AL TAISEER ALUMINIUM COMPANY
Sustainabilty Report 2019

Al Taiseer Aluminium Company Sustainability Report 2019 . This is the first official sustainability report for TALCO. The purpose of this report is to describe how TALCO contributes to the global goals for sustainable development to move the planet toward a healthy future .

In this Sustainability Report 2019

1.1 About Al Taiseer Aluminium Company

Al Taiseer Aluminium Company was established in 1976 as a fabricator to manufacture doors, windows and kitchen cabinets.

from its humble beginning, the Company has continued to diversify and expand to manufacture world class facade & architectural aluminium works in 1983.

With this progress, we were able to move to a larger space in 2nd Industrial City – Riyadh, Kingdom of Saudi Arabia. The Company did not stop to innovate and strengthen its abilities to develop its strategies and techniques strategies and techniques.

As a result, we achieved our first milestone, to commence the processing of powder coating, the first ever commercial powder coating line in the Kingdom of Saudi Arabia in 1989.

The Company continues its progress and diversity in the field by introducing and achieving further progress by commence of production of aluminium extrusion in 1994. At present, there are 6 extrusion lines from SMS Germany.

As pioneers of the aluminium extrusion process in Saudi Arabia, TALCO has continually adopted advances in the technology and manufacturing processes.This commitment to leadership, allied to advance in metallurgy, has seen TALCO's products continue to enhance TALCO's reputation for excellence across every function.

With our culture of advanced thinking and design innovations, when it comes to transforming aluminium, almost anything is possible with TALCO

TALCO has grown to become the Saudi Arabia's most modern and efficient manufacturer of extruded aluminium profiles. During that time, we have earned an enviable reputation for the manufacture of aluminium extrusions to the highest quality standards, with our products used across a wide range of applications and industry sectors.

1.2 A word from the GM(Towards a Better World)

A word from the GM (Towards a Better World)

TALCO was established in 1976, which means over 40 years of successful operation.

We need to think long terms as well as we need to meet and exceed the sustainability expectations of our stakeholders in order for us to ensure more decades in the business.

Our long-term focus on high quality products ensures long duration of our products and minimizes the need of replacement products. We work continuously with material efficiency by recycling all waste material through re-melting.

We work hard to offer our employees an excellent work environment and we communicate regularly with our employees, amongst other through e-mails, memorandum and display of posters for awareness, to ensure that we are on the right path.

Generating value for all our stakeholders is what focuses us in becoming a truly sustainable and circular Company. Showing our ambitions and declaring specific and measurable goals will underpin our leadership in sustainability.

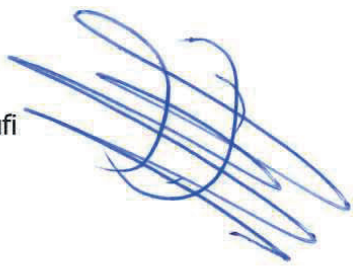
I am very happy to see sustainability embedded into our culture, operations and services. We know that there is still much to be done and we will continue the challenge ourselves.

We stand committed to a sustainable development. We believe that a sustainable mind set helps us make the right decisions for our stakeholders; with focus on customers, employees and suppliers.

In 2018, we also increased our goals relating to waste. We are committed to reduce our waste intensity by 15% and achieving zero waste to landfill by 2030. We will report our progress on these important waste goals in our future reports.

We encourage you to read this 2019 Sustainability Report to learn more about our efforts to advance sustainably not only for our company but for the aluminum industry and the world.

Suliman S. Al-Oufi
General Manger



1.3 TALCO QMS - Quality Policy Statement

AL TAISEER ALUMINIUM COMPANY

QUALITY ASSURANCE MANUAL

TALCO

QUALITY POLICY STATEMENT

It is the policy of ***AL TAISEER ALUMINIUM COMPANY (TALCO)*** to provide high quality products that meet or exceed our customer/interested parties expectations. To achieve our mission, we focus on quality in everything we do throughout our organization. This achievement will result in securing efficiency, a strong customer focus and enhancement of long-term sustainability and profitability within the Organization.

The Senior Management is committed to maintaining compliance with all legal requirements.

We aim to recruit and retain highly motivated, competent people. Our people are seen as our most important resource. We encourage their full involvement in order to develop their abilities for the benefit of the individual and the company.

TALCO has a policy of promoting continual improvement and setting of Quality Objectives and KPIs in line with the framework laid down within ISO 9001:2015 standard. These objectives and KPIs will address the risks and opportunities within the Organization as determined by the Top Management.

