibilities and enhance the effectiveness of oversight, the Board has established permanent committees with clearly defined mandates. The Audit and Risk Committee (ARC) provides oversight of financial reporting, internal controls, and risk management processes, supporting the Board in ensuring the integrity of financial statements, the effectiveness of internal audit functions, and the robustness of the Group's risk management framework. The Nomination and Remuneration Committee (NRC) oversees Board and senior management appointments, executive remuneration, and succession planning, ensuring that remuneration structures are aligned with performance, long-term value creation, and shareholder interests. In addition, the Board oversees the Insider Trading Committee and the Disclosure Committee, which support compliance with regulatory requirements and ensure transparency and timely disclosure of material information to the market.

THE BOARD

The current Board comprises seven members, including a Chairman (Non-Executive, Independent), a Vice Chairman (Non-Executive, Non-Independent), two three Non-Executive and Independent Directors, and three two Non-Executive and Non-Independent Directors. This composition provides a balanced mix of independence, skills, and sector expertise, enabling the Board to exercise effective oversight, support informed decision-making, and provide strategic guidance aligned with the Company's long-term objectives.

SHEIKH SAQR BIN SAUD AL QASIMI
Chairman of the Board

FAWAZ SULAIMAN ALRAJHI
Vice-Chairman of the Board

SHEIKH KHALID BIN SAUD AL QASIMI
Board Member

SHEIKH SAQR BIN OMAR AL QASIMI
Board Member

FARAH AL MAZRUI
Board Member

ABDULLAH AL ABDOULI
Board Member

WASSIM MOUKAHHAL
Board Member

Corporate ESG Governance

MEETINGS AND COMMUNICATION

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

Mechanisms such as management reviews, audits, EHS reviews, and whistleblower arrangements are embedded within the governance framework to identify issues, control gaps, and weaknesses, and to ensure relevant information is communicated to stakeholders. Necessary remediation measures based on these inputs are implemented.

The Sustainability report is regularly presented to the Board for review and oversight, including approval of the annual sustainability report. The Board ensures strategic direction, supervises management, maintains adequate controls, and conducts regular self-evaluations to enhance governance effectiveness. A Board-level committee is proposed to be established in 2026 to provide dedicated oversight of sustainability matters.

ESG GOVERNANCE

The Board holds overall responsibility for overseeing the Company's ESG performance. Currently, ESG is not governed under a standalone Board or committee charter and is overseen by the Audit & Risk Committee, which also governs risk management, ethics, and compliance. The Company plans to formalize ESG governance through the establishment of a dedicated Sustainability Committee in 2026, to further integrate sustainability into business decisions. ESG performance is reported to the Board during meetings as part of the Audit & Risk Committee agenda, through periodic updates and discussions.

Corporate Governance and Company Structure

CORPORATE GOVERNANCE AND COMPANY STRUCTURE

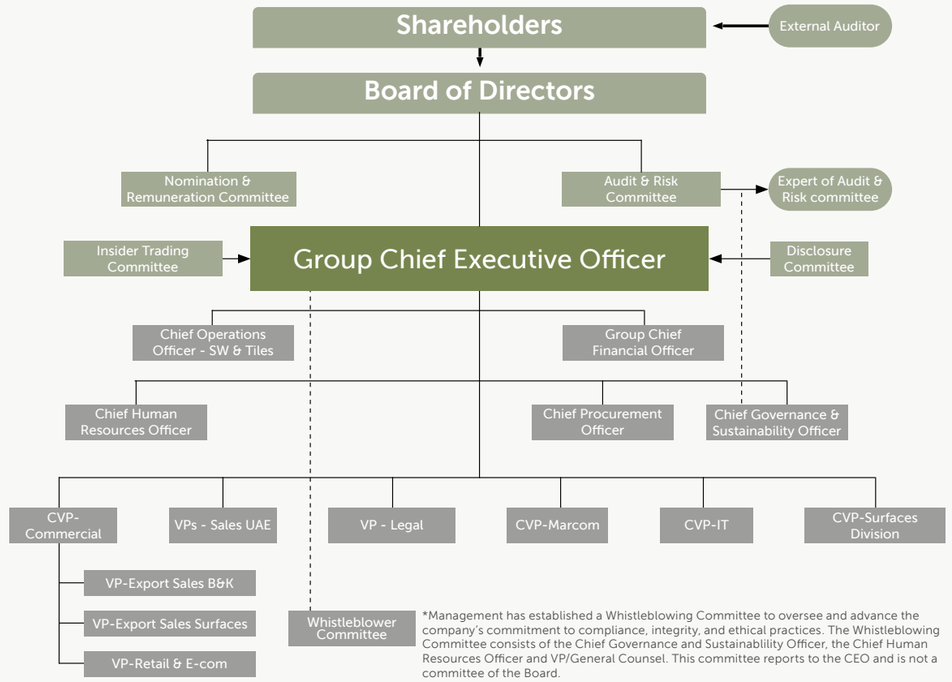
The organizational structure of RAK Ceramics reflects clear accountability, well-defined reporting lines, and a strong separation between governance and executive management responsibilities. The structure illustrates the relationships among shareholders, the Board of Directors, Board committees, executive management, and senior leadership functions, ensuring robust oversight and effective operational execution across the Group.

The Board of Directors provides strategic direction and governance oversight, supported by its committees, including the Audit and Risk Committee, Nomination and Remuneration Committee, Disclosure Committee, and Insider Trading Committee. Independent external audit and expert advisory functions further strengthen oversight, transparency, and risk management.

Executive management, led by the Group Chief Executive Officer, is responsible for implementing the Board's strategic objectives and overseeing day-to-day operations. Reporting to the CEO are senior functional leaders across operations, finance, procurement, governance and sustainability, human resources, legal, information technology, marketing and communications, and commercial divisions. Divisional and regional leadership teams support execution across sales, surfaces, and export markets.

This structure enables effective decision-making, strong risk management, regulatory compliance, and the integration of sustainability considerations across the organization, supporting long-term value creation and responsible business practices.

Company Structure



*Management has established a Whistleblowing Committee to oversee and advance the company's commitment to compliance, integrity, and ethical practices. The Whistleblowing Committee consists of the Chief Governance and Sustainablility Officer, the Chief Human Resources Officer and VP/General Counsel. This committee reports to the CEO and is not a committee of the Board.

Ethics and Integrity

POLICIES

RAK Ceramics is committed to conducting its business responsibly, ethically, and in full compliance with applicable laws and regulations. From a corporate governance perspective, the Company's focus in 2025 remained on ensuring continued compliance with the laws of the United Arab Emirates, the regulations of the Securities and Commodities Authority (SCA), the Abu Dhabi Securities Exchange (ADX) requirements, and the Articles of Association of the Company. Upholding high standards of conduct and ethics is fundamental to ensuring transparency, integrity, and accountability across all business activities and stakeholder interactions.

GLOBAL CODE OF CONDUCT

The RAK Ceramics Global Code of Conduct reflects the Company's commitment to ethical business practices and responsible conduct. The Code sets clear expectations for employees, management, and other stakeholders to act with integrity and professionalism, and in compliance with all applicable laws and regulations. The Code is applicable across the Group and is made available to all the employees.

In 2025, the Code of Conduct was enhanced to incorporate the Company's mission, vision, and purpose, and to explicitly prohibit all forms of forced labor, human trafficking, child labor, and modern slavery. The updated Code also includes expanded guidance on responsible digital conduct, cybersecurity, and the ethical use of artificial intelligence (AI) and emerging technologies. In addition, compliance requirements related to legal, regulatory, accounting, record-keeping, and taxation matters were reinforced. Provisions related to bribery, gifts, entertainment, and hospitality were clarified to strengthen safeguards against unethical practices.

