

Ras Al-Khaimah Poultry and Feeding CO

Public JSC Company

Environmental, Social and Governance Report 2021

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First:

- A word from the Chairman:

The commitment of Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) to environmental, social and governance standards is in line with the legacy of the founding father, Sheikh Zayed bin Sultan Al Nahyan, may God rest his soul, and the continuous support of His Highness Sheikh Saud bin Saqr Al Qasimi, Ruler of Ras Al Khaimah, and with the vision of the rational leadership Which always focuses on consolidating sustainability and protecting the environmental and natural systems in the UAE. Rabco's strategy in the field of sustainability adopts an integrated approach that includes all aspects of our business and enhances our contribution in the fields of economy and environment. We continue to work to enhance our environmental performance as we seek to expand our operations by searching for strategic partnerships to ensure our ability to provide more local product, and to ensure the continuity of our role in supporting sustainable economic growth and prosperity in the country.

Sheikh / Mohammed Humaid Alqassemi

- A word from the General Manager:

The poultry sector is witnessing a transformation driven by innovation, sustainability and unexpected market changes, and companies today are focusing more on harmonizing their business operations on the one hand and the impact of those operations on the environment on the other hand, so that stakeholders have become more aware of the relationship between the company's growth and its implemented strategies in the field of environment and responsibility social and governance.

The company started since 1976, and it aims throughout its journey to ensure the provision of value to its customers and shareholders, and to improve and develop the positive impact of society and the environment around us and for all stakeholders.

The Covid 19 pandemic has shown our constant determination to provide solutions and ensure continuity, and throughout this period our top priorities were the health and safety of our employees, customers and the communities we serve, as we took a set of precautionary measures to protect the workforce by reducing capacity and providing protective equipment.

The company is committed to complying with the best international practices in the poultry sector, and is also committed to joining the march of the goals of UAE Vision 2021, which is to promote economic, social and environmental success in the country.

Dr. Mohamed Elsiddig Elimam
General Manger

Second: Overview

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) presents its first annual sustainability report, covering its activities during the year 2020. This report was prepared in accordance with the Environmental, Social and Governance Disclosure Guide (ESG) issued by the Abu Dhabi Securities Exchange, which contains the basic indicators of environmental disclosure and social and governance in line with the Sustainable Stock Exchanges Initiative and the World Federation of Exchanges.

Third: Introduction

1. Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) is considered one of the leading companies and at the forefront of poultry production companies in the United Arab Emirates. It was established since 1976 AD in its headquarters in Digdaga area in Ras Al Khaimah and produces fresh chicken and table eggs.

A. Our Vision:

Meeting all the customers' requirements with in-depth expertise and technological competence to attain the zenith of success in the industry.

B. Our Mission:

Providing high quality and reliable slaughtered poultry (Halal), healthy and fresh table eggs with fast logistics systems in order to achieve specific goals, while maintaining value for money and the birth of a reliable leadership to pursue customer satisfaction.

C. Our Strategy:

These are RAPCO's strategies that have shaped and continued to guide this solid, growing and vertically integrated company.

1. Construction of poultry farms.
2. Production of Broiler Chickens and Table Eggs.
3. Import of Poultry Equipment's which are required for the production.
4. Investments in Shares of Banks, Different Local Companies, Real estate . . . etc.

D. Our Values:

- **Integrity:** We realize that integrity is essential, and in order to be trustworthy, we must maintain our competence and be honest in our dealings.
- **Transparency:** We disclose all product data such as production date, shelf life, and others.
- **Accountability:** We know that we are ultimately accountable to our shareholders, so we focus heavily on maximizing the long-term market value of the stock.

E. Our Principles:

To accomplish this challenging mission, RAPCO is committed to the following principles:

1. To maintain and expand the company's leadership in the poultry industry.
2. To provide top-class logistics system, reinforced by our proprietary poultry production technology.
3. Apply the highest standards of quality and food safety for products, to achieve maximum consumer satisfaction by providing value for money and trust through integrity.

