

Royal Herbs Sustainability Strategy

Restoring nature's balance with
care and innovation

2020-2030





Table of contents

A message from our Chief Executive Officer	3
A message from our Chief Sustainability Officer	4
Our vision and foundation	5
Achieving robust sustainability governance	7
Understanding what really matters	8
Defining goals and commitments	10
GOAL 1. Protect nature and restore balance	11
GOAL 2. Appreciate resources and close the loops	14
GOAL 3. Care for our people, deeply and honestly	19
GOAL 4. Steer towards sustainable future	25
Making change happen	28
Annex. Royal Herbs Sustainability Framework	29

A message from our Chief Executive Officer

Transforming our business to reimagine the future



Adoption of this strategy marks a significant milestone for us as a company. It distils a vision for a sustainable future we have developed over the years and puts sustainability at the core of our business model.

For over a decade, we have been learning by trial and error, transforming our supply chains, embarking on far-reaching changes inspired by our partners and learning to comply with some of the most demanding sustainability certifications.

- **A sustainable farm situated in the desert and powered entirely by solar.**
- **A Tarsheed-certified residential building for workers, as well as a green building for our factory and administration by incorporating LEED and WELL standards.**
- **Complete traceability of every single ingredient we source.**
- **A fully equipped medical centre for our employees.**

All this and more might have seemed like a dream a decade ago. Today it is our reality and we are ready to do more.

This strategy distils our key achievements and allows us to make a confident next step into the uncertain and demanding future. Determined from the inside and strengthened by our partners, we are ready to stand for our values and the chosen path while remaining adaptable and resilient in the face of rapid environmental, technological and social change.

We have been able to clearly align our ambition with the UN Sustainable Development Goals and the Paris Agreement, as well as identify priorities that span across all areas of our impact, from promoting local ecosystem health and climate change adaptation to the protection of human rights and global partnerships for transformative change.

We are confident that our decision to lead on sustainability across our value chain, in our social engagements and advocacy is essential and timely. Now we have a clear framework for action and an ambitious roadmap towards a prosperous society aligned with nature.

In this strategy, we challenge ourselves to reach higher. We invite all our partners to do the same. We look forward to seeing you on this path and we hope that together we can create a flourishing future for the communities we part and the planet we inhabit together.

Chief Executive Officer

Mohamed A. Khalil



A message from our Chief Sustainability Officer

Serving the people and the planet with honesty, integrity and care



Balance has always been integral to our business. We believe in heritage as much as we embrace innovation. We aim to support local people no less than meet global market demands. We strive forward, always reflecting on the past.

However, over the past few decades, we have seen the balance between humans and nature altered, leading to the vanishing of biodiversity, rapid climate change and extreme inequalities. As an agricultural business rooted in the community, we can't ignore this.

In the midst of competition over resources, influence and profit it is important to rethink the foundation of business activity and make the regeneration of nature, sustainable practices and genuine human wellbeing our top priorities.

Aldo Leopold famously said that "a thing is right when it tends to preserve the integrity, stability and beauty of the biotic community. It is wrong when it tends otherwise". His words profoundly resonate today's reality and give clear guidance on the right way to do business, as much as anything we do.

We see the rise of regenerative agriculture, nature-based solutions, youth climate movement and new coalitions as significant shifts in global recognition of the integral role of nature in human flourishing.

We gladly embrace those changes and learn to proactively support positive trajectories, ready to listen and evolve to create a more just and sustainable world.

With all the ambition, we remind ourselves of the fragile balance in nature we need to maintain and about our responsibility for something more than just a set of successfully completed targets.

As much as we strive for reaching our goals and reporting within global frameworks, we are committed to deeply reflecting on our impacts on the planet across time and space.

We believe that honesty and care are no less important than leadership, excellence and ambition. Thus, we are committed to openly talking about our challenges and failures, as much as about our achievements and progress.

Above everything, we know that sustainability is the only future-proof strategy the world has invented. There is no stronger operational foundation for business than the one that is in balance with nature. Now, we invite you to see how we will bring this vision to life and to join us along this journey.

Chief Sustainability Officer
Salma Khalil





Our vision and foundation

Royal Herbs is committed to nourishing people and protecting the living planet.

We appreciate and admire the fact that our development depends on nature to sustain our agricultural operations, supply chains, partners and customers. This appreciation forms the foundation of our sustainability efforts.