The Code further emphasizes diversity, equity, and inclusion, and highlights RAK Ceramics' environmental, social, and governance (ESG) responsibilities, including commitments to responsible environmental practices, community engagement, and civil society contributions.

CONFLICT OF INTEREST POLICY

RAK Ceramics maintains a transparent and structured approach to managing conflicts of interest through its Conflict of Interest Policy, which applies to all employees, officers, and Board members. The policy is designed to ensure that personal, financial, or other interests do not improperly influence business decisions or compromise the integrity of the Company.

In 2025, the policy was updated to include part-time employees and officers receiving short- or long-term remuneration within the Company and the wider Group. Definitions were clarified, key principles reinforced, and conflict scenarios further detailed to help employees better identify, disclose, and manage potential or perceived conflicts of interest. A dedicated point of contact was established to support escalation and resolution of reported matters.

WHISTLEBLOWER POLICY (SPEAK-UP!)

RAK Ceramics encourages a culture of openness and accountability through its Whistleblower Policy (Speak-Up!), which enables employees and stakeholders to report serious misconduct, legal breaches, or unethical behaviour without fear of retaliation. The policy ensures confidentiality, fairness, and timely investigation of all reported concerns, while safeguarding whistleblowers against any form of victimization.

A dedicated reporting mechanism is available for whistleblower concerns, including clearly defined points of contact and reporting channels. A Whistleblower Register is maintained to track complaints and actions taken. All cases are reviewed by the Whistleblower Committee and reported to the Audit and Risk Committee through Internal Audit, ensuring appropriate oversight and resolution.

In 2025, the Whistleblower Policy was expanded to cover additional areas, including corruption, workplace discrimination such as racism and nepotism, abusive behaviour, and conflicts of interest. Routine human resources matters such as compensation, appraisals, and promotions remain excluded and are addressed through established HR processes. Enhancements were also made to training and awareness requirements, ensuring the policy is communicated across all Group entities, embedded within the Global Code of Conduct, and supported through regular interactive training sessions. Safeguards were updated to address bad-faith reporting, with disciplinary action specified for false or malicious claims.

During the reporting period, six whistleblowing reports were received, relating to Code of Conduct breaches, fraud, and HR-related matters. Of these, three cases were closed, while three remained under investigation at year-end.

ANTI-CORRUPTION

RAK Ceramics maintains a zero-tolerance stance towards corruption in all its forms. A structured fraud risk assessment process is conducted across the Company, with the scope explicitly including corruption. The assessment covers various functions such as Sales, Procurement, Finance, and HR. No incidents of corruption were identified. Our Whistleblower Policy sets out the process for reporting and investigating allegations of fraud, bribery or minor incidents involving theft and financial misappropriation by employees, where appropriate disciplinary measure will be taken.

The Board and leadership across all entities within the RAK Ceramics Group are kept informed of all applicable governance statutes, policies, and rules relevant to their respective geographies and jurisdictions.

REMUNERATION POLICY

The Company has implemented a comprehensive and transparent Remuneration Framework to govern employee compensation across different roles and grades. The framework is overseen by the Nomination and Remuneration Committee and is designed to ensure fairness, consistency, and alignment with performance, organizational objectives, and long-term value creation.

Through these policies and governance mechanisms, RAK Ceramics reinforces its commitment to ethical conduct, regulatory compliance, and responsible business practices, supporting a strong culture of integrity and sustainability across the Group.

REPORTING PROCESS

REPORTING AND COMPLIANCE MECHANISMS

Employees are expected to disclose any actual, potential, or perceived conflicts of interest, including internal or external relationships or interests that could compromise objectivity or create the appearance of bias. Reporting processes are designed to ensure confidentiality, protection against retaliation, and timely resolution of issues.

Reported conflicts of interest and violations of the Code of Conduct are reviewed in accordance with established procedures. All disclosed conflicts are assessed to determine appropriate mitigation actions. Conflicts and breaches are reported to the Audit and Risk Committee and remedial actions are implemented as required. Board members must also disclose potential conflicts at meetings, and any identified conflicts are recorded, investigated, and reported to the Board where necessary.

Through these policies and processes, RAK Ceramics reinforces a culture of ethical behaviour, transparency, and accountability, supporting long-term value creation and responsible business conduct across the Group.

Risk Management at RAK Ceramics

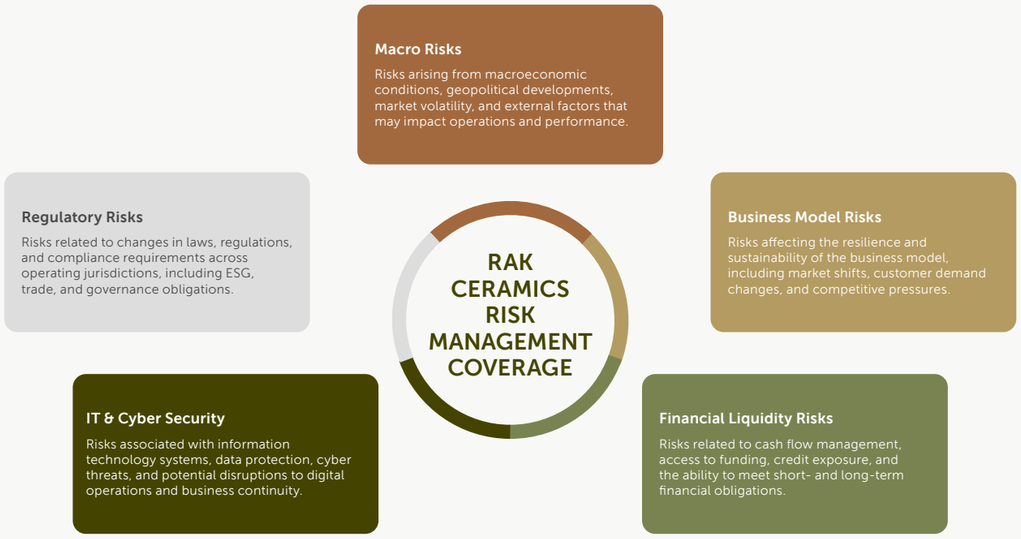
RISK MANAGEMENT

ESG risks are identified and assessed within the Company's Enterprise Risk Management (ERM) framework, incorporating environmental, social, and governance factors into the formal risk management process and risk register. It is organically developed, over a number of years, with broad participation from all the parts and functions of the Group.

These risks are identified through management risk assessments, internal audit reviews, regulatory and compliance monitoring, EHS reviews, and by referencing GRI standards as well as applicable UAE regulations and governance requirements. ESG-related risks are evaluated using a qualitative approach, consistent with the methodology applied to other risks in RAK Ceramics' ERM risk register. The risk register, risk updates, mitigation plans, and mitigation status are regularly reviewed and reported to the management, Audit & Risk Committee (ARC) of the Board, and the Board.

Given the evolving legal and regulatory landscape across key operating geographies, the Company continuously monitors developments and updates its policies and compliance practices accordingly. This proactive approach ensures that ESG risks are effectively managed and that operations remain aligned with emerging regulatory requirements in all regions of operation.

In 2025, RAK Ceramics have invested AED 1.4 million in climate related infrastructure, resilience, and product development.



Data Protection

Safeguarding our customer data and digital assets by embedding robust data protection processes in our operations is key for RAK Ceramics.

POLICIES, COMPLIANCE, AND STANDARDS

RAK Ceramics maintains formal policies for data protection, cybersecurity, and information security to safeguard personal, customer, employee, and business-critical information. These policies govern access control, data classification, system security, and confidentiality requirements, and are reviewed and updated periodically to reflect evolving regulatory, operational, and cybersecurity requirements. The Company's information security framework is aligned with the principles of ISO 27001, and policies are designed to comply with applicable local data protection laws and internationally recognized best practices.

