



**REZA**  
**CHEMICAL**  
INDUSTRIES

**REZA**

**SUSTAINABILITY REPORT 2022**



**CREATING SUSTAINABLE & MEANINGFUL VALUES**

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

# CONTENT

<b>Introduction</b>	<b>04</b>
•Leadership's commitment	05
•Message from the CEO	05
•Message from Quality & HSE Manager	06
•About the Report	07
•Rationale	07
•Our 2022 Highlights	11
<b>Our Sustainability Strategy</b>	<b>12</b>
•Core Sustainability Approach	13
•Commitment to KSA's Vision 2030	15
•Materiality Assessment	21
•RCI's Sustainability Agenda	23
<b>ESG Performance</b>	<b>25</b>
•Environmental Sustainability	26
•People & Community	41
•Governance & Integrity	45
<b>Looking Forward</b>	<b>48</b>
<b>Appendix</b>	<b>49</b>



# INTRODUCTION

## LEADERSHIP'S COMMITMENT



“

WE PROMISE TO PROTECT  
YOUR TOMORROW'S TODAY;  
THIS IS THE FOUNDATION OF  
OUR CONSTANT DEDICATION  
TO SUSTAINABILITY AND  
GREEN EFFORTS.

Reza Chemical Industries has stayed dedicated to developing environmentally friendly and sustainable products as well as activities that support Saudi Arabia's 2030 vision and the sustainability of the Kingdom. The team here has worked tirelessly to comply by all the environmental regulations established by the Kingdom in order to make sure we achieve this goal.

Our commitment to the people of the Kingdom has only grown, and it has become our mission to provide solutions that are sustainable, green, and of the highest quality. We take pride in the fact that we can be trusted by our partners and customers to deliver on this promise each and every time.

**Haydar Alireza**

CEO - Reza Investment  
Company Ltd

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## LEADERSHIP'S COMMITMENT

“

TOGETHER, LET'S CREATE  
A BRIGHTER, MORE SUSTAINABLE  
FUTURE

At our company, we are committed to embedding sustainability and green initiatives into our business operations. We are dedicated to taking the strides necessary to contribute to a sustainable planet that is in line with Saudi Vision's societal, environmental and economic objectives.

We believe that sustainability is not just a responsibility, but an opportunity to build long-term economic success and social benefits. Through our ongoing work, we are creating robust partnerships in sustainable and green practices, as well as developing new products and services that make a positive impact.

We are proud to partner with our clients in driving positive changes and helping to build a future in which our environment and economy are stronger, safer, and more flourishing. We invite you to take the initiative in joining us in building a better tomorrow.

**Ahmed Al Serisarie**

Quality and HSE Manager



# ABOUT THE REPORT



## GREEN COMMITMENT



At RCI, we are committed to and invested in sustainability because it's a win all around—it's good for the planet, for our businesses, for our team members, for our customers and partners, and for our communities.

## PROGRESS AND PARTNERSHIPS

Our 2022 Sustainability Report builds on our sustainability progress over the last year. This report also includes our work on a wide range of RCI commitments and initiatives to support our employees, our supply chain partners, and the communities.



## REFINING BLUEPRINT



The insights gathered helped refine our sustainability blueprint by redefining our goals, recalibrating our priorities, and restructuring our strategic framework, which then informs our key performance indicators, targets, reporting, and communications.

## COMPLIANCE

This report includes appendices that are informed by the following frameworks: the Global Reporting Initiative and the United Nations Guiding Principles (UNGP) Reporting Framework.



[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## RATIONALE

Reza Chemical Industries (RCI) is a leading manufacturer of top quality, world-class standard chemical cleaning and hygiene products for institutional and industrial applications as well as home care and personal care products in the Kingdom.

It provides a “one-stop” facility for clients wishing to take advantage of local manufacturing in the largest market in the GCC and operate throughout the Middle East and beyond. RCI is headquartered in First Industrial City, Jeddah, Saudi Arabia.

Reza Chemical Industries, a Division of Reza Investment Co. Ltd., is engaged in the manufacture of professional commercial cleaning and hygiene chemical products with applications for food and public safety, food and beverage hygiene, floor care, housekeeping and room care, laundry, and hand hygiene serving institutional and industrial end-users such as food service providers, hotels and lodging establishments, food processing plants, and healthcare facilities as well as home and personal care consumer products.

RCI products are offered all over the Kingdom of Saudi Arabia and in other Gulf countries; Both public and private sectors served - customers and beneficiaries: industrial (i.e. food and beverage factories, food processing) & institutional customers (i.e. restaurants, hotels, offices, schools, shopping malls, supermarkets, government buildings, animal health customers (poultry farms, dairy farms), and other governmental customer (i.e. MOH), and private label customers for consumer household and personal care products; combined group of raw material and packaging material supplies, combined group of distributors and logistics providers, combined group of third party contractors for managing different functions of the business.

### ‘ESG’ IN FOCUS

Sustainability Reporting has become an imperative business practice across international markets. Investors and other stakeholders demand transparency and accountability around the topics of Environmental, Social, and Governance (“ESG”) that impact business performance.





[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

The policy shift and growing demand for incorporating ESG aspects in investment processes are ushering different industry partners, including small & medium-sized FMCGs, manufacturing & contracting, etc., to create their sustainability narrative.

Also, disseminate information on their commitment to sustainability, ESG disclosures, compliance with global frameworks, i.e., GRI, IIRC and diversity, equality & inclusion through sustainability reporting.

### BUSINESS IMPERATIVE

In turn, businesses are also increasingly entrusted to play their part in resolving the issues faced by the society they are a part of. As a manufacturing company, RCI welcomes this shift. We have long been committed to using innovative science and technology to address some of industry's most challenging issues. With the transformation of our business progressing at a rapid pace towards an environmentally friendly future, and with stakeholder priorities constantly evolving, our sustainability work unveils both new challenges and new opportunities. This requires a regular update of our sustainability materiality assessment.

Our sustainability work only has meaning and impact if it focuses on addressing the issues that matter most. To remain successful in the long term, it is key for us to better understand and account for: the impacts we have on society and the environment; the risks and opportunities that environmental, social, and governance (ESG) issues may have on our business; and the views of our stakeholders around those ESG issues and where they expect our company to focus. A robust sustainability materiality assessment, conducted periodically, allows us to do that. This report summarizes the approach and findings of the sustainability materiality assessment we conducted during the second half of 2022.

### IMPACTFUL AND SUSTAINABLE GROWTH

RCI's commitment, through its leadership and sustainability plan that is embedded in the Company's processes, reassures the push towards a shift in industry behaviour to align with environmental, social, and governance challenges.

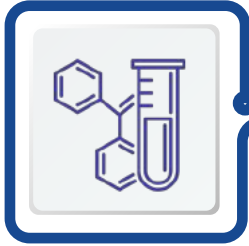


## OUR SERVICES

We believe in helping our customers grow their brands and businesses.



Full Manufacture and Filling of Private Label Cleaning & Hygiene Finished Products



Product & Formulation Development



Contract Manufacturing



Quality Assurance/Quality Control



# OUR 2022 HIGHLIGHTS



**100%**  
commitment to responsible sourcing of raw materials and packaging



**80%**  
of our top products have low environmental impact



**300K litre**  
water saved since 2020



**70%**  
of total waste recycled



**150,000 kWh**  
electricity saved since 2020 from migrating to LED lighting across the facility 2020



**100%**  
of our top products are REACH-compliant



**KG2 Cleaner & Sanitiser** achieved GREENGUARD GOLD Certification



Application of **'Green'** chemistry in our product formulations



Expanding efforts for waste management: Returnable packaging **with rebate offers to customers**



Locally manufactured products that meet and are fully certified as **'SAUDI MADE'**



Installation of **water treatment plant** on site to serve process water to all production lines



# OUR SUSTAINABILITY STRATEGY

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## CORE SUSTAINABILITY APPROACH

We're working to deliver a sustainable future by collaborating and innovating to expand our ability to make a positive impact on society and the planet. As a leading cleaning chemicals and hygiene products manufacturer, we have the responsibility and opportunity to act and lead the industry in areas where our science and innovation can make a difference. This means we are reducing our environmental footprint, developing and implementing circular economy solutions, and developing new products and application solutions that are more sustainable.