This Quality Policy will be reviewed semi-annually by Senior Management in Management Review Meeting and were deemed necessary will be amended and re-issued.

This Quality Policy has been generated along with the manual and the associated procedures with the full support and commitment of the **Owner, Senior Management and Staff of ALTAISEER ALUMINIUM COMPANY (TALCO).**

For and on behalf of,
ALTAISEER ALUMINIUM COMPANY (TALCO)

NASSER KAMEL FATTOUH
Vice President

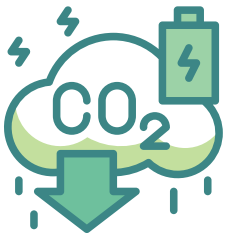
1.4 Sustainability Objectives and Targets

1.4.1 Environmental and Social

The sustainability objectives and targets represent commitments and performance expectations for TALCO will be required to achieve, and where possible, exceed the targets.

Our aim is to work safely at all times wherever our employees and contractors are located. We attend to health and safety before any other priorities, putting the protection of human life above all else.

We are determined to protect the welfare of our employees by pre-empting the potential risks of our operations and providing a safe working environment. Essential to a safe working environment is a ZERO accidents culture.
Safe and secure operation – We guarantee the safety and security of our employees, visitors, and contractors to return home safely every day. We pursue the ambition of Zero Accidents, demanding a high level of safety in our processes and facilities, paying special attention to the protection of the people and the surrounding environment.



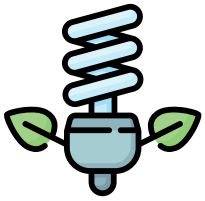
Reduce carbon emissions during operation – Analyze and implement all feasible opportunities to reduce energy use and greenhouse gas emissions from operation of
TALCO – Achieve at least a 10% reduction in carbon (GHG) emission every year.

Reduction in scrap generation (solid waste) by 15% with proper waste management. Waste hierarchy can be applied to help reduce, reuse or recycle the solid waste that we produce.

Waste is a by-product of the aluminium production process and is generated at all stages of the value chain.

To plant more trees for promoting a Greener Environment. Re-planting to occur within the vicinity wherever possible.

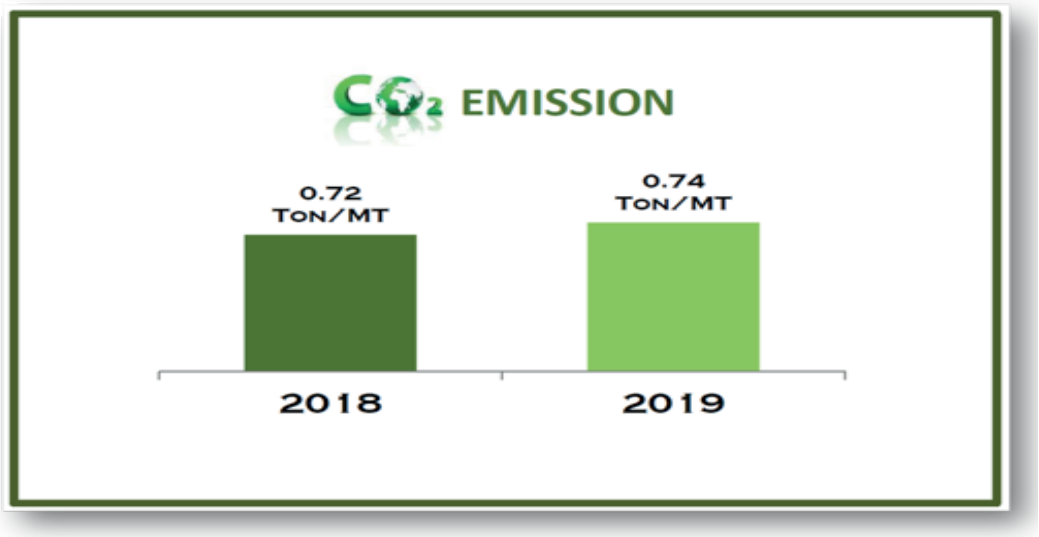
Seek to reduce fresh water consumption by 15% per tonne of aluminium produced within the existing consumption.
In TALCO, we promote responsible water management in our operations and require appropriate treatment of any water discharges to avoid any harm to the environment.



15% reduction in electrical energy per tonne of aluminium produced from the existing consumption.