CYBER RISK MANAGEMENT AND INCIDENT RESPONSE

No substantiated data privacy complaints were recorded during the reporting period, and no material data leaks, cybersecurity incidents, or reportable breaches occurred. Minor security events, where applicable, were promptly addressed without significant business or data impact. RAK Ceramics maintains a formal Incident Response and Escalation Plan, which is tested and periodically reviewed to ensure preparedness for potential cyber threats and business disruptions.

IT GOVERNANCE AND OVERSIGHT

IT governance is centrally defined to ensure standardized controls and risk management practices across the Group, while implementation is carried out at the operational level. Cybersecurity and IT risks are regularly reported to senior management and escalated to the Audit and Risk Committee of the Board as required. Independent third-party audits and internal assessments are conducted periodically to validate the effectiveness of controls and strengthen the Company's cybersecurity posture. IT and cybersecurity risk assessments and internal audits are conducted on a continuous basis to proactively identify and mitigate emerging risks.

TRAINING, AWARENESS, AND CULTURE

Cybersecurity awareness training is provided to a significant majority of employees, supported by periodic cybersecurity newsletters and awareness campaigns. Data privacy and protection training is being rolled out on a role-based basis for employees with access to sensitive information. Training is delivered during onboarding, annually, and on an ad hoc basis as needed, reinforcing a strong culture of information security, accountability, and compliance across the organization.

DIGITAL ENABLEMENT OF SUSTAINABILITY

Digital systems support structured ESG data collection, consolidation, and reporting, strengthening transparency and performance management. Digital tools are increasingly used to monitor and optimize energy and resource efficiency across manufacturing operations. The Company continues to expand paperless processes through digital workflows, electronic approvals, and document management, reducing paper consumption and improving operational efficiency.

Data Protection (contd.)

CLOUD OPTIMIZATION AND SYSTEM EFFICIENCY

RAK Ceramics is advancing cloud optimization, system rationalization, and consolidation initiatives to improve system performance, scalability, and resource efficiency while reducing infrastructure footprint. IT-driven initiatives support the monitoring and management of GHG emissions, energy consumption, and water usage, enabling more data-driven environmental performance management.

DIGITAL INITIATIVES SUPPORTING EFFICIENCY AND GOVERNANCE

The Company has implemented a Working Capital Reduction (WCR) initiative supported by digital tools to optimize inventory management and sales order processes, improving operational efficiency and financial performance. A structured capital investment management process has also been introduced to strengthen financial visibility, governance, and risk-based decision-making. In parallel, SAP system optimization initiatives are underway to reduce unnecessary customization, improve performance, and lower overall infrastructure consumption, contributing to improved operational efficiency and a reduced carbon footprint.

OPERATIONAL EFFICIENCY & WORKING CAPITAL OPTIMIZATION

Driving leaner, faster operations through Working Capital Reduction (WCR), improved Make-to-Order / Make-to-Stock (MTO/MTS) processes, inventory optimization, Minimum Order Quantity (MOQs), delivery-date planning, and upcoming Kanban rollout (a visual, demand-driven inventory and production control system to streamline material flow and reduce lead times across the supply chain) to reduce downtime and lead times.

ERP OPTIMIZATION & SPEND VISIBILITY

Enhancing SAP across production, procurement, and finance, with restructured product classifications and supplier performance management to improve cost control, transparency, and decision-making.

CUSTOMER ENGAGEMENT & SALES ENABLEMENT

Implementing Salesforce CRM to strengthen customer relationships, improve reporting, and enable data-driven sales effectiveness across business units.

DIGITAL CHANNELS & PRODUCT DATA MANAGEMENT

Revamping RAK Porcelain and Kludi websites and deploying Product Information Management (PIM) to create a centralized product data foundation that accelerates time to market and supports omnichannel growth.

PRODUCT TRACEABILITY & BRAND PROTECTION

Rolling out QR-based anti-counterfeit solutions and EAN-128 barcoding to strengthen authorized distribution, improve supply chain visibility, and safeguard brand integrity.

AUTOMATION & INTELLIGENT OPERATIONS

Expanding warehouse automation, GPS pallet tracking, SAP-integrated loading plans, forklift picklists, and Robotic Process Automation (RPA) to reduce manual effort, errors, and order fulfillment time.

INFORMATION SECURITY & DIGITAL GOVERNANCE

Upgrading to ISO 27001:2022 and strengthening controls through Mobile Device Management (MDM), Privileged Access Management (PAM), and employee cybersecurity awareness to protect data, systems, and business continuity.

Responsible Business & Responsible Employer

RAK CERAMICS

Enhancing responsible growth by ensuring product quality and compliance, advancing sustainable sourcing, innovating production technologies, and delivering sustainable products.

Sustainable Procurement

In 2025, RAK Ceramics continued to advance sustainable procurement practices by prioritizing local sourcing and low-emission logistics to reduce environmental impact. This reporting year we aimed to support local economies, and enhance the resilience of our supply chain by reducing reliance on imported raw materials. RAK Ceramics is actively working on strengthening its responsible sourcing framework by screening new suppliers against defined social criteria and implementing corrective actions to address and mitigate any identified negative social impacts within the supply chain.

IN-HOUSE FRIT PRODUCTION

Building on the commencement of in-house frit production in 2024, RAK Ceramics continued this strategic initiative throughout 2025, progressively replacing previously imported frits with internally produced material. This has helped reduce dependency on external suppliers, lower transportation-related emissions, and enhance control over material quality and sustainability. Production capacity is expected to increase further in 2026, reinforcing resource efficiency and supply chain resilience.

LOCAL PROCUREMENT

Approximately 78% of our suppliers are local, encompassing sources for red clays, other GCC materials, and Persian Gulf-origin inputs. This high proportion of local procurement minimizes transportation-related emissions, supports community economic development, and strengthens supply security while aligning with our commitment to responsible sourcing.

Technological Innovation in Production

WORKING CAPITAL REDUCTION (WCR) PROGRAM

RAK Ceramics is advancing operational excellence through digital and process innovation under its Working Capital Reduction (WCR) Program, optimizing production planning, inventory management, and order-to-cash processes. Key initiatives include the introduction of expected delivery dates, minimum order quantity (MOQ) aggregation for make-to-order production, and the rollout of a Supermarket Kanban system for make-to-stock products. These innovations improve production efficiency, reduce machine downtime, minimize overproduction and waste, enhance stock availability, and shorten lead times, driving leaner operations, faster customer service, and more resource-efficient manufacturing.

FORK-EYE (INNOVENT PLATFORM)

RAK Ceramics has completed Phase 1 of the Fork-Eye (Innovent) platform, a digital logistics solution that enhances pallet tracking, inventory visibility, and dispatch efficiency across manufacturing yards. The system enables precise tracking of over 500,000 pallets, reducing misplacements, improving operational accuracy, and accelerating order dispatch, contributing to more efficient logistics operations. Phase 2 will further strengthen automation and SAP integration, supporting smarter inventory management, reduced handling inefficiencies, and improved resource utilization across the supply chain.

SMART PRODUCT TRACKING - PACKSYNC

RAK Ceramics has launched PackSync, a smart product tracking solution that uses QR codes to enhance product traceability and operational efficiency. The system enables real-time tracking of production and packed quantities, improves order visibility, reduces manual errors, and supports faster identification of products across customers and markets. PackSync also helps prevent unauthorized resale and product misuse, strengthening supply chain transparency and product integrity, with implementation currently underway across the Group.