# OUR FOCUS AREAS: ACCELERATING SUSTAINABILITY COMMITMENTS

Environmental Stewardship, Circular Economy and Green Materials are critical to our license to operate and represent areas where we are using our skills, scale and network across our value chains to create shared opportunity for RCI and society for accelerating sustainability commitments.

## CORE PILLAR: COMMITMENT TO KSA'S SUSTAINABILITY AND LOCALIZATION GOALS

### ENVIRONMENTAL STEWARDSHIP

We are committed to protecting our planet by combating climate change, including contributing to a lower-carbon future, both in our operations and value chains.



### CIRCULAR SUPPLY CHAINS

We have embraced the need to create a more circular end-to-end supply chain. To achieve this, we will need to start thinking differently about the incoming materials, manufacturing work process, distribution, and transport of our products.

### GREEN MATERIALS

We are innovating new materials that offer a more favorable health and environmental profile over their life cycles compared to incumbent solutions.



## COMMITMENT TO KSA'S SUSTAINABILITY AND LOCALIZATION GOALS



### Local Content

In line with Saudi Vision 2030, for environmental sustainability, renewable energy, and protecting resources, the **'SAUDI MADE' program** is integral to achieving this. Reza manufactured products that meet and are fully certified as 'SAUDI MADE' help fulfil this goal by reducing transport and carbon footprint.

This national program also aims to help local business; Growth for local business by encouraging local consumers to buy more locally and regionally made products, thereby helping businesses increase their exports to priority markets. Expansion in terms of local businesses' reach and promotion of local products both domestically and globally.

### Sustainability Action

We are always finding new ways to support KSA's government in while achieving 2030 ambitions to accelerate the energy transition, **achieve sustainability goals**, and drive a new wave of investment. Sustainability has been at the heart of Vision 2030 since its inception.

**Vision 2030** is a sustainable vision for the future of Saudi Arabia with sustainability at the heart of everything the Kingdom does, from policy development and investment to planning and infrastructure. By creatively and responsibly addressing the energy and climate challenges of today, Vision 2030 inspires others around the world to share in building a sustainable tomorrow.

### NET Zero Commitment

Saudi Arabia is now ushering in a new era as the Kingdom aims to reach **Net Zero by 2060**. The Kingdom has committed to have **50%** of its power generated from renewable sources by 2030. Beyond a domestic energy mix transformation, SGI is steering a range of ambitious initiatives that will reduce emissions. These include investing in new energy sources, improving energy efficiency, and developing a carbon capture and storage program.

Together, these initiatives will help Saudi Arabia meet its climate goals and ensure a sustainable future. RCI aims to undertake actions to minimize **GHG emissions** of its operations and achieve net zero targets.

# SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development is a universal call for action to address global challenges. We accounted for the Sustainable Development Goals (SDGs) at the very first step of our sustainability materiality assessment, considering them when building our long list of topics and sub- topics. At the end of the assessment, we reconnected our most material topics with the potential contribution we could have as a company in helping society reach the SDG targets. We did that through an extensive mapping of all the 169 SDG targets, and attributed the highest potential contribution of RCI to those targets connected with our most material topics where a significant potential outward impact was identified. Considering interdependencies between different ESG topics and their connection to multiple SDG targets, we distinguished between “primary SDGs” directly linked to a significant outward impact connected with an ESG topic, and “secondary SDGs” with a more limited impact.

Our Halal certification is part of our sustainability goals. As such, attaining and maintaining this certification is aligned with the United Nations Sustainable Development Goals (UNSDGs) on Good Health and Well-Being (Goal 3); Decent Work and Economic Growth (Goal 8); and Responsible Consumption and Production (Goal 12).



We also found that SDG 13: Climate action and SDG 17: Partnerships for the Goals enables progress against the broader agenda.





# SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the UN General Assembly to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. At RCI, there are multiple ways our sustainability work aligns with these global goals. The following shows how our programs correspond to the UN SDGs.

## REZA SUSTAINABILITY PILLAR      RELEVANT SDGS

<b>Environmental Stewardship</b> 	
<b>Product Sustainability</b> 	
<b>Supply Chain</b> 	
<b>Communities</b> 	

## REZA SUSTAINABILITY PILLAR      RELEVANT SDGS

<b>Renewable Energy</b> 	
<b>Employee Benefits</b> 	
<b>Waste and Packaging</b> 	
<b>Diversity, Equity, and Inclusion</b> 	

# STAKEHOLDER ENGAGEMENT

Engaging RCI’s stakeholders in the process of identifying its priorities is essential. By incorporating their inputs as feedback into RCI’s strategy, we are best able to jointly address those issues that are important for them, where we have an impact, and can develop long-lasting solutions. Gathering the feedback of RCI’s key stakeholders is an essential step of our sustainability materiality assessment. It helps us understand their expectations and prioritize sustainability topics effectively, informing our overall sustainability approach and our ability to deliver against shared sustainability goals. As we continue to transform our products, company, business model, and value proposition, we must rely on the cooperation of multiple stakeholders, from supply chain partners to regulators and public health authorities. This requires that we work continuously to build trust and legitimacy, earning the license to operate in a highly scrutinized environment. Engaging with stakeholders in an open and transparent way offers the opportunity to understand their expectations and concerns, while allowing us to explain the context and the challenges related to our transformation.



## INCLUSIVE STAKEHOLDER ENGAGEMENT APPROACH

FUNCTIONS	STAKEHOLDERS	IMPACT ON RCI'S OPERATION
Governance & Regulations	National Center for Environmental Compliance (NCEC)	High
	Saudi Food and Drug Authority (SFDA)	High
	Saudi Standards, Metrology and Quality Organization (SASO)	High
	Saudi Authority for Industrial Cities and Technology Zones (MODON)	High
Industrial	Poultry Farms	High
	Restaurants	High
	Dairy Farms	High
	Bakeries	High
	Factories	High
Institutional	Schools	High
PL Customers	Pharmacy Chains	High
Suppliers	Combined group of raw material and packaging material suppliers	High
Distributors	Combined group of distributors and logistics providers	Medium
Contractors	Combined group of third-party contractors for managing different functions of the business	High

## MATERIALITY APPROACH AT RCI



### How RCI Defines Materiality

ESG topics are considered to be material to RCI if they have a substantial likelihood of influencing the judgment and decisions of key stakeholder groups and significantly impacting overall business performance. There are a number of different materiality definitions within a range of global sustainability frameworks and guidelines which have provided input to our own. In addition, RCI determines materiality in accordance with global reporting standards since RCI reports under GRI, which consider both material externalities and dependencies.



### Financial vs. Non-Financial Materiality

While sustainability and ESG are often thought of as being non-financial, they can have indirect financial implications for businesses too. For example, ethical misconduct or product recalls can translate into fines, while pandemics or other extreme weather events can disrupt our ability to manufacture our products. Issues like these will eventually be internalized in our financial statements. However, the impact of the material event may be complex and may take time to appear on financial statements. This means we need to be forward-looking when it comes to assessing the potential effects of ESG topics.