2. Members of the Board of Directors for the year 2020:

Name	Position
Sheikh / Mohammed Humaid Abdullah Mohammed Alqasemi	The chairman
HE/ Mubarak Ali Mubarak Alshamsi	Vice Chairman
HE/ Abdullah Khalfan Mohammed Alshuraiqi Almhrezi	Board Member
HE/ Ahmed Omer Salem Alkarbi	Board Member
HE/ Mohammed Hasan Mohammed Alshamsi Alawadhi	Board Member

Board Committees:

- A- Audit and Risk Committee.
- b- Nominations and Remunerations Committee.
- c- Technical Committee.

2. Company ownership:

- The following table shows a statement of the shareholders who own 5% or more of the company's capital as on December 31, 2020:

S.	Name	No. of Shares	Percentage (%)
1	Falcon Investment Company LLC	41,769,806	%43.9497
2	Alhamra Group of Companies LLC	21,650,412	%22.7803
3	Ras Al-Khaimah Government	5,166,733	%5.4363

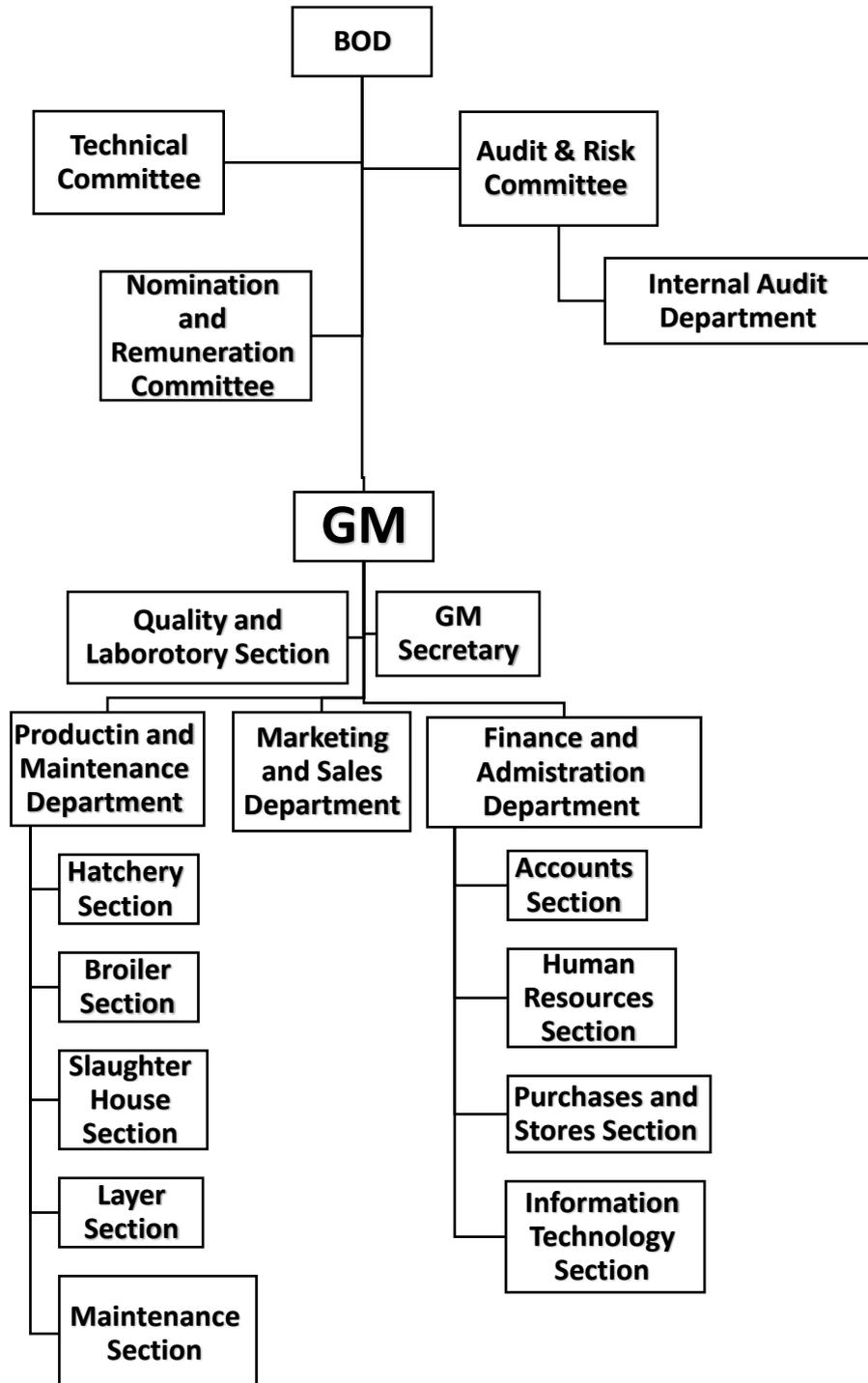
3. The following table shows a statement of the distribution of shareholder ownership (individuals, companies, and government) categorized as follows as on 31/12/2020:

shareholder's Ownership				
shareholder's Group	Individuals	Companies	Gov.	Total
1 UAE	8,348,440	68,953,050	5,166,733	82,468,223.00
2 Gulf Countries	12,244,466	159,253	-	12,403,719
3 Arab Countries	86,034	-	-	86,034
4 Foreign Countries	82,024	-	-	82,024
Total	20,760,964	69,112,303	5,166,733	95,040,000.00

4. Our products:



Organization Chart:



Fourth: Sustainable Development Goals

The Sustainable Development Goals - also known as the Global Goals are a global call to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

Therefore, our sustainability efforts are in line with global priorities and the UAE vision.



Materiality Rating:

We have conducted a detailed materiality assessment process to identify the measures that are most critical to our efforts to achieve sustainability. We wanted to improve our understanding of material issues of strategic importance to our company and our stakeholders in order to inform our decisions. This assessment identified the ESG issues of most importance to Ras Al Khaimah Poultry and Feed Company PJSC and our stakeholders, and represents the areas in which we have the greatest exceptional ability to influence and act. The 2020 Sustainability Aspects Assessment was conducted internally using our company code and identified 13 material focus areas that significantly increase our chance of impact.

Define topics:

Our process started by identifying the main themes related to our operations which were categorized into three main points:

Environment: practices to reduce environmental impact and conserve natural resources.

Social: The impact of our products and processes on employees, customers and communities.

Governance: The systems, structures, and trends that affect our vision and our management of operations.

Define our main themes:

- **Evaluation of materiality:**
 1. Review of materiality topics, identifying potential materiality topics through detailed review of current materiality topics and peer review.

2. Consultation with the main stakeholders, reviewing the main tasks of the company and agreeing on the core issues.
3. Evaluation of material importance issues and categorization of material issues into (high importance, medium importance and low importance) based on the advisory feedback.
4. Giving priority to material matters and prioritizing material matters according to the GRI's materiality matrix.
5. Verification of the main issues in accordance with the advice of management and shareholders.

The results of the analysis of the main topics are as follows:

1. Social

- Local communities.
- Recruitment.
- Occupational Health and Safety.
- Training and education.
- Diversity and equal opportunity.
- Training and education.

2. Environmental:

- Waste and various production residues.
- Energy.
- Emissions.

3. Governance:

- Compliance with regulations.
- Sales and Distribution Policies.
- Policies of supply and purchase.

Define the priorities:

Topics are prioritized based on the level of materiality to our stakeholders and our business, balancing current and future perspectives including:

- Analyze existing practices and sector-related disclosures with major global trends such as the Global Reporting Initiative, the UN Sustainable Development Goals, and the TCED Task Force on Climate-Related Financial Disclosures.
- Discussions with our major shareholders.