Product Quality & 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 2025

Quality & Sustainability Certification	Description
ISO 50001 ENERGY MANAGEMENT ISO 50001	ISO 50001 is an international standard providing a framework for organizations to establish, implement, maintain, and improve an Energy Management System (EnMS) . It helps organizations systematically manage energy use, improve efficiency, reduce costs, and lower greenhouse gas emissions.
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 2025

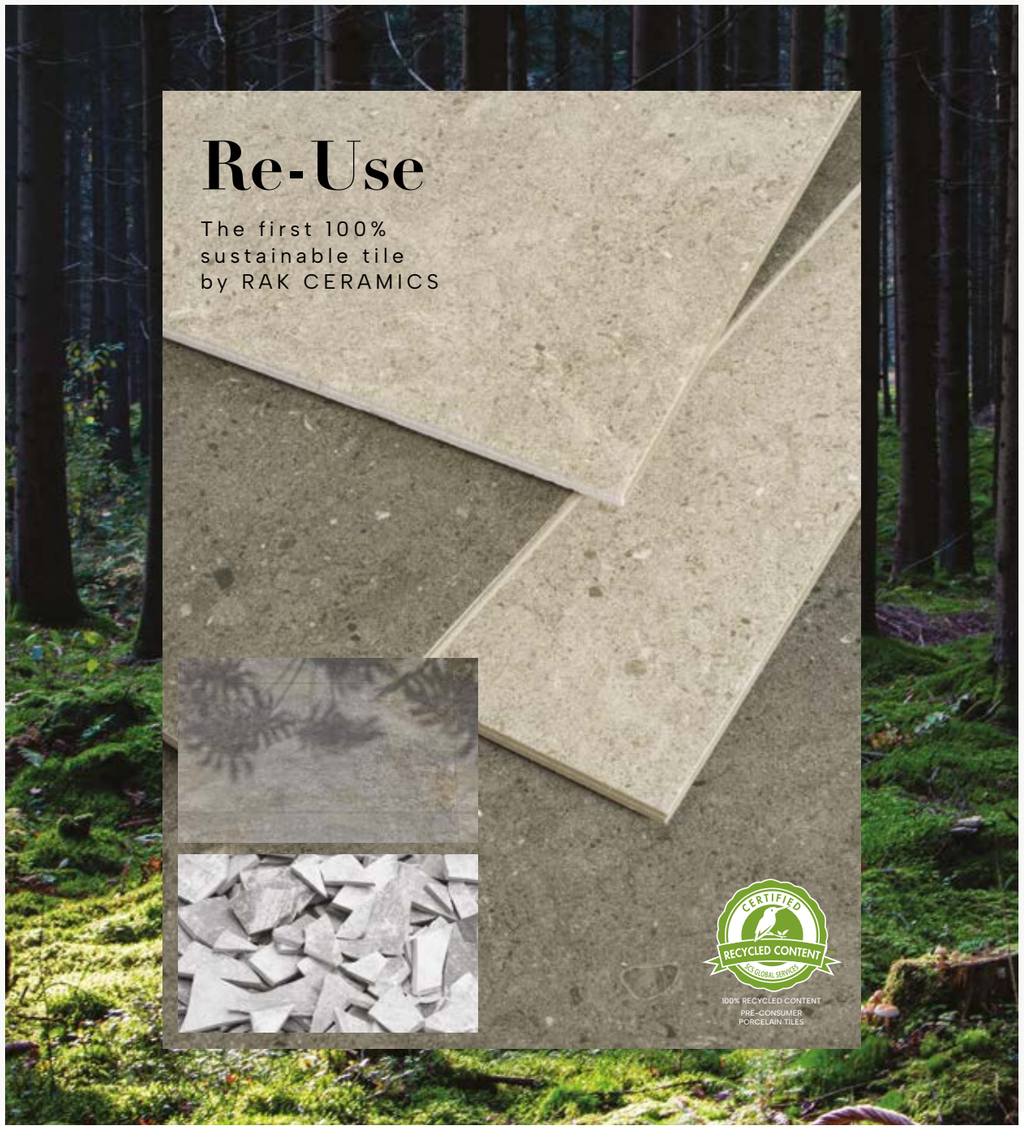
Quality & Sustainability Certification	Description
EPD® THE INTERNATIONAL EPD® SYSTEM	All RAK Ceramics Tiles & sanitaryware s products have Environmental Product Declarations (EPD) following the CEN Norm EN 15804 standard, serves as the core PCR. Independent verification of the declaration according 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. On-going recertification together with LCA & FDES, to include environmental impact of product end-of life, recovery and recycling.
Synesgy	A Synesgy certificate is a digital, globally recognized document certifying a company's compliance with Environmental, Social, and Governance (ESG) standards.
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 2025, 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 2025, 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.

Product Quality & Compliance

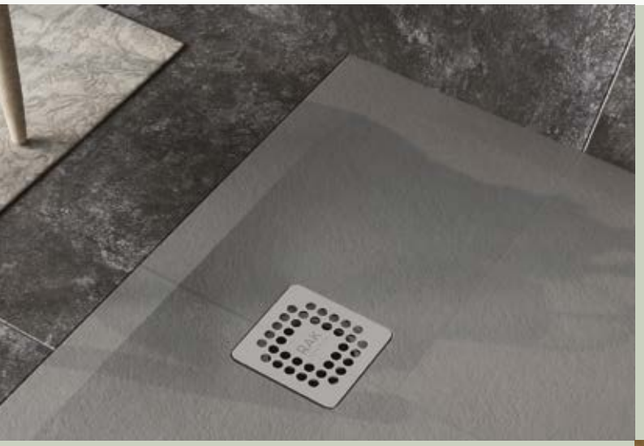
Quality & Sustainability Certification	Description
upcyclea Be Great, Be Circular.	Given for Tiles, sanitaryware & Kludi: RAK Ceramics declarable substances list is regularly reviewed to include applicable regulations and customer requirements and to ensure that our suppliers are in line with our rules 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 labor, health and safety, environmental performance, and ethics in their business and supply chain. RAK Ceramics has completed the SMETA audit.
IC IN-COUNTRY VALUE	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.
ISO ISO/IEC 27001:2013 CERTIFIED	The information security management system (isms) that covers the Information technology operations, digital services and support services such as human resources, administration, sales and marketing Department In accordance with statement of applicability version 1.0 dated 15/11/21.

Sustainable Products

RAK Ceramics advances sustainable living through innovative products and technologies that integrate recycled materials, water-efficient solutions, smart systems, low-impact logistics, and responsible packaging, delivering high performance with reduced environmental footprint across modern living spaces.



Sustainable Products (contd.)



RAKSOLID AND RAK-ETHER SHOWER TRAYS

RAKSOLID is an innovative material developed using a refined mix of natural minerals and resins, offering a lighter yet durable alternative to traditional solid surface materials. The RAK-Ether shower tray, manufactured in RAKSOLID, combines slate-inspired aesthetics with anti-slip safety, delivering both functional performance and contemporary design.

RAK-BATU – BALINESE-INSPIRED CONTEMPORARY DESIGN

RAK-BATU draws inspiration from Balinese architecture and nature-centric design, combining minimalist forms with natural textures and tones. Featuring slim 5 mm edges for a refined yet durable finish, the collection is available in round, oval, and rectangular shapes. A mica-enhanced artistic glaze reinforces the harmony between contemporary design and natural elements.

RE-USE QUARTZ AND RE-USE MINERALS – 100% RECYCLED TILES

RAK Ceramics introduced Re-Use Quartz, its first product manufactured entirely from recycled materials. Developed by the Group's R&D laboratories, this high-performance tile range is produced using up to 100% recycled materials sourced from manufacturing waste, supporting circular economy principles through reduce, reuse, and recycle practices.