### Double Materiality

At their core, companies exist to perform business activities such as manufacturing goods or providing services. In doing so, they have an impact on society and the environment while creating financial implications for their businesses. This two-way relationship is called 'Double Materiality.' At RCI, financial returns in parallel with ESG values is strongly encouraged to create sustainable operations and long term interventions can be undertaken.

# MATERIALITY APPROACH AT RCI

## INWARD IMPACTS

ESG-related risks and opportunities which could have an impact on corporate value



DOUBLE MATERIALITY



## OUTWARD IMPACTS

ESG-related topics for which RCI can have the greatest impact externally

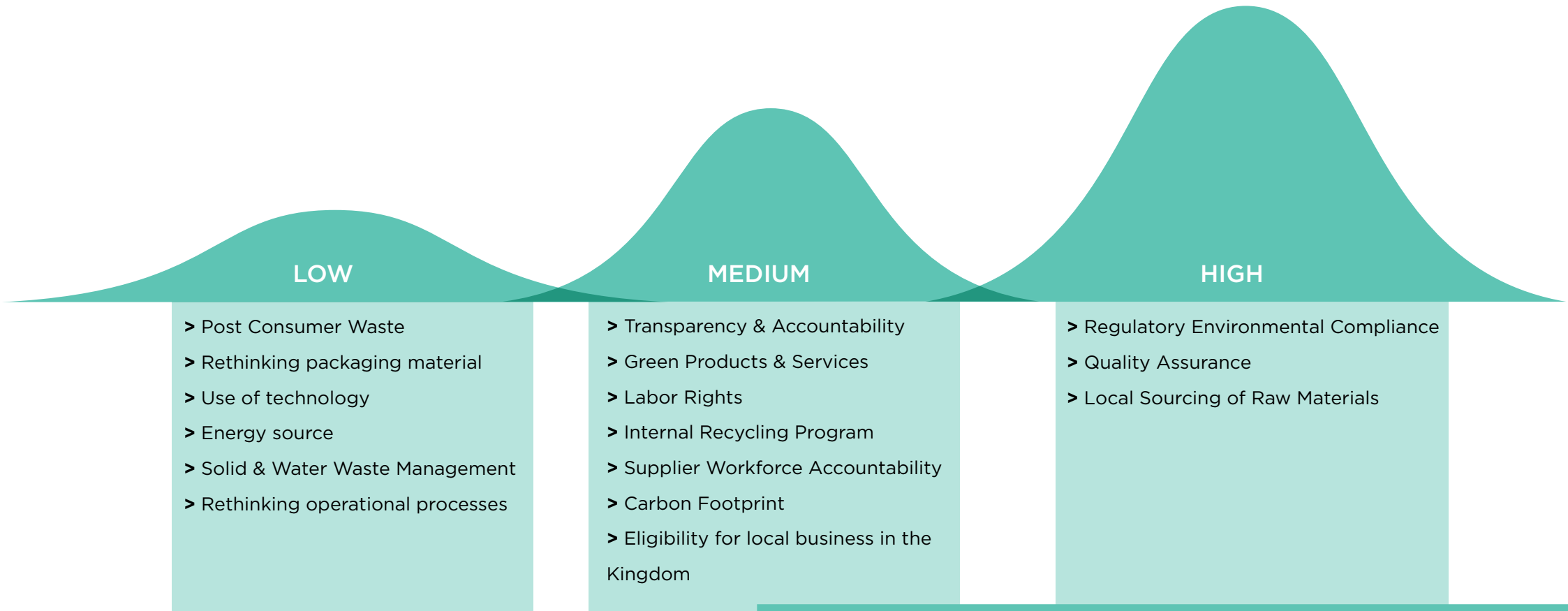


# MATERIALITY ASSESSMENT

The materiality matrix is one of the main outputs of the materiality analysis. Combining internal and external inputs gives us a table of results that shows the important subject areas to the bank and our stakeholders, and helps us focus the RCI's priorities, initiatives and programmes. In 2022, we identified 16 topics our stakeholders consider most relevant for RCI, and addressed them by strengthening our responsible business practices and ethical behaviour; tackling climate change and supporting the transition to a low-carbon economy; promoting financial inclusion; and creating a talented and diverse team.

## Sustainability Materiality Matrix

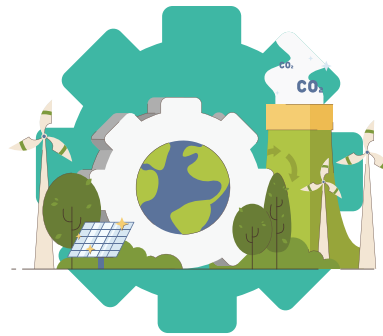
Our sustainability materiality matrix was generated using all inputs gathered through the materiality assessment. We applied the results of the internal impact assessment – displaying those topics that carry the most significant risks and opportunities for RCI's value creation – to inform the “X” axis of the matrix. We used the insights of the outward impact assessment – highlighting where RCI can have the most significant impact on the planet and society – to build the “Y” axis of the matrix. Finally, we reflected the perspectives of our stakeholders by assigning different positions to topic bubble, depending on the importance attributed.



# ESG PRIORITIES

RCI's ESG commitments focuses on three priority areas: **environmental sustainability; people & communities and governance & integrity.**

These areas reflect how we are working as a team to deliver solutions to sustainability challenges and create lasting value for our **customers, communities, employees** and **businesses** across our value chain.



## ENVIRONMENTAL SUSTAINABILITY

RCI recognizes that our environmental initiatives play a key role in building solutions to support customers' sustainability objectives and improving the sustainability of our existing products.



## GOVERNANCE AND INTEGRITY

We believe in sustainable business that creates positive social change. RCI believes in adhering to highest standards of business integrity and complying with strong workforce accountability measures