Every day, our medical and herbal teas are consumed by thousands of people worldwide, helping to meet the demand for healthy, safe and sustainably produced drinks.

Meanwhile, we recognize that the planet is changing rapidly and simply providing high-quality sustainable products is not enough. It is time for businesses to embrace greater responsibility for the future and lead the change towards society that actually operates within nature's boundaries.

In this strategy, we have set out to reach the highest standards of environmental stewardship, employee wellbeing, social responsibility and sustainability leadership. It serves as our manifesto and clear compass for a future we believe in and are determined to achieve.

This strategy is a significant step for us as a company and as a responsible corporate citizen. It was created to ensure that our goals and ambition are well-aligned with and aware of the global trends, needs and challenges, helping to address them in a responsive and proactive manner. |



[UN Global Sustainable Development Goals](#)



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21-CMP11

[Paris Agreement by the UNFCCC](#) aiming to limit warming below 1.5 °C



Convention on Biological Diversity

Development of the [2050 Vision of "Living in harmony with nature"](#) within Convention on Biological Diversity



[Sustainable Development Strategy: Egypt Vision 2030](#)



Food and Agriculture Organization of the United Nations

[Egypt Sustainable Agricultural Development Strategy 2030](#)



Food and Agriculture Organization of the United Nations

[The Egyptian Biodiversity Strategy and Action Plan 2015-2030](#)

Our vision and foundation

It is also an expression of our support for the call by the WWF for an ambitious [New Deal for Nature and People](#), as well as IPBES work on [Nature's Contribution to People](#) to recognize our life-support system and acknowledge the multitude of invaluable and essential benefits it provides to us.

We know well the perceived challenges of balancing profit and environmental performance, social impact and business development. However, as we have experienced over and over, such compromises are often taken for granted and far from reality, which is much more complex and interesting.

We also know well that businesses with purpose clearly outperform those without it, while investing into sustainability will clearly become our strong survival factor, particularly in times of crisis.

At the end of it, sustainable and responsible choices are the only viable option and honest answer to what we truly care about and what we value as a company and as people.

They are also the only economically viable choices, once we fully recognize our dependence on and interconnection with nature and its essential role in everything we do.



Achieving robust sustainability governance

To ensure effective implementation we will integrate this strategy into our governance and management, making sure both broad and specific responsibilities are clearly distributed, assigned, communicated and reported on, as well as align our internal policies and plans.

The implementation of this strategy will be overseen by the board. Our Chief Sustainability Officer (CSO) ensures continuous business leadership on the topic while their capacities will be further aligned to facilitate effective implementation of this strategy.

A team of Sustainability Officers will be allocated at each of our premises and will serve as a key link for other responsible persons on different facets of sustainability throughout the company, assisting and reporting to the CSO.

CSO also leads the dedicated Sustainability Committee that works on coaching and integrating our different sustainability initiatives within business operations. The committee currently includes: Agriculture Manager, Farms Admin Manager, Strategic Customers Relations Team Leader, Documentation and Certifications Specialist, Operations Director and HR Manager.

Separate projects are implemented by smaller committees of three based on their expertise and focus.

We will further better integrate dedicated sustainability overlook by on-site managers, explore the potential of flexible working groups for particular tasks and ensure that all of our stakeholders are on board and ready to embark with us on this path.

In line with the recent pledge by [Business Roundtable](#), we will strive to create a shared value over the long term and in a sustainable manner with purpose beyond profit, recognizing that our business success depends on both financial and a much wider range of non-financial outcomes.

To address those topics in the future, we will ensure effective risk management mechanisms and thoroughly assess our impacts on a regular basis. We will seek to effectively utilize available opportunities, aiming for a transformative perspective to sustainability, beyond incremental improvements.

Throughout the following years, we will build a robust and reliable governance framework and a truly sustainable business model where sustainability is not simply an option or add-on, but at the core of every idea, activity and product coming from Royal Herbs.