RAK-SKIN – ADVANCED SURFACE FINISHING FOR BASINS

RAK-Skin represents an advanced surface-finishing solution that delivers a refined, soft, and enveloping aesthetic. Designed to complement both wood-effect and stone-effect bathroom furniture, the collection enhances visual comfort through balanced contrasts of warm and cool tones, elevating bathroom spaces through innovative material application.

RAK-REMAL – SAND-INSPIRED WASHBASIN COLLECTION

RAK-Remal is a sculptural washbasin collection inspired by the dynamic forms of desert sand dunes shaped by wind and movement. Designed by Sahar Madanat, the collection reflects a deep connection with nature and craftsmanship. The wash basins are available in glossy white and Mica White, an artistic glaze incorporating Muscovite mineral particles to achieve a natural, earthy aesthetic.

SUSTAINABLE PACKAGING

RAK Ceramics has transitioned to more sustainable packaging solutions across its product portfolio. All packaging materials are recycled and/or recyclable, with ongoing efforts to further increase the proportion of sustainable materials and reduce packaging-related environmental impacts.

Sustainable Products (contd.)

KLUDI SELF-CLOSING FITTINGS

KLUDI self-closing fittings feature an automatic shut-off mechanism that reduces water consumption after use while ensuring reliable and consistent operation. This solution supports water efficiency across residential and commercial applications.

KLUDI-WAVE SENSOR-OPERATED FIXTURES

KLUDI-WAVE sensor-operated fittings provide a touchless water experience through laser or infrared activation. The seamless design enhances hygiene, reduces water wastage, and supports health and safety standards in public and commercial facilities, while offering a sleek and modern aesthetic.

KLUDI-MEDICARE

KLUDI-MEDICARE fittings are designed for ease of use and accessibility, featuring a special handle that can be operated with minimal movement using the elbow. The design supports hygienic use and accessibility, particularly in healthcare and public environments.

KLUDI-TOUCHTRONIC SHOWER SYSTEMS

KLUDI-TOUCHTRONIC transforms the shower into a personalized control center, combining water-saving technology with memory functions. The system allows users to customize temperature and flow settings, supporting efficient water use without compromising comfort.

KLUDI-E-GO VOICE

KLUDI-E-GO Voice integrates voice control with digital and mechanical operation, enabling hands-free control of kitchen fittings. This innovation enhances user convenience while supporting efficient water use through intelligent technology.

KLUDI-CLEANTRONIC SMART SHOWER TOILETS

KLUDI-CLEANTRONIC combines bidet and toilet functions in a single smart solution. Adjustable water temperature, spray intensity, nozzle position, and warm air drying enhance hygiene and comfort, supporting water efficiency and improved user experience.

APPENDICES

- Data Tables
- ADX ESG Disclosures
- GRI Content Index

DATA TABLES

Data Tables - Pillar: Environmental Impact

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025				
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)	Other Facilities & Workshops
Pillar: Environmental Impact										
General	Sales	AED	3,142,300,000	3,191,600,000		1,895,900,000.00	466,400,000.00	465,200,000.00	364,100,000.00	
	Production	Pieces (Tiles in m2)				44,614,946.00	3,560,000.00	831,625.00	25,387,000.00	
Energy Efficiency	Natural Gas consumption*	MMBTU	6,163,929	6,567,857		1,940,514,946	390,899	6,103	293,662	2,732,801
	Diesel consumption	L	2,700,429	3,173,083						
	Petrol consumption	L	14,254	10,601						
	Electricity Consumption	kWh	273,295,800	271,787,494		164,214,663	22,465,813	8,085,438	16,194,533	60,827,047
	Total Energy Consumption	GJ	983,865	978,435		3,814,475	493,295	35,546	368,113	218,977
	Energy Intensity of Sales	GJ/1000 AED	0.31	0.31		2.01	1.06	0.08	1.01	
	Energy Intensity of Production	GJ/unit				0.0855	0.1386	0.0427	0.0145	
	Electricity purchased	kWh	19,995,840	23,370,000						
	Electricity generated (Power Plant) **	kWh	244,694,480	248,417,494						
GHG Emissions & Air Pollutants	Total gross Scope 1 GHG emissions	tCO2e	373,959	378,346,696.00		174,725,000	29,616,000	348,620	16,774,950	156,882,126
	Total gross Scope 1 GHG emissions	ktCO2e	373.96	378.35		174,725	29,616	348.620	16,775	156,882
	Total gross Scope 2 GHG emissions	tCO2e	6599	9,453,165.00						
	Total gross Scope 2 GHG emissions	ktCO2e	6.60	9.45						
	Total Emissions	tCO2e	380,558	387,799,861						
		ktCO2e	380.56	387.80						
	Emissions Intensity of Sales	tCO2e/1000AED	0.121	0.122						
	Total weight of CH4 emissions	Tons						0.0067		
	Total weight of N2O emissions ***	Tons						0.0010		

Note: Where available, service-line-specific data has been used; where unavailable, totals from the EHS department have been used for Environmental Impact.

* Natural gas was used in our Scope 1 emissions as it is directly used to produce electricity through our Natural Gas Power plant (Refer to 'Electricity Generated (Power Plant)').

** Only 'Electricity Generated' has been used in our Scope 2 emissions, as 'Electricity Generated (Power Plant) has been accounted for in our Scope 1 Emissions.

*** Data is unavailable at the aggregate level.

Key: Data not available Data not applicable

Data Tables - Pillar: Environmental Impact (Contd.)

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025				
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)	Other Facilities & Workshops
Pillar: Environmental Impact										
GHG Emissions & Air Pollutants	Total weight of HFC emissions*	Tons						0.1215		
	Total weight of PFC emissions	Tons								
	Total weight of SF6 emissions	Tons								
	Total weight of NF3 emissions	Tons								
Water Sustainability	Water Consumption (Fresh)	m3	3,142,854	3,411,767		416,320	244,077	59,260	65,923	3,364,708
	Water Intensity of Sales	m3/1000 AED	1.0002	1.0690		0.2196	0.5233	0.1274	0.1811	
	Water Intensity of Production	m3/unit				0.0093	0.0686	0.0713	0.0026	
	Wastewater Recycled	m3							141,101	
	Wastewater Reused	m3				947,211		4,812	131,306	
	Desalination Water Treated	m3	1,944,259.00	2,186,778						
	Effluent Treatment Plant Water Treated	m3	938,897.00	968,695						
	Sewage Treatment Plant Water Treated	m3	190,114.00	192,957						
	Total wastewater treated	m3	1,129,011.00	1,161,652						
Waste & Circularity	Input / Material Consumption	Tons	893,545			972,487	49,320		14,045	
	Recycled Input Materials	Tons				185,230	11,914	68,404	617	
	Waste (Non-Hazardous)	Tons	43,423	75,772		75,148		120	504	
	Waste (Hazardous)	Tons	220	239		173		60	6	
	Total Weight of Waste Recovered	Tons					11,914		237.4	
	Waste Intensity of Sales	Ton/1000 AED					0.0000	0.0004	0.0014	
	Raw Material Intensity of sales	Ton/1000 AED					0.1057		0.0386	

Note: Where available, service-line-specific data has been used; where unavailable, totals from the EHS department have been used for Environmental Impact.