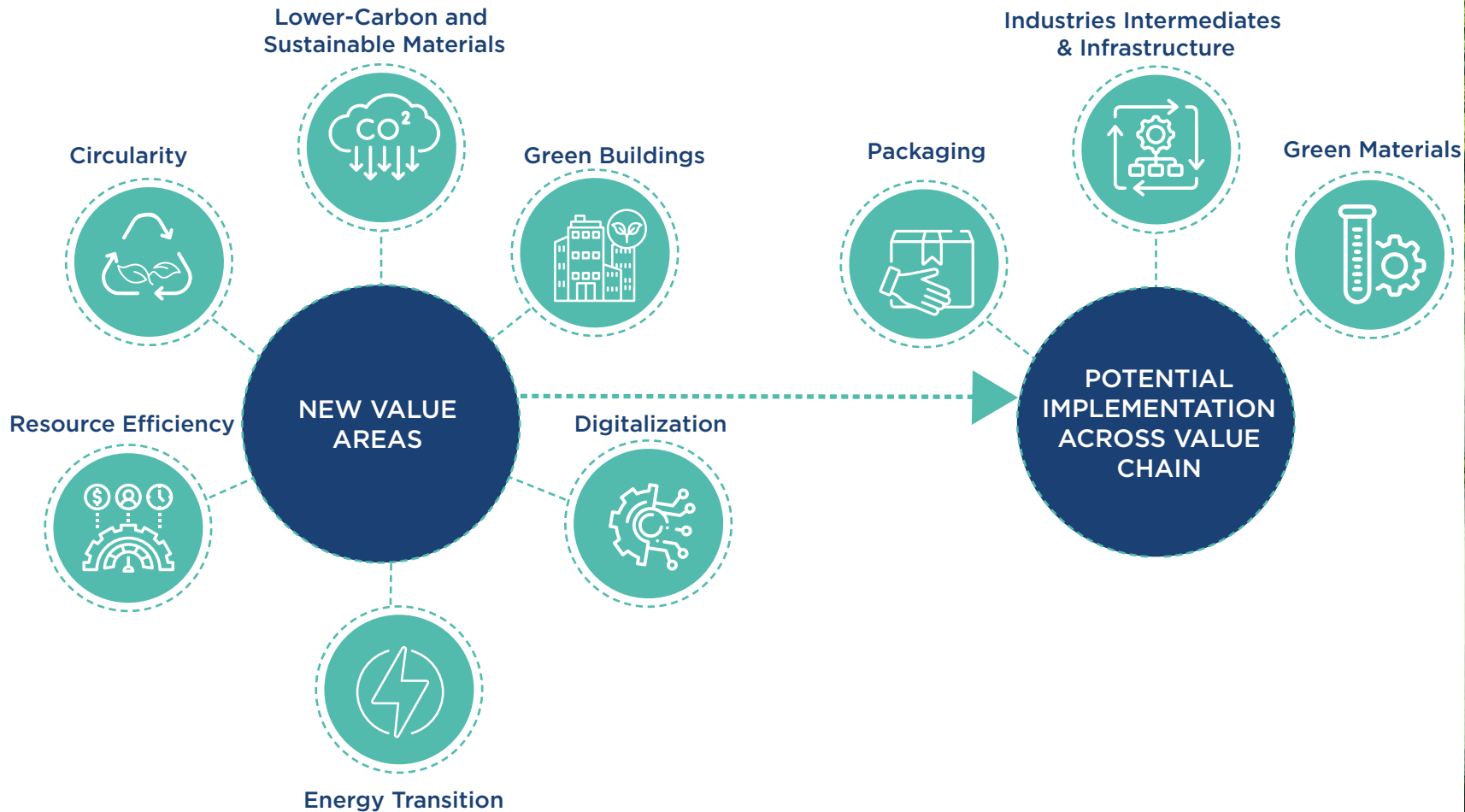
## PEOPLE AND COMMUNITIES

RCI's values of transparency and accountability are fundamental to how we work and all that we do. Adhering to these values helps us create and maintain a culture that supports sustainable business growth and serves as the foundation of our corporate governance.



# SUSTAINABILITY DRIVES OPPORTUNITY IN THE SECTOR

Across our businesses, we are delivering market-driven, breakthrough, sustainable innovations that are deeply rooted in rigorous value chain improvements across RCI's operations. By helping our customers manufacture products that reduce carbon emissions and resource consumption, and enable circularity, we bring value to our customers and society, while increasing our competitiveness.



# INTEGRATING KEY ESG ISSUES INTO OUR STRATEGY TO MEET CHALLENGES

Like every business, RCI operates in a fast-changing world that brings new challenges and opportunities. In 2022, the materiality assessment revealed two core challenges we must address. Considering interdependencies between different ESG topics and their connection to multiple SDG targets, we distinguished between “primary SDGs” directly linked to a significant outward impact connected with an ESG topic, and “secondary SDGs” with a more limited impact.





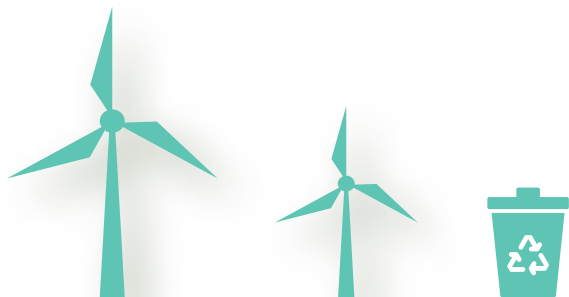
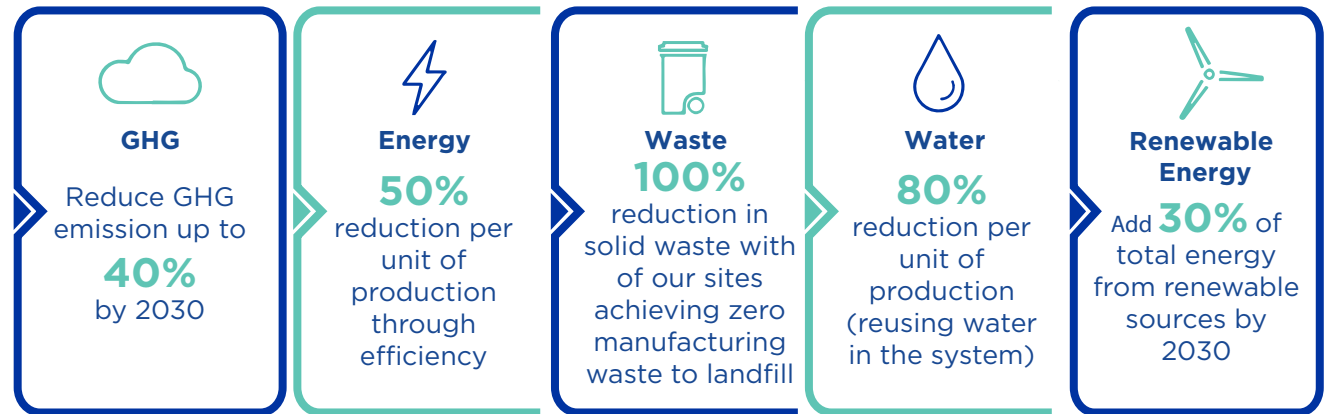


# REFINING OUR TARGETS TO REDUCE OUR IMPACT

RCI recognizes that our environmental initiatives play a key role in building solutions to support customers' sustainability objectives and improving the sustainability of our existing products.

To support our work to preserve the environment, we have set goals to reduce water, waste, energy, and GHG intensity by 2030. These goals are based on the 2022 environmental metrics we are sharing in this report, our intensity-based environmental targets provide increased transparency for improvement in operational efficiencies in the future.

Within our operations we strive to grow responsibly, constantly improving our efficiency while reducing our footprint. Our production has increased over the past years, however we have successfully decoupled that growth from our environmental footprint, achieving reductions in waste, water, energy and GHG emissions.



# REFINING OUR TARGETS TO REDUCE OUR IMPACT

## ENERGY



### Reduce energy use at RCI facilities by 20% per unit of production by 2022

Achieved — 20% reduction per unit of production through operational efficiencies

### Investing in new technologies to improve efficiency and deliver savings

Upgrade to motion-sensitive lighting in all offices and meeting rooms Improvement for emperature-controlled storage in our warehouses

LED lights installed across the factory to significantly reduce the electricity bills and environmental footprint.

### Reduce reliance on diesel fuel

A massive improvement to the warehouse racking system that is more energy- efficient for warehousing forklift operations, Change from diesel and LPG fueled forklift truck to battery-operated units.

### Ensure plants are powered by 5% renewable energy

RCI is working towards identifying renewable energy sources for its energy mix Average monthly / daily electricity consumption of electricity from National grid: 61200 kwh/month - 2354 kwh/day

### Enhancing RCI energy management systems

Installation of Power factor correctors RCI is aligning its energy and GHG reduction transition plans to create effective energy management system

### Create technologies by 2020 to substitute top petroleum-derived raw materials with renewable materials as cost and scale permit

We aim to have the ability to substitute our top petroleum-derived raw materials (resins, cleaning agents and acrylates) with renewable materials

## WATER



### Reduce water use in manufacturing facilities by 20% per unit of production

300K litres water saved since 2020 Reduction of water usage in cleaning in manufacturing operations

Maximizing batch sizes where possible to reduce changeovers, thereby reducing energy consumption and water usage for cleaning

Change to sensor-driven faucet system in all domestic water taps

### Investing in new technologies to improve water utility

Installation of Reverse Osmosis (RO) Plant which has eliminated transporting in at least 2 tankers (62 MT) of process water daily (equivalent of approx. 40,000 km/year).