Understanding what really matters

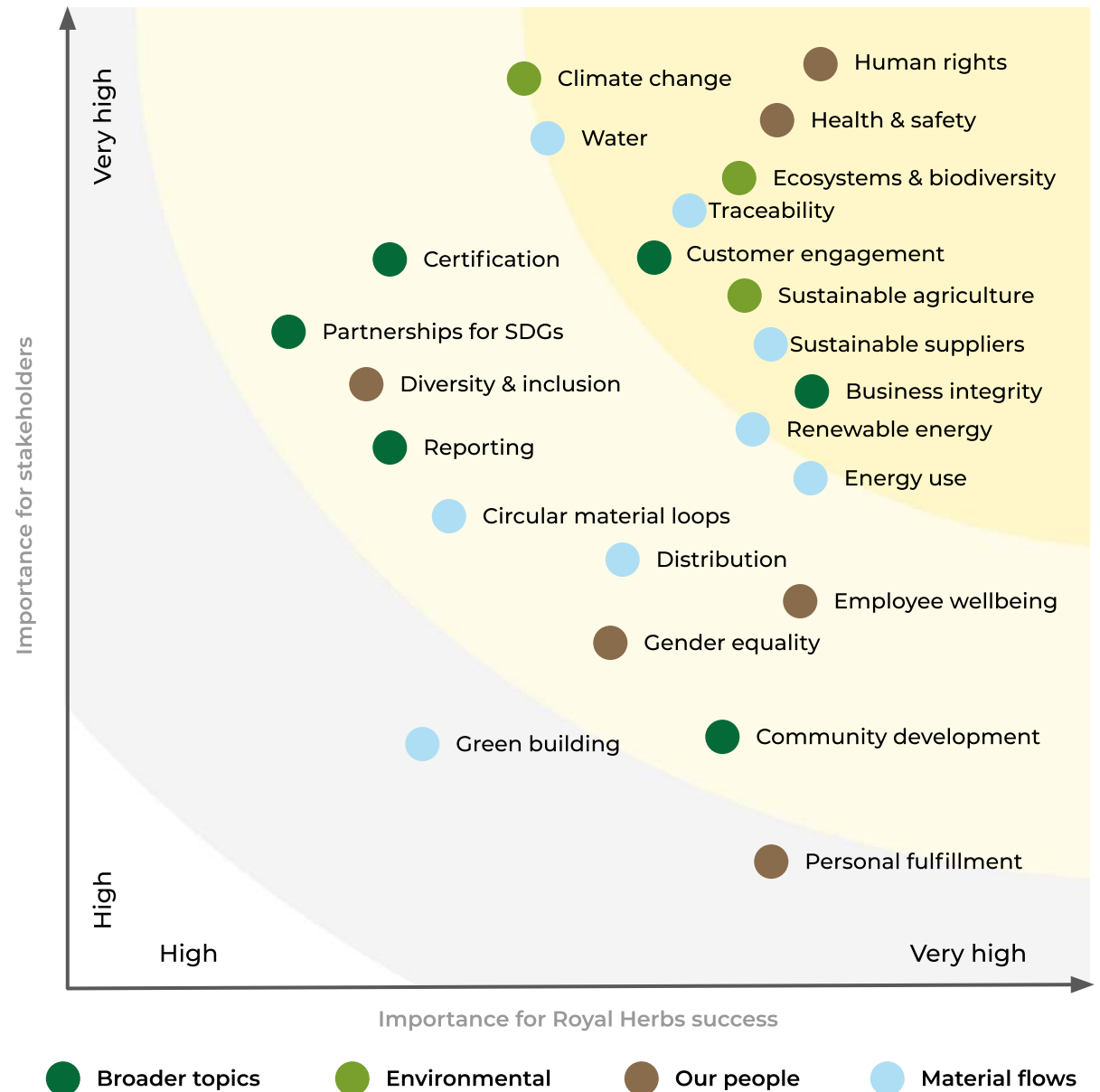
To gain an initial picture of the overlap between what matters for us and our stakeholders we have conducted a materiality assessment. The matrix will allow us to better navigate the sustainability landscape, effectively allocate resources and plan action.

All topics included in the materiality matrix are significant for our business in terms of **growth, costs, responsibility and risks** while reflecting the **interests of our stakeholders**, such as investors, citizens, NGOs, governments.





We may implement activities or report on issues not directly included into this assessment if they prove significant or require reaction in particular situations, as well as those that open up opportunities for the positive impact we didn't know about before.

This assessment will be updated on an annual basis, making sure our plans, activities and reporting reflect changes in our business and the world. In the future, we plan to expand our assessment to the widest possible range of stakeholders to frequently and effectively gather insights and focus on what matters.