*** Data is unavailable at the aggregate level.

Key: Data not available Data not applicable

Data Tables - Pillar: Our People & Community

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Our People & Community									
Employees	Total	Number	5,184	7098		5404		448	1246
	% of Full Time Equivalent (FTE) Employees	%	100%	99.72%		99.63%		100.00%	100.00%
	Total Temporary Employees								
	% Enterprise head count held by Temporary Employees								
	Total Part-Time Employee	Number		20		20			
	% Enterprise head count held Part-Time Employees	%		0.28%		0.37%			
	Total Workers who are not employees								
	% Enterprise head count held Contractors or Consultants								
	Nationality Diversity	Number		43					
Gender Headcount	Total Employees - Men	Number	4,980	6,777		5175		426	1176
	Total Employees - Women	Number	204	321		229		22	70
Age Representation by Category	Entry & Middle Management (Total)	Number		7,029					
	Entry & Middle Management (<30 years)	Number		2,012					
	Entry & Middle Management (30-50 years)	Number		4,366					

Key: Data not available Data not applicable

Data Tables - Pillar: Our People & Community (Contd.)

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Our People & Community									
Age Representation by Category	Entry & Middle Management (50+ years)	Number		651					
	Senior Management (Total)	Number		69					
	Senior Management (<30 years)	Number		0					
	Senior Management (30-50 years)	Number		32					
	Senior Management (50+ years)	Number		37					
Female Representation	Total	Number		321		229.00		22.00	70.00
	Entry level & Middle Management - Women	Number		320		228.00		22.00	70.00
	% Entry level & Middle Management - Women	%	8%	4.55%		4.22%		4.91%	5.62
	Number of Employees- Senior management - Women	Number	0	1		1%		0.00%	0.00%
	% Senior management - Women	%		1.45%		1.45%		0.00%	0.00%
Male Representation	Total	Number		6,777		5,175		426	1,176
	Number of Employees- Entry level & Middle Management - Men	Number	4769	6,709		5,116		422	1,171
	% Entry level & Middle Management - Men	%	92%	95.45%		94.67%		94.00%	94.20%
	Number of Employees- Senior management - Men	Number		68		59		4	5
	% Senior management - Men	%		98.55%		98.55%		100%	100%
Employee Turnover - Overall	Total New Employees	Number	529	1257		1,010		89	158
	Employees that have left	Number	715	1057		758		65	234

Key: Data not available Data not applicable

Data Tables - Pillar: Our People & Community (Contd.)

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Our People & Community									
Turnover By Employment Category	Middle Management	Number							
	Senior Management	Number							
Turnover Rate By Gender	Female	Number		299		214		17	70
	Male	Number		6798		5200		413	1220
Turnover Rate By Age	<30 Years	Number		518		343		44	131
	30-50 Years	Number		489		371		19	99
	50+ Years	Number		50		44		2	4
Parental Leave - Entitled Employees	Female	%	100%	100%		100%		100%	100%
	Male	%	100%	100%		100%		100%	100%
Parental Leave - Took Parental Leave	Female	Number		5		5		0	0
	Male	Number		31		25		3	3
Parental Leave - Returned to Work	Female	Number		5		5		0	0
	Male	Number		31		25		3	3
Parental Leave - Employed after 12 Months	Female	Number		244		179		15	50
	Male	Number		5762		4358		352	1052
Compensation - Average Annual Compensation	Female	AED		5472		6342		7595	2257
	Male	AED		2270		2403		3069	1429
Compensation - Gender Pay Ratio	Band 1 Para Professionals	Ratio		1.57		2.36		0.67	1.04
	Band 2 Professionals	Ratio		1.77		1.72		1.46	2.35
	Band 3 Middle Management	Ratio		1.11		1.17		0.93	0.98
	Total Gender Pay Ratio	Ratio		2.53		2.76		2.74	1.61

Key: Data not available Data not applicable

Data Tables - Pillar: Our People & Community (Contd.)

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Our People & Community									
CEO total compensation to median		Ratio	84	84					
Employees Receiving Performance Review	Female	%	100%	100%		100.00%		100.00%	100.00%
	Male	%	100%	100%		100.00%		100.00%	100.00%
Employee Training	Total	Hours				136,356			1,455
	Factory Training	Hours				129,407			1,086
	Administrative Trainings	Hours				4,056			155
	Middle Management	Hours				2,725			151
	Senior Management	Hours				168			63
	Male Trainings	Hours							
	Female Trainings	Hours							
	Average training hours	Hour/Employee	17.55			41			1.17
	Employees trained (unique)	Number	2,645			3,279			
Work-Related Injuries	The number of fatalities as a result of work-related injury	Number		0		0		0	0
	The number of high-consequence work-related injuries (excluding fatalities)	Number		7		0		7	0
	The number of recordable work-related injuries	Number		192		124		23	45
	The main types of work-related injury	Text		Hand/Finger Injury		Hand/Finger Injury		Work Related Incidents	Hand & Leg
	Total number of hours worked			18,277,286					

Key: Data not available Data not applicable

Data Tables - Governance & Best Practices

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Governance & Best Practices									
Board Diversity	Total board seats occupied by Men	%	86%	86.00%					
	Total board seats occupied by Women	%	14%	14.00%					
	Committee chairs occupied by Men	%	50%	50%					
	Committee chairs occupied by Women	%	50%	50%					
	Total board seats occupied by independent board members	%	57.14%	57.14%					
Ownership Structure	Retail	%	52.72%	33.10%					
	Falcon Investment	%	20.71%	20.71%					
	Institution	%	14%	16%					
	RAK Government	%	5.02%	11.99%					
	AL Rajhi	%	7.56%	6.88%					
	RAK Royal Family	%	0.00%	6.37%					
	Al Hamra Group	%	0.00%	3.25%					
	Insider	%	0.00%	2.17%					

Key: Data not available Data not applicable

Data Tables - Pillar: Responsible Business, Responsible Employer

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Responsible Business, Responsible Employer									
Anti Corruption	Employees that the organization's anti-corruption policies and procedures have been communicated to: Middle Management	Number		178					
		%		43.84%					
	Employees that the organization's anti-corruption policies and procedures have been communicated to: Senior Management	Number		35					
		%		54.69%					
	Employees that the organization's anti-corruption policies and procedures have been communicated to: UAE	Number		339					
		%		22.60%					
	Employees that have received training on anti-corruption: Middle Management	Number		178					
		%		43.84%					
	Employees that have received training on anti-corruption: Senior Management	Number		35					
		%		54.69%					

Key: Data not available Data not applicable

Data Tables - Pillar: Responsible Business, Responsible Employer (Contd.)

Topic	Metric	Unit	RAK Ceramics UAE (Total for all service lines)			Service Lines 2025			
			2024	2025		Tiles (RAK Ceramics)	Sanitaryware (RAK Ceramics)	Faucets (Kludi RAK LLC.)	Tableware (RAK Porcelain LLC.)
Pillar: Responsible Business, Responsible Employer									
Ethics & Compliance	Employees that received ethics, compliance, anti-corruption training.	Number		339					
		%		2.2%					
	Whistleblowing reports received	Number		6					
	Whistleblowing Report Outcomes: Closed	Number		3					
	Whistleblowing Report Outcomes: Ongoing	Number		3					
	Total value of significant fines or sanctions during the reporting year	Number		0					
Data Privacy	Number of substantiated complaints regarding data privacy breaches during the year?	Number		0					
	Number of data leaks, cyber incidents, or breaches recorded?	Number		0					
Sustainable Logistics	Reduction in Road Movement	km		1,630,000.00					
	Diesel Savings resulting From Reduction In Road Movement	liters		6,046,30					
Sustainable Procurement	Local suppliers	%		78					