To increase on time deliveries by more than 95%.
Thanks to our advanced materials management system and innovative ERP system. We know every aspects of our production process and we can make continuous improvements. In addition, we can timely prevent potential problems and adopt an accurate monitoring system for any element, from the beginning of production or supply of materials, to the final delivery of the product. This way, every day we ensure guaranteed quality to our customers.

1.5 Carbon Management



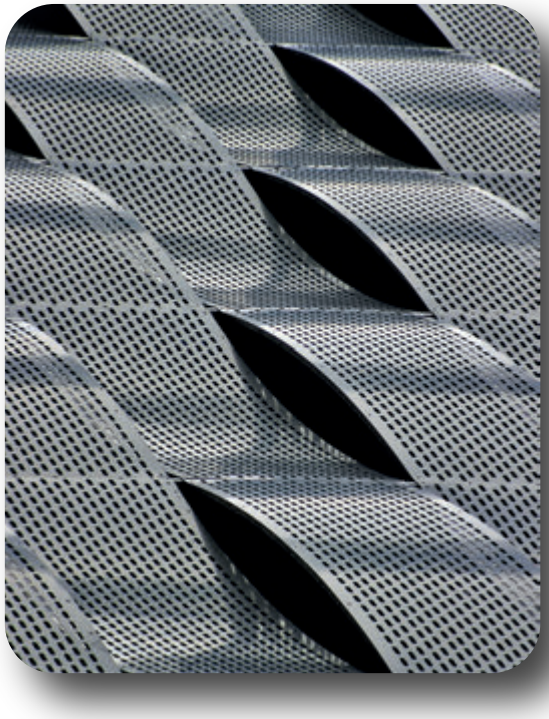
Note: The above CO2 emission is per metric ton of production.

Year 2007 marked the start of the "Green TALCO" sustainable environmental optimisation programme. In the same year, with the transition from LPG to natural gas, carbon dioxide (CO2) emissions dropped drastically.

Roofs in some parts of the manufacturing area were converted into Skylight. They also have some key benefits when it comes to sustainability, lowering your carbon emissions while saving you money at the same time. It provides natural light and contributes to lowering electricity bill. Natural light is much better for us than artificial light. The more you have it, the better your sense of wellbeing. You could have much lower stress levels.

1.6 Material Reutilization

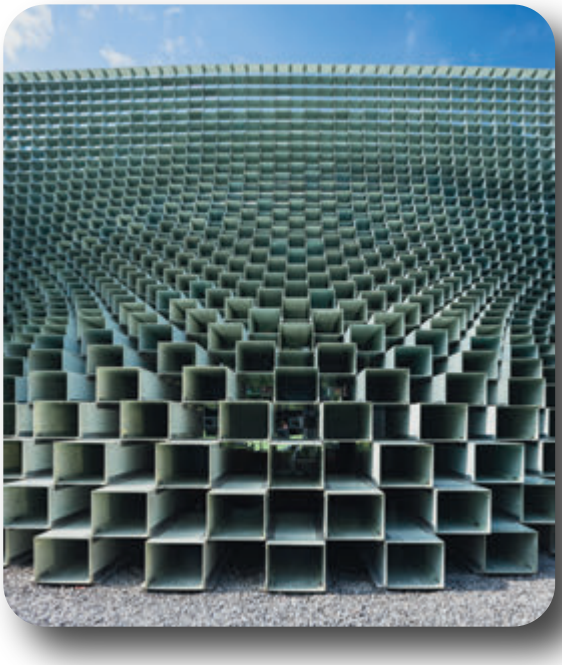
1.6.1 To procure more aluminium scrap from various other sources for recycling



Aluminium is everywhere. We see it in the packaging, soft drink cans, food plates, foil, siding, gutters, automotive part and more. What most people don't realize is that aluminium is practically the perfect recyclable material. Out of the most common recyclable materials that clutter up our landfills; glass, paper, metals, cardboard, plastics, aluminium is the only material that's endlessly recyclable, 100% recyclable, and that pays for itself. Air pollution is associated with synthetic materials and other harmful impurities that diffuse and become part of the air. These materials are mostly industrial wastes, vehicle exhaust fumes, action logging and so the issue of solid particles and gases that escape into the air. There are many adverse effects that would befall mankind if control measures are not taken immediately to address the contamination. Even for recycling culture among the country's government intensify campaign 3R (Reuse, Reduce, Recycle) to provide bins garbage variety of colours so that litter easily separated by categories such as plastic, glass and paper. Metals have always been the most recycled material in the world. Recycling metals saves energy and helps prevent the depletion of natural resources.