Verification:

These results have been categorized into social, environmental and governance in line with our values and goals, and the core issues are organized according to their importance, impact on our business, and importance to our stakeholders, and key topics are included in our overall business operations to ensure that resources are allocated and choices are made in a way that helps us play Our role in facing major global challenges.

Fifthly the environmental dimension:

- Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) follows an established environmental management system in production of Eggs & Chickens, The environmental system manual describes the environmental management system in general with reference to environmental control process, as required under ISO 14001: 2015.
- RAPCO Environmental Management System includes the following:
An environmental Policy consistent with the significant environmental aspects which provides a framework of EMS.
- A systematic way of formulating a Plan to fulfill the environmental policy and the element of the environmental management system.
- A well-structured organization with defined duties and responsibilities.
- Proper communication/education & training.
- Documented and controlled procedures to work routines.
- Operational controls, consistent with significant environmental aspects.
- Emergency preparedness & response.
- Checking, monitoring and reviewing the effectiveness of EMS.
- The purpose of described process is to ensure that the associated environmental impacts of the delivered Product, Process & other activities meet the specified legal & other requirements.

1. Greenhouse Gas Emission (GHG):

In line with global and national efforts aimed at curbing climate change caused by global warming Thermal, Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) monitor's greenhouse gas emissions and takes continuous measures to reduce them within and outside our operations. The company follows the GHG Protocol Corporate Accounting and Reporting Standard to calculate its GHG emissions:

•Total greenhouse gas emissions metric tons/ton of clinker.

1. Manure Storage Area:

Test Parameters	Method	Unit	Result	UAE Cabinet decree 2006 Permissible Limits, Max
Carbon dioxide, CO ₂	BESEN 60079-29-2 NDIR Sensor	ppm	503	5000

2. Layer production Farm:

Test Parameters	Method	Unit	Result	UAE Cabinet decree 2006 Permissible Limits, Max
Carbon dioxide, CO ₂	BESEN 60079-29-2 NDIR Sensor	ppm	498	5000

3. Energy use:

Ras Al Khaimah Poultry & Feeding Co Public JSC (RAPCO) strives to reduce emissions related to its energy consumption by monitoring and managing the energy consumption and efficiency of all the business assets it manages. We realize that without knowing our consumption patterns and volumes, it will be difficult to identify energy saving opportunities across all of our different operations, and therefore, we are committed to better monitoring, managing and reducing our environmental footprint in the coming years as we derive our energy

from direct and indirect energy sources. The direct consumption of energy is mainly derived from the consumption of electricity used in our production facilities entirely supplied by local utility service providers and diesel in transportation processes through our fleet. Indirect energy consumption accounts for half of our total energy consumption approximately.

The total amount of energy consumed directly is 2,803 MW / H.

The total amount of energy consumed indirectly (Benz.) is 152,807 LT

4. Energy density:

Total direct energy usage MW/ Earnings = 0.000214

Total indirect energy usage Liter/ Earnings = 85.401761

5. Energy blending:

In layer and broiler farms and automated slaughterhouses, the company uses electricity to generate power, and uses benzene for transportation through its fleet of cars.

6. Use of water:

The total amount of water consumed is 171,759 cubic meters, and the company obtains water from its own underground wells in the Hamrania area.

Environmental processes:

- The company abides by local and international requirements and standards to preserve the environment and works continuously to maintain the minimum emissions that may be harmful to the environment and abides by the standards stipulated in the ISO 14001.2015 Environmental Management System.
- The company pursues continuous improvement processes to reduce / recycle waste, not waste water, and optimize energy use, all of which is monitored in a technical way and through the operating system.

- Our company is ISO 14001.2015 Environmental Management System certified.

7. Environmental Control /1:

The company's management gives priority to preserving the environment and adhering to the approved standards and specifications. The management represented by the Quality Department monitors and adheres to environmental requirements.