Key: Data not available Data not applicable

ADX ESG DISCLOSURES

ADX ESG Disclosures

ESG Metric	GRI Standards	Calculation	2024		2025	Units	% change (2024-25)	Location / Comments
Category: Environmental								
E1 GHG Emissions	GRI 305: Emissions 2016	E1.1) Total amount in CO2 equivalents, for Scope 1	373.96		378.35	kt CO2e	2%	Data tables (Pillar: Environmental Impact, Topic: Emissions Reduction)
		E1.2) Total amount, in CO2 equivalents, for Scope 2	6.61		9.45	kt CO2e	43%	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	131.50		134.56	kg / 000 AED	2%	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	0.98		0.98	PJ	0%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
		E3.2) Total amount of energy indirectly consumed	0.07		0.08	PJ	17%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E4. Energy Intensity	GRI 302: Energy 2016	Total direct energy usage per output scaling factor	0.31		0.31	GJ / 000 AED	0%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
E5. Energy Mix	GRI 302: Energy 2016	Percentage: Energy usage by generation type						
		% of electricity purchased	10.5%		9.6	%	-9%	Data tables (Pillar: Environmental Impact, Topic: Energy Efficiency)
		% of electricity generated	89.5%		91.4	%	2%	
E6. Water Usage	GRI 303: Water and Effluents 2018	E6.1) Total amount of water consumed	3.14		3.41	Million m3	9%	Data tables (Pillar: Environmental Impact, Topic: Water Sustainability)
		E6.2) Total amount of water reclaimed	1.13		1.16	Million m3	3%	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		Yes		Yes	Yes, Governance and Best Practices - Ethics & Integrity; RAK Ceramics' Environmental Stewardship and Biodiversity Initiatives; Our People & Community - Employee Safety & Wellbeing
		E7.2) Does your company follow specific waste, water, energy, and/ or recycling policies? Yes/No	Yes		Yes		Yes	
		E7.3) Does your company use a recognized energy management system? Yes/No	Yes		Yes		Yes	ISO 50001 certification for energy management across Tiles, Sanitaryware and Tableware
E8. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Management Team oversee and/or manage sustainability issues? Yes/ No	Yes		Yes		Yes	Yes, Governance & Best Practices
E9. Environmental Oversight	GRI 102: General Disclosures 2016	Does your Board oversee and/ or manage sustainability issues? Yes/No	Yes		Yes		Yes	Yes, Governance & Best Practices
E10. Climate Risk Mitigation	GRI 201-2: Financial implications and other risks and opportunities due to climate change	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	22.9m		1.4	AED Million		Yes, Our Purpose - Performance Highlights 2025

Key: Data not available Data not applicable

ADX ESG Disclosures (Contd.)

ESG Metric	GRI Standards	Calculation	2024		2025	Units	% change (2024-25)	Location / Comments
Category: Social								
S1. CEO Pay Ratio	GRI 102: General Disclosures 2016	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	84		84	Ratio	0%	Data tables (Pillar: Our People & Community)
		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	2.64		2.53	Ratio	-4%	Data tables (Pillar: Our People & Community)
S3. Employee Turnover	GRI 401: Employment 2016	S3.1) Percentage: Year-over-year change for full-time employees	N/A		37%	%	37%	Data tables (Pillar: Our People & Community)
		S3.2) Percentage: Year-over-year change for part-time employees			20			Data tables (Pillar: Our People & Community)
		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						
		Female	3.94%		5.5%	%	40%	Data tables (Pillar: Our People & Community, Topic: Gender Headcount)
		Male	96.06%		95.5	%	-1%	
		S4.2) Percentage: Entry-and mid-level positions held by men and women						
		Female	8.00%		4.55	%	-43%	Data tables (Pillar:Pillar: Our People & Community, Topic: Gender Headcount)
		Male	92.00%		96.45	%	5%	
		S4.3) Percentage: Senior- and executive- level positions held by men and women						
		Female	0%		1.05%	%	N/A	Data tables (Pillar: Pillar: Our People & Community, Topic: Gender Headcount)
		Male	100%		98.95%	%	-1%	
S5. Temporary Worker Ratio	GRI 102: General Disclosures 2016	S5.1) Percentage: Total enterprise headcount held by part-time employees	0		0.28%	%		Data tables (Pillar: Pillar: Our People & Community, Topic: Gender Headcount)
		Percentage: Total enterprise head count held by contractors and/or consultants	0		0	%		N/A

Key: Data not available Data not applicable

ADX ESG Disclosures (Contd.)

ESG Metric	GRI Standards	Calculation	2024		2025	Units	% change (2024-25)	Location / Comments
Category: Social								
S6. Non-Discrimination	GRI 103: Management Approach 2016*	Does your company follow non-discrimination policy? Yes/No						Yes, Governance and Best Practices - Ethics & Integrity; Diversity & Inclusion
S7. Injury Rate	GRI 403: Occupational Health and Safety 2018	Percentage: Frequency of injury events relative to total workforce time						Data tables (Pillar: Our People & Community, Topic: Health & Safety)
		Total injuries Minor	178		192	No	8%	
		Total injuries Major	24		77	No	221%	
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, Governance and Best Practices - Ethics & Integrity
		S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No						Governance and Best Practices - Ethics & Integrity
S10. Human Rights		S10.1) Does your company follow a human rights policy? Yes/No						Yes. It is included as a clause in our Global Code of Conduct and is in accordance with all UAE Laws governing human rights; Governance and Best Practices - Ethics & Integrity
		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No						Yes, Governance and Best Practices - Ethics & Integrity
S11. Nationalization	Percentage of national employees	Percentage of national employees	10.80%		12.7%	%	18%	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%		0.45%	%	2150%	Our People & Community - Community Investment

Key: Data not available Data not applicable

ADX ESG Disclosures (Contd.)

ESG Metric	GRI Standards	Calculation	2024		2025	Units	% change (2024-25)	Location / Comments
Category: Governance								
G1. Board Diversity	GRI 405: Diversity and Equal Opportunity 2016	G1.1) Percentage: Total board seats occupied by men and women						Governance & Best Practices: Corporate Governance & Compliance,
		Women	14%		14%	%	0%	
		Men	86%		86%	%	0%	
G2. Board Independence		G1.2) Percentage: Committee chairs occupied by men and women						
		Women	50%		50%	%	0%	Governance & Best Practices: Corporate Governance & Compliance,
		Men	50%		50%	%	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	57.14%		57.14%	%	0%	Governance & Best Practices: Corporate Governance & Compliance
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						Yes - Governance and Best Practices Ethics and Integrity - Policies
		G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?						Data Not Available

Key: Data not available Data not applicable

ADX ESG Disclosures (Contd.)

ESG Metric	GRI Standards	Calculation	2024		2025	Units	% change (2024-25)	Location / Comments
Category: Governance								
G5. Ethics & Prevention of Corruption		G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No						Yes, Governance and Best Practices Ethics and Integrity - Policies
		G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy	100%		100%			Data Tables (Pillar: Responsible Business, Responsible Employer)
G6. Data Privacy		G6.1) Does your company follow a Data Privacy policy? Yes/No						Yes, Governance and Best Practices Ethics and Integrity - Data Protection
		G6.2) Has your company taken steps to comply with GDPR rules? Yes/No						Yes, Governance and Best Practices Ethics and Integrity - Data Protection
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