An entire industry has grown up around recycling metal. This is because everything that contains metal is intrinsically valuable. In subsequent decades, the transportation and construction sectors have always been the principal benefactors of aluminium extrusion products. Even in present times, the bulk of extrusion usage is in manufacturing doors and windows, followed by passenger vehicles. The short history of aluminium extrusion, in comparison to other metals, has seen extensive development and growth, revolutionizing the way we live. As new purposes are discovered in space exploration and here at home, aluminium extrusion will continue to be an important part of the future.

1.6.2 Recycling Aluminium



Aluminium recycling is one of the process by which scrap aluminium can be reused in products after its initial production. The process involves simply re-melting the metal, which is far less expensive and energy intensive than creating new aluminium through the electrolysis of aluminium oxide (Al2O3), which must first be mined from bauxite ore and then refined. The influence of automotive aluminium use of recycling pattern is significant, since most recycled aluminium is used in this sector.

According to study usage of aluminium in automotive application with the concept of light weight is predicted to be increased steadily. And that researcher also show by using recycled aluminium in place of primary aluminium metal results in significant energy and greenhouse gas emissions was saved.

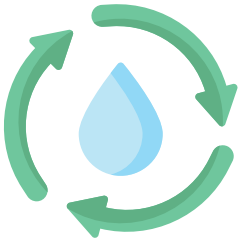
Aluminium is becoming popular in all kinds of fields and is suitable for use in a wide variety of products for the consumer and capital goods markets. The largest markets are transportation, packaging, construction, electrical, consumer durables, machinery and equipment. Among them, transportation sector, which is one of the largest single markets for aluminium worldwide, includes the manufacture of automotive, buses, trailers, ships, railroad and subway cars, as well as aerospace applications and mobile homes. Aluminium and its alloys have outstanding corrosion resistance with good strength and low density as mentioned. For these advantages, aluminium saves more energy when used in mobile applications, and consequently gives a significant reduction in the greenhouse gas emissions over lifetime. Besides, its lightweight and recyclability have provided the impetus for the increased use of aluminium to help meet new and more stringent corporate average fuel efficiency standards. However, the production of primary aluminium is an energy costly process, involving bauxite mining, purification of alumina by a Bayer process, and a molten salt electrolyte based on cryolite. With the climate change being of concern, the secondary aluminium stream is becoming an even more important component of aluminium production and is attractive because of its economic and environmental benefits. Increasing demand for aluminium-based products and further globalization of the aluminium industry have contributed significantly to the higher consumption of aluminium scrap for re-production of aluminium alloys. At the same time, tons of wastes are created during daily aluminium production. Those wastes, including slag, chips and scraps, covered with coolant are difficult to be recycled. With more and more attention drawn to the recycling industry, advanced techniques need to be developed to improve recycling process. There are several advantages to society when aluminium is produced by recycling rather than by primary products from bauxite ores. Firstly, it is believed that the remelting of recycled aluminium saves almost 95% of the energy required manufacturing pure aluminium from bauxite ore. Secondly, European estimates suggest that the mass of solid waste generated per ton of recycled aluminium is 95% lower than that for primary metal. Thirdly, primary aluminium productions generate both hazardous and non-hazardous emissions. Currently, a large amount of the aluminium going into products is coming from recycled products.

1.6.3 All materials i.e. aluminium, plastic, steel, cartons to be recycled

We have applied a holistic recycling approach across the entire production process and are trying to recycle all types of waste. Specifically, the previous year we recycled about 10 MT of non-metal waste such as plastic, paper, carton and wood.

The collection and reuse of scrap contributes to the overall reduction of waste generated. Aluminium scrap reuse in the production process through value recovery is fully in line with the principles of circular economy and sustainability, contributing significantly to environmental protection.

1.6.4 To use recycled water for other source



Water is a shared resource, with high economic, environmental and social value, and access to water is a basic human right.

Water is a key natural resource that we hope to preserve and leave unaffected by our operation, recognizing that it is a fundamental source of life.