To better frame our strategy we have also conducted an analysis of different challenges that it would need to address, as well as those that might endanger its implementation.



Understanding what really matters

Key areas	Challenges
 <p>Climate change and environmental degradation</p>	<ul style="list-style-type: none"> • Higher exposure to heatwaves and other extreme events can endanger both production and human health • The rapid shrinking of bee populations, water scarcities and other patterns of environmental degradation may escalate quickly and trigger tipping points in ecosystem stability, requiring a rapid adaptation of farming practices
 <p>Economy and supply chains</p>	<ul style="list-style-type: none"> • Lack of suppliers ready to comply with rigorous sustainability criteria at initial stages as well as lack of willingness to learn may slow down progress • The volatility of markets for recycled materials may undermine sustainable sourcing • Conflicting expectations towards sustainability by different partners may complicate compliance • The economic viability of particular sustainability interventions may not be clear with standard cost-benefit analysis and require more rigorous assessment; the choice may be particularly complex when comparing life cycle impacts of retrofitting and buying new and will have to be particularly and carefully considered • Other market fluctuations triggered by climate change or novel diseases (such as post-COVID 19 fluctuations) may lead to cuts in expenditures which would undermine some of the sustainability initiatives, as well as cause instability in both supplies and demand
 <p>Social, political and governance</p>	<ul style="list-style-type: none"> • Established cultural norms may undermine some of the forward-looking initiatives, such as gender mainstreaming or sustainable and healthy lifestyles • Policies can slow down the desired transition by not obliging partners to comply with some of the key sustainability criteria • Lack of enthusiasm from local stakeholders to support ambitious efforts might undermine willingness to engage and change among employees • Overly complex reporting mechanisms and necessity to comply with too many standards may undermine willingness to proactively and positively engage with particular topics, as well as innovate beyond compliance
 <p>Technology</p>	<ul style="list-style-type: none"> • The rapid development of novel genetic engineering technologies can endanger the competitiveness of organic farming • Rapid innovation can lead to older sustainable technologies becoming quickly outdated, which requires balancing leadership with viability and foresight

Understanding of relevant challenges and impacts allowed us to develop the strategy that is not only actionable but also takes into account a wide range of possible futures and roadblocks and allows to effectively manoeuvre among them in our pursuit towards sustainability.

Defining goals and commitments

With our products sold in 20 countries, we recognize the capacity we have to influence supply chains, consumer choices and local communities. This strategy was created to help us focus on the most relevant areas of impact while aspiring for a holistic and far-reaching view of sustainability.

Based on the materiality assessment, understanding of the challenges we face and our previous initiatives, we were able to define 4 broad goals, 17 commitments, 51 long-term priorities and 60 targets, which became the core of our strategy. Details on long-term priorities and targets can be found in the following chapters and the Annex.

Protect the planet and restore balance	Appreciate resources and close the loops	Care for our people deeply and honestly	Steer towards a sustainable future
Practice sustainable agriculture	Become a circular business	Promote employee wellbeing	Contribute to sustainable local development
Regenerate nature	Use water wisely	Ensure health and safety	Partner for SDGs
Support a liveable climate	Achieve sustainable energy	Guard human rights	Encourage sustainable living
	Build green to last	Create a diverse and inclusive workplace	Ensure business integrity
		Foster personal fulfilment and growth	Align efforts and openly report on progress

Each of the targets has a specific due date and will have a few KPIs to track progress, including both relative and absolute ones. In the process of developing this strategy, we aspired to have clear baselines for as many targets as possible and whenever it wasn't possible we will conduct relevant measurements, surveys for audits throughout 2020 to make sure we can clearly pace progress in each of the areas. Upon achieving particular targets or faster progress than expected, more ambitious ones may be set as necessary and possible.

While all goals and targets we have set are self-sufficient and relevant on their own, we realise that they do not exist in isolation. We will seek to adopt a nexus perspective to generate multiple co-benefits for both people and nature, with many of our activities and efforts contributing to multiple commitments and targets in the process. This will also help to ensure the economic viability of our efforts and provide benefits to multiple stakeholders.

GOAL 1

Protect nature and restore balance

Our commitments

▶ Transform at least of degraded land or desert into sustainable productive landscapes

▶ Regenerate ecosystems and preserve biodiversity

▶ Become carbon-neutral and proactively adapt to climate change

Practice sustainable agriculture

It all starts with the impact we make on the planet, and our agricultural activities are our first and major source of impact, both in terms of significance for our business and the positive contribution we can make to the world.