Key: Data not available Data not applicable

GRI CONTENT INDEX

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About RAK Ceramics, Pg 16
	2-2 Entities included in the organization's sustainability reporting	About RAK Ceramics, Pg 16, Economic Performance, Pg 18
	2-3 Reporting period, frequency and contact point	About this Report, Pg 8
	2-4 Restatements of information	0 Restatements in our 2025 Sustainability Report.
	2-5 External assurance	No external reassurance was sought for this report.
	2-6 Activities, value chain and other business relationships	Product Overview - Brands & Product Line, Pg 24
	2-7 Employees	Overview of Our Workforce, Pg 97
	2-8 Workers who are not employees	Not Applicable
	2-9 Governance structure and composition	Corporate Governance and Company Structure, Pg 111
	2-10 Nomination and selection of the highest governance body	Corporate Governance and Company Structure, Pg 111
	2-11 Chair of the highest governance body	Corporate Governance & Compliance, Pg 108
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance & Compliance, Pg 108
	2-13 Delegation of responsibility for managing impacts	Corporate ESG Governance, Pg 110
	2-14 Role of the highest governance body in sustainability reporting	Corporate ESG Governance, Pg 110
	2-15 Conflicts of interest	Ethics and Integrity, Pg 112
	2-16 Communication of critical concerns	Corporate ESG Governance, Pg 110
	2-17 Collective knowledge of the highest governance body	Corporate Governance & Compliance, Pg 108
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance & Compliance, Pg 108
	2-19 Remuneration policies	Standards of Conduct and Ethics at RAK Ceramics - Policies, Pg 112
	2-20 Process to determine remuneration	Diversity and Inclusion, Pg 100
	2-21 Annual total compensation ratio	Data Table - Our People & Community, Pg 138-144
	2-22 Statement on sustainable development strategy	Our Sustainability Framework - Our Sustainability Commitment, Pg 34
	2-23 Policy commitments	Energy & Sustainability Policy, Pg 48, Ethics and Integrity at RAK Ceramics - Policies, Pg 112
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Ethics and Integrity, Pg 112
	2-25 Processes to remediate negative impacts	Ethics and Integrity, Pg 112
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Integrity, Pg 112
	2-27 Compliance with laws and regulations	Ethics and Integrity, Pg 112
	2-28 Membership associations	Our Sustainability Associations, Pg 50
	2-29 Approach to stakeholder engagement	Our Stakeholders, Pg 41
	2-30 Collective bargaining agreements	Not Applicable - Due to UAE Legislation.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Sustainability Pillars & Material Topics, Pg 38-39
	3-2 List of material topics	Our Sustainability Pillars & Material Topics, Pg 38-39
	3-3 Management of material topics	Included within each material topic section.
Procurement Practices		
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Sustainable Procurement, Pg 120
	204-1 Proportion of spending on local suppliers	Sustainable Procurement, Pg 120
Anti-Corruption		
GRI 205: Anti-Corruption 2016	3-3 Management of material topics	Ethics and Integrity, Pg 112
	205-1 Operations assessed for risks related to corruption	Ethics and Integrity, Pg 112
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Integrity, Pg 112
	205-3 Confirmed incidents of corruption and actions taken	Ethics and Integrity, Pg 112
Energy		
GRI 302: Energy 2016	3-3 Management of material topics	Energy Efficiency in Production (Tiles), Pg 69, Energy Efficiency in Production (Sanitaryware), Pg 85, Energy Efficiency in Production (Faucets), Pg 75, Energy Efficiency in Production (Tableware), Pg 80, & Data Tables (Topic: Energy Efficiency), Pg 134
	302-1 Energy consumption within the organization	Energy Efficiency in Production (Tiles), Pg 69, Energy Efficiency in Production (Sanitaryware), Pg 85, Energy Efficiency in Production (Faucets), Pg 75, Energy Efficiency in Production (Tableware), Pg 80, & Data Tables (Topic: Energy Efficiency), Pg 134

GRI Content Index (contd.)

GRI Standard	Disclosure	Location
Energy		
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Not available
	302-3 Energy intensity	Data Tables (Topic: Energy Efficiency) Pg 134
	302-4 Reduction of energy consumption	Energy Efficiency in Production (Sanitaryware), Pg 85, Energy Efficiency in Production (Faucets), Pg 75, Energy Efficiency in Production (Tableware), Pg 80, & Data Tables (Topic: Energy Efficiency), Pg 134
	302-5 Reductions in energy requirements of products and services	Energy Efficiency in Production (Sanitaryware), Pg 85, Energy Efficiency in Production (Faucets), Pg 75, Energy Efficiency in Production (Tableware), Pg 80, & Data Tables (Topic: Energy Efficiency), Pg 134
Water and Effluents		
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Water Sustainability (Tiles), Pg 71, Water Sustainability (Sanitaryware), Pg 86, Water Sustainability (Faucets), Pg 77, Water Sustainability (Tableware), Pg 81, & Data Tables (Topic: Water Sustainability), Pg 136
	303-1 Interactions with water as a shared resource	Water Stewardship, Pg 63
	303-2 Management of water discharge-related impacts	Water Stewardship, Pg 63
	303-3 Water withdrawal	Water Stewardship, Pg 63
	303-4 Water discharge	Water Stewardship, Pg 63
	303-5 Water consumption	Water Stewardship, Pg 63 & Data Tables (Topic: Water Sustainability) Pg 136
Emissions		
GRI 305: Emissions 2016	3-3 Management of material topics	Emissions Reduction, Pg 90
	305-1 Direct (Scope 1) GHG emissions	Emissions Reduction, Pg 90
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Reduction, Pg 90
	305-3 Other indirect (Scope 3) GHG emissions	Scope 3 GHG emissions have not been calculated.
	305-4 GHG emissions intensity	Data Tables (Topic: GHG Emissions & Air Pollutants), Pg 134
	305-5 Reduction of GHG emissions	Data Tables (Topic: GHG Emissions & Air Pollutants), Pg 134
	305-6 Emissions of ozone-depleting substances (ODS)	Not available per manufacturing line.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollution, Pg 89 & Data Tables (Topic: GHG Emissions & Air Pollutants), Pg 134

GRI Standard	Disclosure	Location
Waste		
GRI 306: Waste 2020	3-3 Management of material topics	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
	306-1 Waste generation and significant waste-related impacts	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
	306-2 Management of significant waste-related impacts	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
	306-3 Waste generated	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
	306-4 Waste diverted from disposal	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
	306-5 Waste directed to disposal	Waste & Circularity (Tiles), Pg 72, Waste & Circularity (Sanitaryware), Pg 87 Waste & Circularity (Faucets), Pg 77, Waste & Circularity (Tableware), Pg 82, & Data Tables (Topic: Waste & Circularity) Pg 136
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-1 Occupational health and safety management system	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-3 Occupational health services	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-5 Worker training on occupational health and safety	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138

GRI Content Index (contd.)

GRI Standard	Disclosure	Location
Occupational Health and Safety		
GRI 404: Training and Education 2016	403-6 Promotion of worker health	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Safety & wellbeing, Pg 98
	403-8 Workers covered by an occupational health and safety management system	Employee Safety & wellbeing, Pg 98
	403-9 Work-related injuries	Employee Safety and Wellbeing, Pg 98 & Data Tables (Topic: Our People & Community), Pg 138
	403-10 Work-related ill health	Not Available.
Training and Education		
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Employee Training, Pg 103 & Data Tables (Topic: Our People & Community), Pg 138
	404-1 Average hours of training per year per employee	Employee Training, Pg 103 & Data Tables (Topic: Our People & Community), Pg 138
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training, Pg 103
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training, Pg 103
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity and Inclusion, Pg 100 & Data Tables Topic: Our People & Community, Pg 138
	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, Pg 100 & Corporate Governance & Compliance, Pg 108 & Data Tables Topic: Our People & Community, Pg 138-144
	405-2 Ratio of basic salary and remuneration of women to men	Data Tables (Topic: Gender Pay Ratio) Pg 142
Local Communities		
GRI 413: Local Communities 2016	3-3 Management of material topics	Community Investment, Pg 104
	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment, Pg 104
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Investment, Pg 104
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Sustainable Procurement, Pg 120
	414-1 New suppliers that were screened using social criteria	Sustainable Procurement, Pg 120
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Procurement, Pg 120

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