## WASTE



### Use recyclable packaging material

The packaging material claimed to be 100% recyclable- PE/ PET/ HDPE are used by RCI

### Returnable Packaging Program

Reza Chemicals sources IBC containers alongside with raw material drums. The raw material drums are often discarded/ recycled by third party whereas the IBC containers are recycled and bought back by the factory

### Use of unprinted outer cases for product delivery

RCI uses non printed outer cases for manufactured products to reduce environmental footprint and packaging waste

### Availability of Recycling garage facility on site

RCI has dedicated onsite space for recycling material to be collected and transported to certified third party for managing recyclable waste i.e. paper, drums, etc.

# ENERGY CONSERVATION

RCI continues to make solid progress in reducing its energy footprint. We have improved energy efficiency by %20, achieving our 2022 goal:

The strengths of our energy program rest on three key strategies:



01

Operating with zero losses or defects



02

Investing in new technologies to improve efficiency and deliver savings



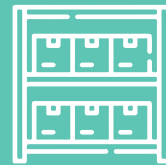
03

Leveraging renewable energy sources

Our sustainability and operations team works collaboratively to deliver tools and systems integrated with our manufacturing work systems to reduce losses and continuously improve operating efficiency. We continue to focus on enabling our people to identify and quickly eliminate losses in energy consumption.

We are also benchmarking efficiencies internally and externally to determine where we can invest in new technologies to improve base operating efficiencies. It's because of these efforts we have improved energy efficiency by %22 in 2022 which has resulted in in direct savings and reduced emissions.

# ENERGY SUCCESS STORIES AT RCI



A massive improvement in warehouse racking system that has resulted in more energy-efficient warehousing forklift operations- Change from diesel and LPG fueled forklift truck to battery-operated units.



Installation of Power factor correctors to reduce energy losses



Upgrade to motion-sensitive lighting in all offices and meeting rooms and installation of LED lights across the factory to significantly reduce the electricity bills and environmental footprint



Improvement for temperature-controlled storage in our warehouses to significantly reduce the electricity bills and environmental footprint

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## ADVANCING GHG REDUCTION AND USE OF RENEWABLE ENERGY EFFORTS

Adapting to a changing climate is one of the most pressing societal issues of our time. RCI prioritizes improving and analyzing our GHG emissions profile, while also setting a meaningful reduction target and developing a GHG abatement strategy.

### LOW-CARBON TRANSITION PLAN

As we work to reduce our carbon impact, we are developing a low-carbon transition plan. In the short term, RCI plans to enhance energy efficiency and increase renewable electricity consumption to reduce our Scope 1 and 2 emissions through capital investment projects.

Looking forward, we aim to explore the application of solar power technology, renewable fuels, and breakthrough technologies like carbon capture and hydrogen. Until new technologies become commercially scalable, our focus is to continue to leverage energy efficiency initiatives and consider limited carbon offsets through high-quality compensation measures as a carbon-footprint reduction tool as well.

Our next priority is to assess and develop further reduction strategies while we develop a better understanding of our Scope 3 emissions sources.






# REDUCING AIR EMISSIONS

We take our commitment to sustainability seriously, and part of that commitment involves ensuring that our production processes do not harm the environment or the health and safety of our employees. That's why we have installed air exchange units in our production area to refresh the air every 20 minutes.

We understand that working with various chemicals can have an impact on air quality, which is why we monitor the air quality in our facility regularly. By installing air exchange units, we are ensuring that our employees breathe clean, fresh air while they work. This not only improves their health and well-being but also helps to minimize our environmental impact.

## COMMITMENT TO IMPROVED AIR QUALITY

Our dedication to monitoring and improving air quality is just one of the many ways we are working to operate sustainably and responsibly. We are committed to continuing to find ways to reduce our environmental impact and promote a healthier workplace for our employees.

Elements 	RCI Emission* 	Permissible Limits 
PM10 avg	36 ug/m3	OSHA limits: 5000 ug/m3
PM2.5 avg	30.5 ug/m3	OSHA limits: N/A
SO2 avg	0.01> PPM	OSHA limits: 5 PPM
NO2 avg	0.01> PPM	OSHA limits: 5 PPM
H2S avg	0.01> PPM	OSHA limits: 10 PPM
VOCs avg	0.54 PPM	OSHA limits: N/a
CO avg	10 PPM	OSHA limits: 50 PPM
O3 avg	0.01> PPM	OSHA limits: 0.1 PPM
Noise avg	69.4 dB	OSHA limits: 90 dB

\*These figures are an average of year 2022 emissions



## TREATING WATER AS A CRITICAL RESOURCE

RCI recognizes that water is a vital raw material for our business and a shared natural resource.

01

Our direct manufacturing operations require water to support cooling water systems, washing, and product manufacturing. We also recognize that there is a need for potable water for on-site employees and contractors.

02

As a responsible community partner, and in line with our vision of maintaining natural resources for future generations, we are committed to sustainable water management.

03

To formalize our commitment, in early 2022 we adopted a policy centered on tracking and disclosing water performance, including the implementation of water efficiency practices by our manufacturing facilities.

## WATER SAVING SUCCESS STORIES AT RCI

Reduce water use in manufacturing facilities by %20 per unit of production through:



Reduction of water usage in cleaning in manufacturing operations



Maximizing batch sizes where possible to reduce changeovers, thereby reducing energy consumption & water usage for cleaning



Change to sensor-driven faucet system in all domestic water taps



Installation of Reverse Osmosis (RO) Plant which has eliminated transporting in at least 2 tankers of process water daily

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## SPOTLIGHT: R/O WATER TREATMENT PLANT

We are proud that we have installed our own Reverse Osmosis (RO) system in our facility. This investment in sustainable technology will allow us to produce our own water, reduce our reliance on outside sources, and decrease our carbon footprint.

By producing our own water, we can significantly cut down on the number of daily trips needed to transport water to our facility. This means that we can reduce our carbon emissions and overall impact on the environment. In addition to being more environmentally friendly, this move will also lead to significant cost savings over time.



At our company, we are committed to sustainability and taking actions that positively impact the environment. This investment in our own RO system is just one example of our dedication to reducing our environmental impact while simultaneously improving our bottom line. We are excited to continue to pursue sustainable solutions that benefit both our business and the planet.





[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

# CIRCULAR SUPPLY CHAINS

Circularity has always been a part of our ongoing conservation and environmental footprint reduction efforts within water, waste and renewable energy. However, as we look toward the next decade, we are committed to be both a force for good and a force for growth. As part of that vision, we have embraced the need to create a more circular end-to-end supply chain. To achieve this, we will need to start thinking differently about the incoming materials, manufacturing work process, distribution, and transport of our products.

Circularity is not only the right thing to do, it also helps make our operations more efficient and resilient.