We strongly support combining traditional farming practices that have survived for centuries with modern technology, which allows us to maintain the naturally-occurring biological processes while achieving higher efficiency and quality, for example through composting that enriches the soil and prevents its depletion.

Building on the strength and experience we have acquired through obtaining multiple certifications on sustainable agriculture, such as EU Organic Label, National Organic Program, Naturland and Rainforest alliance, we want to also make sure that our agricultural practices are future-proof, resilient to multiple risks and allow us to stay competitive in the face of rapid agricultural innovation.

We have implemented particularly dedicated efforts to improve soil fertility through organic practices and prevent soil erosion and nutrient loss by wind and water, cultivate and preserve local crop varieties and expand crop rotation practices and diversity.

We will further sustain our commitment to leading sustainable and organic agriculture standards, while exploring the potential of automation to improve efficiency, implementing climate-smart and regenerative agriculture and contributing to food security among local communities.

Regenerate nature

Ecosystem stewardship and protection of biodiversity are of fundamental value for us. Building on our previous experiences of carefully planning our impacts on ecosystems and biodiversity at every farm we will aim to further expand our positive contribution to ecosystem health and resilience.

Experiences such as planting native palm trees in Bahariya Oasis of the western desert and installing beehives to combat decreasing bee populations have taught us that caring for nature has far-reaching positive impacts, often far beyond what we can imagine.

Among other activities we have implemented within over the previous years were biodiversity assessments for each site and follow-up plans of activities, including the creation of ecologically beneficial elements (such as, hedges, copses, rows of trees, ponds) and protection of local species (ground-nesting birds, beneficial insects, juveniles), migration corridors, as well as preservation and restoration of habitats.

We will continue to work with experts and authorities to better understand local environmental challenges, find tailored solutions, protect vulnerable species and target funds to support protected areas, as well as facilitate sustainable afforestation, water replenishment and other measures that can improve ecosystem resilience, health and biodiversity.



Support a liveable climate

We recognize climate change as a key challenge to humanity and the future of the planet. We are also aware of the particular [vulnerability of Egypt](#) to climate change with multiple overlapping challenges, such as the increase in annual temperatures by 2-3 °C by 2050, decrease in precipitation, reduced yields and rising volatility and frequency of extreme events, among others, most of which will have impacts on our operations in the near future.

Thus, we are committed to making a below 1.5°C warming target set by the Paris Agreement a reality and aligning our climate targets with the Science-Based Targets methodology.



Climate change mitigation

At the core of our business model is doing agriculture in a way that keeps carbon locked in the soil while decreasing our direct and indirect emissions from other activities.

Inspired by [William McDonough](#) we believe that carbon is not an enemy, but a resource to be managed wisely and with care, ensuring *“it ends up in the right places in the right amounts”*.

In 2020 we have conducted our first Carbon Footprint Report, which has allowed us to set a clear baseline and map the road ahead. We have further defined the necessary changes and set the ambitious goal of reducing scope 1, 2 & 3 emissions.

Those steps will serve our long-term ambition to become a fully climate positive business by 2035, which for us means capturing and storing more carbon than we emit, building on our capacities for biogenic carbon capture and sequestration, as well as direct reductions in emissions.

Today, the largest share of our emissions stem from fuel consumption, landfilling waste and transportation, thus action on renewable energy, zero waste, use of recycled and recyclable/compostable packaging and sustainable distribution options will be prioritized (see relevant sections).



Adaptation and stress-testing

We will develop our company in line with low-carbon future scenarios below 1.5 warmings as a baseline scenario, while keeping open a pool of relevant options for the medium and high-end climate change, using the dynamic adaptive policy pathways, real options analysis and multi-objective robust decision making approaches to make no-regret choices that will work well under a wide range of possible futures and deep uncertainty.

All our investment choices will be stress-tested against different climate scenarios and our emergency plans will be regularly revised in regards to climate-induced extreme events, such as dust and sandstorms, droughts, heatwaves and heavy rainfall.

Beyond business-level decision-making and climate-smart agriculture, we focus on ensuring climate-resilient supply chains and decreasing vulnerability to climate change of our employees and their families by tailored awareness-raising activities, such as how to stay protected from heat stress or providing first aid in case of need, as well as helping them to properly adapt their livelihoods.