8. Environmental Control /2:

The Board of Directors also monitors the administration's activity related to preserving the environment and compliance with environmental requirements, standards and specifications approved by the Quality Department in obtaining approved certificates.

9. Climate Risk Mitigation:

The total expenses of monitoring, preserving the environment and disposal of farm waste and automated slaughterhouse in the year 2020 amounted to (141,037) AED.

Sixth, the social dimension:

The process of sustainable social development includes human development that aims to improve the level of health care and education, as well as the element of participation. The definitions of sustainable development emphasize that development should be through participation so that people participate in making development decisions that affect their lives, where the human being is the focus of the definitions presented about Sustainable development is also the element of justice or equity and equality.

1. General Manager Pay Ratio:

The ratio of the general manager's total pay to the average total full-time equivalent is %24.32

2. Gender Pay Ratio:

The average wage of males to the average wage of females is %0.85

3. Employee turnover:

Ras Al Khaimah Poultry and Feeding Company PJSC (RAPCO) is keen to reduce employee turnover as much as possible by appointing the right person in the right place, ensuring safety in the workplace and creating an employee-friendly work environment. Providing the necessary transportation to and from work.

- The percentage change year after year for employees working in the full-time system is %51
- The company does not have any change year after year for part-time employees.

•The company does not have any change year after year for contractors/consultants.

4. Gender Diversity:

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) adopts a corporate culture that aims to support and promote female work, as well as there is no discrimination in pay when equal value and quality of work, in addition to enabling everyone to participate thanks to non-discrimination policies, and in accordance with the laws The UAE and the global trend to achieve gender equality, we will continue to seek to create new opportunities and increase the number of female employees in addition to enhancing their contribution to sustainable development.

5. Temporary workers Ratio:

- There are no employees in the company working part-time.
- There are no employees in the company who work as contractors and/or consultants.

6. Non-discrimination:

•The total number of employees in the institution and the percentage of jobs held by men and women:

Type	Number	Percentage
Men's	51	%98.03
Women's	1	%1.97
Total	52	%100

•Lower and middle positions occupied by men and women:-

Type of Position	Number of Positions	No. of Men's	Percentage of Men's	No. of Women's	Percentage of Women's
Lower Positions	35	35	%100.00	0	0
Middle Positions	17	16	%94.12	1	%5.88
Total / Percentage	52	50	%96.15	1	%1.92

Senior and executive positions held by men and women:-

Type of Position	Number of Positions	No. of Men's	Percentage of Men's	No. of Women's	Percentage of Women's
Lower Positions	3	3	%100	0	%0
Medium Positions	14	13	%92.86	3	%0.08
Total / Percentage	89	86	%94.12	3	%0.19

7. Injury Rate:

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) is working to create a safe work environment for workers and raise the level of efficiency of the means of prevention, which has led to a reduction in the recurrence of work injuries, during the year 2020, no work injuries were recorded..

8. Global & Health and Safety:

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) places human health at the forefront of its priorities, and deals with its preservation and upgrading as one of the most important goals in the process of sustainable development. The company is committed to applying international best practices that ensure the safety of all concerned. The administration also applies a system based on providing a healthy work environment, providing health insurance for employees.

9. Child and Forced Labor:

The company follows the recruitment and appointment rules within the general provisions of the company's appointment requirements that the applicant must be at least 18 years old.

The policy also applies to suppliers and sellers.

10. Human Rights:

The company also follows the human rights rules stipulated in the UAE Labor Law.

11. Nationalization:

The percentage of Emirati employees versus full-time employees during the year 2021 is 2%.

12. Community Investment:

The company does not have community investments due to the weak financial results of the company during the year 2021.

Rabco always shows its commitment to the community.

Rabco is actively involved in the UAE Food Bank project launched by the UAE Government.

Seventh: Governance:

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) attaches great importance to the issue of corporate governance and discipline, in order to ensure that governance procedures and processes are implemented in an appropriate manner that contributes to achieving our sustainable long-term success.