**To achieve circular supply chains- RCI focuses on three focus areas:**



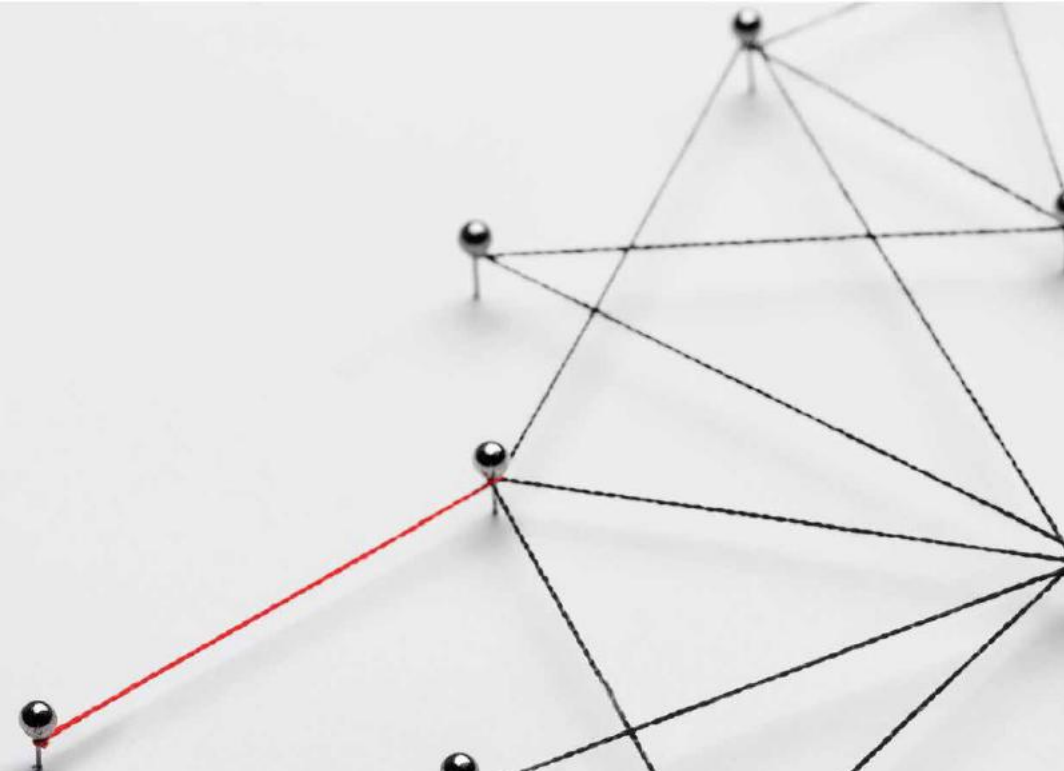
**Effectively Managing  
Our Waste**



**Green  
Materials**



**Rethinking  
Packaging**



[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## EFFECTIVELY MANAGING OUR WASTE



At RCI we are continuously seeking opportunities to minimize, reduce, reuse, and recycle waste. We work with experts at our manufacturing facilities to address waste with dual goals of increasing productivity and reducing environmental impact. We continue to develop products that contribute to the circular economy and to innovate at our plants, while setting an ambitious corporate target of reducing total waste disposal intensity. RCI is making concerted efforts to reduce the amount of waste generated from its operational and production processes as the waste that is disposed of emits greenhouse gases that contribute to environmental pollution and climate change. Through the company's corporate sustainability strategy, RCI has defined milestones that have led to the creation of a comprehensive waste management system.

This includes creating physical inventories in warehouses across operations, sorting waste, reducing the amount of waste sent to landfill, eliminating plastic throughout the supply chain, and embedding components of the circular economy.

### RETURNABLE PACKAGING & LOGISTICS

Bulk deliveries in tankers or IBC 's are supplied to our customers where we have installed bulk tank solutions, ensures packaging is zero. Reza Chemicals sources IBC containers alongside with raw material drums. The raw material drums are often discarded/ recycled by third party whereas the IBC containers are recycled and bought back by the factory.

Our Supply Chain deliver products nationwide, as efficiently as possible to maximize backloads thereby ensuring minimum fuel consumption per kg of product delivered.

This includes creating physical inventories in warehouses across operations, sorting waste, reducing the amount of waste sent to landfill, eliminating plastic throughout the supply chain, and embedding components of the circular economy.



### PACKAGING OF END PRODUCTS

The packaging material is claimed to be %100 recyclable- PE/ PET/ HDPE are used by RCI. Our super concentrated products enable our customers to minimize packaging waste with a lower footprint. All our products utilize recyclable materials.

RCI uses non printed outer cases for manufactured products to reduce environmental footprint and packaging waste

### RECYCLING GARAGE

RCI has dedicated onsite space for recycling material to be collected and transported to certified third party for managing recyclable waste i.e. paper, drums, etc. RCI has formed a strategic partnership with Al Faye company for Waste Management Disposal & Recycling to support us with eliminating and recycling the waste generated from the operations. Recycling and Reusing waste plays a significant role in sustainability because it reduces the negative impact that human activities have on the environment.



# MATERIALS

We are continuing our efforts to develop the ability to replace unsustainable materials with Green raw materials. We have identified raw material manufacturers those who have a selection of surfactants and other chemicals with outstanding 'Green' credentials suitable for our 'Green' formulations accompanied by critically relevant data that aid us in our selection process.

We have previously reported on establishing our ability to replace chemically harmful materials with green and ecofriendly classification.

In this section you will see, how RCI has sought green certifications of its products establishing the vision of the organization to move their products towards sustainable and green production practices.



## GREEN MATERIALS SUCCESS STORIES AT RCI

- Green Materials Success Stories at RCI
- Application of 'Green' chemistry in our product formulations
- Use of enzymes in formulations to eliminate need for high-temperature washing for laundry products
- Preference for raw material ingredients with good HS&E profiles
- Change to raw material ingredients with better H&S profiles. cleaning systems e.g. Use of CIP system in cleaning used IBCs of raw materials
- All fragrances used in our products are alkyl phenol ethoxylate free

## SPOTLIGHT: GREEN LAUNDRY RANGE



Our international partners have combined R&D teams from North America, Europe & Australia, to ensure the Laundry Guard Pro range meets all international standards with products developed that are free of EDTA, NTA, and phosphates.

All products are provided with clear technical data, safety data sheet and wall charts for correct dosing and user safety. Our on-site technical teams provide staff-training for laundry process, chemical safety; this training minimizes misuse and ensures maximum efficiency.

# CERTIFICATIONS & RECOGNITIONS

## ENVIRONMENTAL EXCELLENCE

As a company committed to sustainability, we recognize the importance of managing our operations in a responsible and sustainable manner. That's why we have implemented an integrated management system based on four key ISO certifications: ISO 9001 QMS , ISO 14001 EMS, ISO 45001 OH&S, and ISO GMP 22716. These certifications reflect our dedication to quality, environmental management, occupational health and safety, and good manufacturing practices.

Through these certifications, we ensure that our products and services consistently meet or exceed our customers' expectations, minimize our environmental footprint, prioritize the safety and well-being of our employees and stakeholders, and maintain the highest standards of quality and safety for our products. We remain committed to continuously improving our performance, reducing our impact on the environment, and meeting the evolving needs of our customers and stakeholders.



Confirms our commitment to being responsible towards protecting the environment.



Confirms our consciousness towards Health & Safety Standards to safeguard our employees and all our colleagues



Demonstrates our commitment to assuring and safeguarding quality and safety of our personal care products by manufacturing them in a manner in accordance to the principles of Good Manufacturing Practice.



Confirms our commitment to Quality, Continuous Improvement, and Enhanced Customer Satisfaction

## CERTIFICATIONS & RECOGNITIONS

### OTHER COMPANY AND PRODUCT-SPECIFIC CERTIFICATIONS ASSURE REZA PRODUCTS ARE SAFE FOR THEIR INTENDED PURPOSE:

**NSF Certification for the Company and Products**  
An international symbol of quality and safety, particularly in food safety **OMRI Organic Certification**- Organic Materials Review Institute provides an independent review of products intended for use in certified organic production and processing.

**EN Certification**- Third party verified products that pass European Norm Standards i.e. chemical disinfectants used for many different applications such as food, industrial, institutional, agricultural, veterinary, health care, etc.

### SAUDI MADE

In line with Saudi Vision 2030, for environmental sustainability, renewable energy, and protecting resources, the 'SAUDI MADE' program is integral to achieving this. Reza manufactured products that meet and are fully certified as 'SAUDI MADE' help fulfill this goal by reducing transport and carbon footprint.