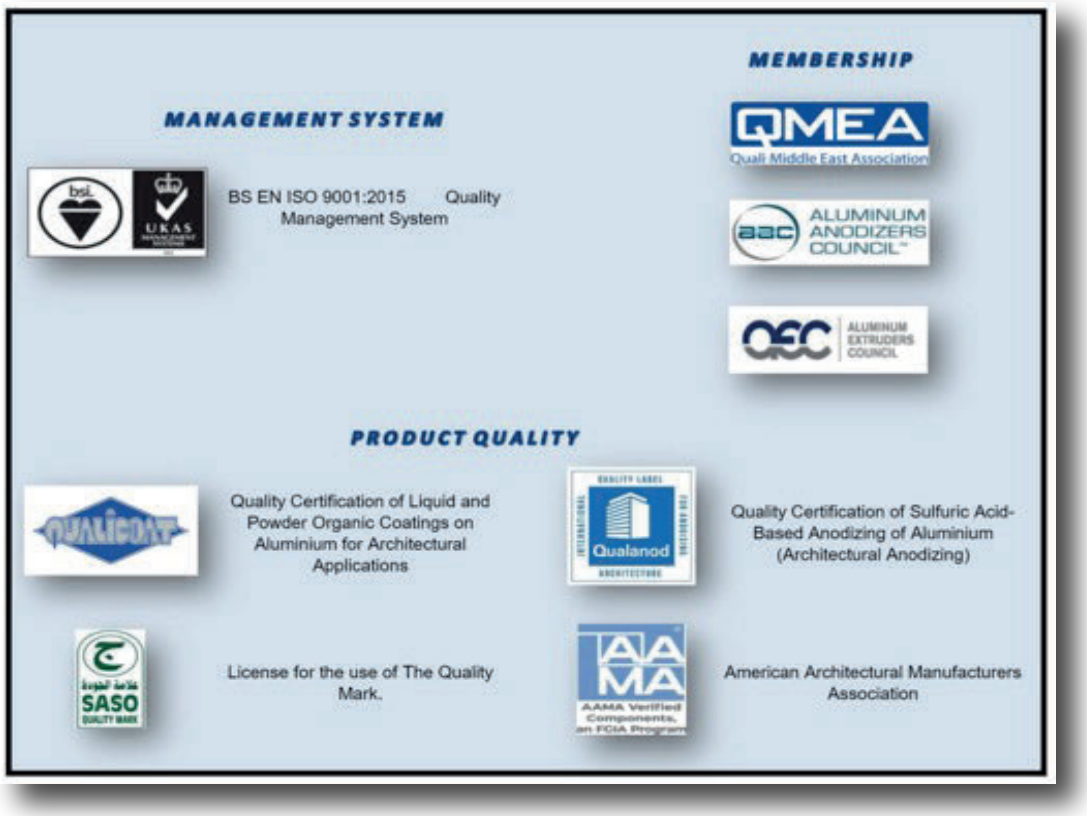
Responsible treatment of the scarce resource water constitutes a core aspect of sustainable business operation. TALCO uses water treatment prior to discharge.

20% was discharged as municipal waste to the Industrial Area's biological treatment plant.

15% was recycled in the cooling and processing systems of the extrusion, powder coating, and anodizing processes

Protecting the climate and preserving existing resources are the most important objectives here.