It also takes into account full compliance with the provisions of the legislation in force, including the provisions of the Chairman of the Board of Directors of the Securities and Commodities Authority Resolution No. 3 / RM for the year 2020 regarding the adoption of the Corporate Governance Guide for Public Shareholding Companies. Since the company's board of directors is responsible to the company's shareholders and customers for the proper and strict application of the principles of governance by achieving the required discipline in the company's management in accordance with international standards, the board of directors maintains and encourages the highest levels of transparency and accountability.

- **Diversity of the Board of Directors:**

According to Article No. 19 of the company's articles of association, the company is managed by a board of directors consisting of (five members) who are elected by the ordinary general assembly by cumulative secret vote. In all cases, the majority of the members of the board, including the president, must be citizens of the state.

Accordingly, a new board of directors was elected for the company at the company's regular annual general meeting held on 11/04/2021, and the board includes five members, all of whom are citizens of the United Arab Emirates and are known for their experience and high efficiency.

✓ **Percentage of the total board seats occupied by women and men:**

Details	No. Of Seats	Women's	Men's
	5	0	5
Percentage%		%0	%100

✓ **Percentage of committee seats occupied by women and men:**

Details	No. of committees	No of Seats	Women's	Men's
No. of committees	3	3-4	0	3-4
The percentage of seats occupied by women and men			%0	%100

The company supports women's involvement and participation in business and believes that diversity contributes to the quality and effectiveness of governance. In the recent elections to the council, the company invited both male and female candidates, however, none of the women applied to run for candidacy and therefore there are currently no female representatives in the council.

• **Independence of the Board of Directors:**

The company's board of directors and the executive management are bound by the rules and procedures stipulated in the text of Article (9), the controls for candidacy for membership of the board of directors in the Governance Guide issued by the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No. And Article No. (22) of the company's articles of association, as all members, including the chairman, are non-executives and the majority are independents who have practical experience and technical skills for the benefit of the company.

- **Salaries and incentives:**

- ✓ Executives do not get incentives for achieving sustainability.

- **Supplier Code of Conduct:**

- ✓ Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) is committed to the highest ethical and legal standards in the conduct of its business. The company requires everyone who does business with it to acknowledge, and agree to abide by, the policies and principles stipulated by the company. These rules apply to all providers of goods / services and subsidiaries she has.
- ✓ During the year, suppliers will be required to formally certify their compliance with the rules.

- **Ethics and Anti-Corruption:**

- ✓ The UAE is one of the leading countries in combating corruption, and the state has issued laws that criminalize and hold anyone involved in acts of corruption accountable, whether in the public or private sectors. Articles 234-239 of the UAE Penal Code stipulate provisions for combating bribery and corruption, and the consequences of a public official committing these crimes. To this end, Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) adheres to and follows the anti-corruption policy as it is an Emirati company. In addition, it has internal policies and controls that help the company to combat corruption.

- ✓ Compliance rate of the company's workforce is 100%

- **Data privacy:**

- ✓ Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) is committed to providing the highest standards of privacy and

protection regarding the collection and use of personal information for their customers, based on applicable data protection laws and regulations.

- ✓ The company abides by the rules followed in the United Arab Emirates with regard to data privacy.

- **Sustainability Reports, Disclosure Practices:**

- ✓ This report is the first sustainability report published by the company, and the management gives priority to developing the report on an ongoing basis to reach the best required standards and to rely on the global initiative or initiatives adopted by the United Arab Emirates and its approval by accredited parties or offices so that the company can verify the key performance indicators.

- **External Assurance:**

Ras Al Khaimah Poultry and Feeding Co Public JSC (RAPCO) is subject to a number of external certification audits to verify the following:-

1. 14001.2015ISO Environmental Management System.
2. Ras Al Khaimah Municipality laboratory to match poultry sector products.
3. Fujairah Municipality laboratory to match poultry sector products.