This national program also aims to help local business; Growth for local business by encouraging local consumers to buy more locally and regionally made products, thereby helping businesses increase their exports to priority markets. Expansion in terms of local businesses' reach and promotion of local products both domestically and globally.

### SAUDI FDA HALAL CENTER - HALAL CERTIFICATION

Guarantees that our products meet the requirements of Islamic law, suitable and safe to use for their intended use in cleaning and disinfecting applications especially where food preparation/processing are involved.



# RCI'S GREEN PRODUCTS CREDENTIALS



## CURRENT CERTIFICATIONS:

- EcoLogo Certification
- GreenGuard Gold Certification
- GreenSeal Certification
- USDA Certified Biobased
- OMRI Organic Certification



# SPOTLIGHT: KG2 GREENGUARD GOLD CERTIFICATION

We are delighted to share that our Product KG2 Cleaner & Sanitiser has received the prestigious GREENGUARD GOLD Certification, which recognizes our unwavering commitment to sustainability and environmental responsibility. This certification is a testament to our stringent standards and the rigorous testing that our product has undergone to meet GREENGUARD's strict criteria for indoor air quality. At our company, we take our responsibility to protect the environment and promote human health very seriously. We strive to create products that are not only effective but also safe and sustainable. Our KG2 Cleaner & Sanitiser is just one example of our ongoing efforts to reduce our carbon footprint and make a positive impact on the environment and we will continue to pursue excellence in sustainability and environmental stewardship.



## PRODUCTS WITH LOW ENVIRONMENTAL IMPACT

Every product has some impact on the environment. In order to determine the 'greenability' of a product especially in the cleaning industry, all relevant factors need to be considered. Products manufactured at Reza Chemical Industries are qualified according to their overall environmental impact based on a set of criteria which consists of the following:

- > RAW MATERIALS
- > PH OF PRODUCT
- > ENVIRONMENTAL HAZARD CLASSIFICATION
- > IMPACT OF USE
- > IMPACT OF WATER USED TO MANUFACTURE
- > IMPACT OF ENERGY USED TO MANUFACTURE

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## PARTNERSHIPS FOR FURTHERING GREEN PRODUCTS

In line with our promise of bringing 'Green' products into the market we partner with leading raw material manufacturers with reputedly good ecological and sustainability profiles. These manufacturers have a selection of surfactants and other chemicals with excellent 'Green' credentials suitable for our 'Green' formulations accompanied by critically relevant data that aid us in our selection process. Suppliers of corrugated cartons and other paper products are certified in accordance to the requirements of the Forest Stewardship Council (FSC), a mark conforming a company's commitment to the responsible management of the world's forests.







# PEOPLE & COMMUNITIES

# PROGRESS & WAY FORWARD

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

# PEOPLE & COMMUNITIES

## PEOPLE AND COMMUNITIES AS A PRIORITY FOR RCI

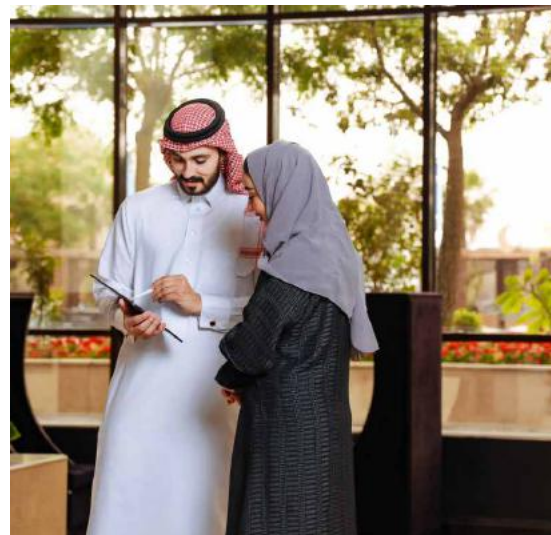


Where the company worked to preserve the safety of its employees by the best means, for example: the company worked to reduce emissions from production lines within the work environment to maintain the health and safety of workers during work, as it used electric vehicles to avoid emissions that may be issued from the exhausts of these vehicles, It also used high-quality chemicals during the production stages to avoid harmful emissions that may result from other materials of lower quality and cheaper value. RCI also took care to measure the air quality periodically throughout the factory to ensure that all parameters are within the permissible limits.

In addition, the company was interested in conducting training courses for workers and employees to educate them about the dangers and problems that may arise during operation, as well as developing emergency, health and safety plans, and adding warning and educational signs throughout the factory. In addition, all workers and employees in the factory have been medically insured for their safety.

## GENDER MAINSTREAMING

The company was not satisfied with only caring about health and safety only, it also paid attention to the aspect of equality between men and women, as there are a number of women working within the factory and in various positions between administrators and employees, and the salaries that are deposited for employees are considered rewarding salaries in the Saudi labor market, and the company also supports Saudi nationalization laws open fields and opportunities for employment, which develops social life and reduces the unemployment rate for both genders.



## CORPORATE SOCIAL RESPONSIBILITY



RCI plans to engage in more voluntary campaigns and have an active role in these campaigns, as it mainly contributes to supporting various charitable campaigns for effective environmental stewardship in the country

## EMPLOYEES WELLBEING

RCI is also characterized by comfortable working hours that enable workers and employees to balance between life and work, as working hours are set and there are days off at the weekend, and there is annual leave for all employees, as well as sick leaves in critical cases, which confirms the extent of the company's interest in the well-being of employees as well as maintaining on their social life.

# IMPLEMENTING STRONG WORKFORCE ACCOUNTABILITY MEASURES

RCI believes in adhering to highest standards of business integrity and complying with strong workforce accountability measures hence our policies are put in place to achieve the following:



## Business Integrity

- > Compliance with and knowledge of KSA laws



## Workplace Environment

- > Health & Safety
- > Safe Working Conditions
- > Integrity of Buildings
- > Personal Protective
- > Equipment Emergency Planning



## Human Rights & Labor Standards

- Human Rights & Labor
- Standards Contract / Migrant
- Labor Recruitment Firms
- Home Workers
- Involuntary / Prison / Forced
- Labor Freedom of Association
- Discrimination
- Harassment and Abuse
- Underage Labor / Young Workers
- Compensation & Benefits
- > Working Hours and Rest Days



## Environmental Management

- Energy Use and Greenhouse Gas
- Water, wastewater & Waste Management
- Air Emissions Management
- Hazardous Substance
- Noise Pollution



You can access RCI policies for EHS, environmental management, human rights, workplace environment, business integrity here! Scan or click RCI policies dashboard

[https://drive.google.com/file/d/1ksxln8Vg-17MZpMmZD7YKaSV2ZZ4-Px3/view?usp=share\\_link](https://drive.google.com/file/d/1ksxln8Vg-17MZpMmZD7YKaSV2ZZ4-Px3/view?usp=share_link)

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## BUILDING INTERNAL CAPACITIES

At Reza Chemical Industries, we are committed to building and enhancing our internal capacities to achieve sustainable growth and development. We believe that investing in the professional development of our employees is essential to our long-term success.

We have implemented various initiatives aimed at upskilling and reskilling our workforce.

### REGULAR TRAINING PROGRAMS

We provide regular training programs, workshops, and mentoring sessions to help our employees develop new skills, enhance their existing ones, and stay up-to-date with the latest industry trends and best practices.

We also encourage our employees to take on new challenges and responsibilities, providing them with opportunities to develop leadership skills and expand their knowledge base. We recognize and reward outstanding performance, providing incentives for employees to improve their skills and knowledge.