1.7 Certification / Membership



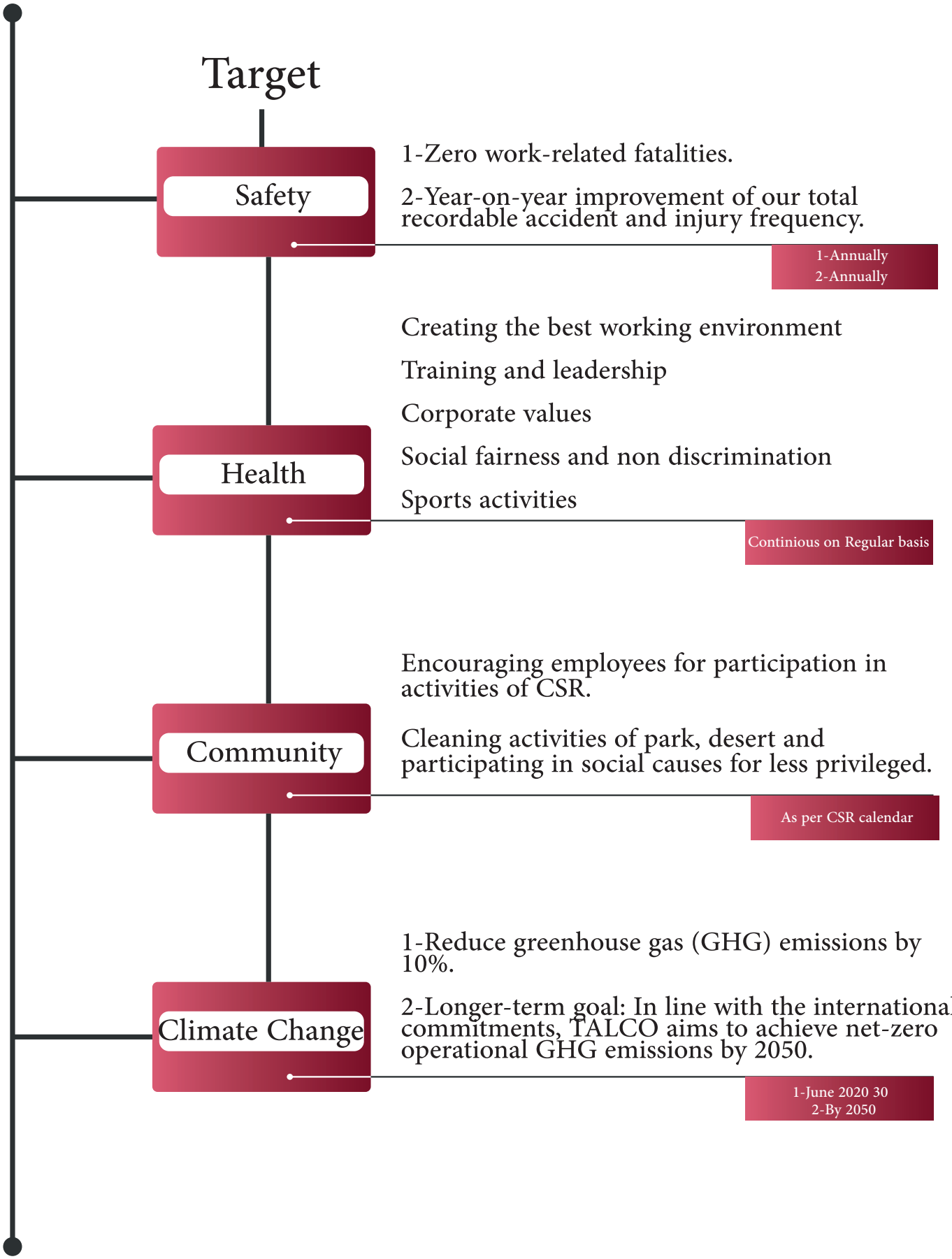
1.8 Introducing Our Targets for FY2020 and Beyond

We have framed our targets and plans for the next five years and beyond around shared global challenges.

This was created in consultation and collaboration with our key internal and external stakeholders, our new sustainability performance targets and longer-term goals were approved by the Sustainability Committee in June 2019 and took effect from July 2019.

For our environment targets, we will continue to focus on greenhouse gas emissions, water and biodiversity

These targets help us operate safely, manage our access to water sustainably, reduce our environmental impact, look after our people, and contribute to host communities. Achieving these goals will be fundamental to the success of our business.


Target
Safety
1-Zero work-related fatalities.
2-Year-on-year improvement of our total recordable accident and injury frequency.
1-Annually
2-Annually
Health
Creating the best working environment
Training and leadership
Corporate values
Social fairness and non discrimination
Sports activities
Continious on Regular basis
Community
Encouraging employees for participation in activities of CSR.
Cleaning activities of park, desert and participating in social causes for less privileged.
As per CSR calendar
Climate Change
1-Reduce greenhouse gas (GHG) emissions by 10%.
2-Longer-term goal: In line with the international commitments, TALCO aims to achieve net-zero operational GHG emissions by 2050.
1-June 2020 30
2-By 2050

Environment

1-Seek to reduce fresh water consumption by 15% per tonne of aluminium produced within the existing consumption.

2-Longer-term goal: In line with the SDG 6, TALCO will collaborate to enable integrated water resource management where we operate by FY2030.

3-Improve biodiversity by planting more trees. Re-planting to occur within the vicinity wherever possible.

4-Longer-term goal: In line with the SDG 15, TALCO will, by FY2030, have made a measurable contribution to the conservation, restoration and sustainable use of ecosystem.

A- To achieve SA 8000 – Social Accountability certification.

B- To obtain ISO 14001certification.

C- To achieve Cradle to Cradle Certification and EPD (Environmental Product Declaration) for our

1-Year 2020
2-By FY2030
3-Year 2020
4-By 2030
A-By 2021
B-By 2021
C-By 2021

Employees

1-To analyze Employees Satisfaction Survey and action plan.

2-To increase number of trainings and safety audits.

3-To introduce Employee Suggestion Program and Innovative Ideas Scheme.

1-By 2020
2-As per Training
3-By 2021