Our commitment to building internal capacities extends beyond our employees to our business operations as well. We strive to continuously improve our processes and systems to enhance our efficiency and effectiveness in achieving our sustainability goals.



**GOVERNANCE &  
INTEGRITY**

**PROGRESS &  
WAY FORWARD**

# TRANSPARENCY & ACCOUNTABILITY

RCI's reputation for operating with the highest ethical standards is what has garnered us trust amongst our stakeholders in KSA and beyond. RCI's values of transparency and accountability are fundamental to how we work and all that we do. Adhering to these values helps us create and maintain a culture that supports sustainable business growth and serves as the foundation of our corporate governance.

At RCI, we take pride in our strong corporate governance structure and firmly believe it creates long-term value for our stakeholders, strengthens accountability and builds trust in our company.



# DRIVING PERFORMANCE WITH STRONG LEADERSHIP AND GOVERNANCE

At RCI, leading corporate governance begins with a strong Board with the right skills and experiences, clearly defined roles and responsibilities, active engagement with company leadership, and oversight of the company’s corporate policies, strategy and overall performance. Among other duties, the Board appoints the company’s officers, assigns to them responsibility for management of the company’s operations and reviews their performance.



## MAINSTREAMING THE ESG AGENDA

The Board actively oversees and regularly engages with senior leaders with respect to progress against RCI corporate and business plans, short- and long-term strategic priorities, and sustainability and ESG priorities. These ESG priorities include sustainability targets and initiatives.

## PROGRESS IS REPORTED AGAINST THE FOLLOWING:

Environment, Health, Safety & Technology	Corporate Governance	Regulatory compliance
Environmental performance, health, safety, community, corporate citizenship, social responsibility, public policy, sustainability, climate, science and technology	Corporate governance framework, board composition and performance, governance best practices, compliance with legal and regulatory requirements and ESG reporting frameworks	External reporting, risk management, internal controls, compliance with legal and regulatory requirements and ESG reporting frameworks as per National Environmental laws including NCEC, MEWA or international frameworks, GRI or Supplier Workforce Accountability

# LOOKING FORWARD

As a responsible and sustainable company, we recognize the importance of protecting the environment and reducing our environmental impact. That is why we have set ambitious sustainability objectives for 2023 to demonstrate our commitment to sustainability and contribute to a more sustainable future.

## OBTAINING GREEN CERTIFICATIONS



One of our key objectives is to continue obtaining green certifications for our selected range of products. These certifications are a testament to our efforts to produce environmentally friendly products that are safe for people and the planet.

## OBTAINING ISO 17025 CERTIFICATION



In addition, we are committed to obtaining ISO 17025 certification for our laboratory. This certification is a globally recognized standard for testing and calibration laboratories, and it demonstrates our commitment to quality and accuracy in our laboratory testing procedures.

## AIMING FOR ZERO LANDFILL WASTE



We are also committed to achieving zero landfill waste for our facility. This means that we will work towards reducing our waste generation and diverting all waste away from landfills, towards more sustainable waste management practices.

## SAFETY & ENVIRONMENT MEMBERSHIPS



We are also adding more recognized memberships for the safety and environment. These memberships will help us stay up-to-date with the latest trends and best practices in safety and environment, ensuring that we are always operating in a safe and sustainable manner.

## CRADLE TO CRADLE CERTIFICATION



Finally, we are proud to be pursuing Cradle to Cradle certification. This certification recognizes products and companies that take a holistic approach to sustainability, considering the entire lifecycle of a product, from its design to its end-of-life disposal.

## COMMITMENT FOR SUSTAINABLE FUTURE



At our company, sustainability is not just a buzzword, it is a core value that guides all of our actions. We are committed to continuously improving our sustainability performance, and we believe that our ambitious sustainability objectives for 2023 will help us achieve that goal.





[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## APPENDIX: GRI CONTENT INDEX

General Disclosures	Description	Page #
Organizational Profile		
1	Organization name	8
2	Primary brands, products & services	10
102-3	Headquarters location	8
4	Location of operations	8
5	Ownership and legal form	8
6	Markets served	8
7	Scale of the organization	9
8	Information on employees and other workers	41
9	Supply chain	9
10	Organizational changes during the reporting period	33
11	Precautionary principle	26
12	External initiatives	34
Strategy		
102-14	CEO Letter	5
102-14	Quality and HSE manager Letter	6
Ethics & Integrity		
16	Values, principles, standards, and norms of behavior	
17	Mechanisms for advice and concerns about ethics	

	Description	Page #
Governance		
102-18	Governance structure of the organization	46
102-19	Delegation of responsibility	46
102-20	High-level accountability for sustainability topics	47
102-21	Access to the board	47
102-29	Board identification of ESG impacts, risks and opportunities	47
102-30	Board ESG review of risk management processes	47
102-31	Frequency of board review	46
102-32	Report review	46
102-32	Board communication	47

# APPENDIX: GRI CONTENT INDEX

GRI Reference	Description	Page #
<b>Stakeholder Engagement</b>		
40	Stakeholder engagement	18
41	Union representation	
42	Stakeholder identification	13
43	Approach to stakeholder engagement	14
102-44	Key topics and concerns raised	21
<b>Reporting Practice</b>		
46	Defining report content and topic boundaries	22
102-47	Material Aspects included	21
50	Reporting period	9
51	Date of most recent report	9
52	Reporting cycle	9
53	Report contact	53
54	Claims of reporting in accordance with the GRI Standards	7
55	GRI content index	49

## ECONOMIC

<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	
<b>Anti-Corruption</b>		
1	Risks related to corruption	43
<b>Anti-Competitive Behavior</b>		
206-1	Anti-competitive behavior	43

	Description	Page #
<b>Energy</b>		
302-1	Energy consumption within the organization (Scopes 1 + 2)	28
302-2	Energy intensity	28
302-3	Energy reductions	29
<b>Water</b>		
303-1	Water as a shared resource	31
303-3	Water withdrawal	31
303-4	Water discharge	31
303-5	Water consumption	31
<b>Emissions</b>		
305-1	Direct GHG emissions (Scope 1)	29
305-2	Indirect GHG emissions (Scope 2)	29
305-4	GHG emissions intensity	29
305-6	Ozone-depleting substances (ODS)	30
305-7	NOx, SOx and other emissions	30
<b>Emissions</b>		
306-1	Water discharge	31
306-2	Waste by type and disposal method	29
<b>Environmental Compliance</b>		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed, and mechanisms for evaluating the effectiveness of the company's strategy.	
307-1	Water discharge	31

[Introduction](#)[Strategy](#)[ESG Performance](#)[Looking Forward](#)[Appendix](#)

## APPENDIX: GRI CONTENT INDEX

Description		Page #
<b>Training &amp; Education</b>		
404-1	Programs for upgrading employee skills and transition assistance programs	44
<b>Diversity &amp; Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	46
<b>Occupational Health &amp; Safety</b>		
Management Approach	Explanation of the material topic, its boundary, how the topic is managed, and mechanisms for evaluating the effectiveness of the company's strategy.	
403-1	Occupational health and safety management system	43
403-2	Hazard identification, risk assessment, and incident investigation	43
403-3	Occupational health services	43
403-4	Worker participation, consultation, and communication on occupational health and safety	43
403-5	Worker training on occupational health and safety	43
403-6	Promotion of worker health	43
403-8	Workers covered by an occupational health and safety management system	43
403-9	Work-related injuries	43
<b>Human Rights Assessment</b>		
412-2	Employee training on human rights policies and procedures	43
<b>Local Communities</b>		
413-1	Operations with local community engagement, impact assessment, and development programs	42
413-2	Operations with significant potential and actual negative impacts on local communities	42



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**CHEMICAL**  
INDUSTRIES

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