We will support climate adaptation in local communities by initiating the development of local climate plans, supporting particular robust (high-impact and no-regret) options such as nature-based solutions to combat heat islands, as well as improving accessibility of clean drinking water and preventing water scarcities. We will also establish a Climate Adaptation Fund to help finance necessary local actions to ensure adaptation, as well as provide support, relief and recovery from losses and damages in case of extreme events.

GOAL 2

Appreciate resources and close the loops

Our commitments

Build a truly Circular Business Model

Use water wisely and responsibly

Achieve sustainable and renewable energy

Build green to last with people and ecosystems in mind



Become a circular business



Sourcing and procurement

Since 2010, when we acquired our farms in Assiut Valley, Bahareya Oasis and Abu Korkas, we have been able to gain much better control over our impacts, reducing the complexity of our supply chains and improving their traceability to the level where we have direct control of cultivation, processing, packaging and delivery.

Our next step is making our upstream inputs fully sustainable, where we can learn a lot from our long term partner Martin Bauer Group, which also provided us with our first sustainability certificate and helped us to develop in this direction over the years.

While we will reasonably seek most sustainable suppliers, we understand that changing the supplier doesn't solve it for the one left behind. Thus, our priority will also be to support all our current suppliers in conducting sustainability audits and helping them increase resource efficiency, switch to renewable energy, prevent waste and use water wisely. Throughout 2020, we will develop environmental and social criteria and tools to assess all our suppliers on a regular basis.

The same approach will cover the full scope of our procurement activities, from uniforms and protective equipment to cleaning and office supplies, with commitment to use safe and sustainable products on every possible occasion. All our events will also be conducted in line with strict sustainability criteria.

In terms of furniture and office suppliers, we will extend our collaborations and build on our experiences in sourcing locally recycled furniture and wood. A similar approach will apply to the procurement of equipment where we will also make sure all new equipment has the highest energy efficiency standard and is free from toxic and conflict materials.



Distribution and travel

The choices we make during distribution can have a big impact on the environment, to a significant extent due to GHG emitted by trucks, ships, and planes transporting our tea to different parts of the world. We will proactively seek opportunities for reducing those emissions through more efficient fuel use, optimizing loading, the transition to renewables-based fleet or offsetting emissions whenever no effective alternatives exist, which may still be the case for long-distance transportation.

In a similar line, we will deal with transportation choices within our own operations. We will seek to promote ridesharing, biking, public transport, electric vehicles and other means for sustainable and healthy mobility, which we also expect to help improve our employee health and local air quality.

We will particularly discourage the use of planes for short and medium-distance travel and ensure video-conferencing alternatives for most unnecessary long-distance travel, acknowledging the vast impact of aviation on climate. The same principle will apply to anyone coming to visit us, where we will encourage and provide sustainable options for travel and stay.





Closing the loops

According to the recent [Circular Gap report](#), the world is just 8% circular, which means that the majority of materials and resources are simply wasted. The situation is also particularly challenging in Egypt, with only [20% of waste](#) safely disposed of or recycled.

Based on our responsibility towards the local and global community and in support of national efforts for waste prevention and recycling we want to address this challenge through the way we use our resources and design our packaging.

The circular economy offers a paradigm shift, from the system where we take-make-dispose towards a closed-loop system that is much more viable and livable. For us, it means making sure that the design of our products takes into account future environmental constraints and potential resource scarcities, as well as informs consumers about the ways our packaging and tea leftovers can be responsibly and sustainably handled.

To achieve those goals we will use approaches such as Life Cycle Assessment and Material Flows Analysis, and tools such as [Circular Transition Indicators](#) when developing strategies for product design and making specific choices about materials and ways to combine, process and handle them, making sure to close both technical and organic loops for each specific case and product.

We will particularly strive to increase the use of recycled paper, cardboard and other materials used in production, whenever possible, seeking inputs certified by internationally acknowledged organizations, such as FSC certified paper products, which will help to further reduce our indirect emissions.

Striving for zero waste is the way we plan to bring circular economy ideas into life at Royal Herbs, building from our current baselines across all waste fractions.

We will seek to prevent, repair, reuse and recycle whenever possible while avoiding landfilling and incineration. We will achieve this by optimizing what materials enter the system, how they are treated and what happens to them as they leave.

We will make a particular effort to close the loop for plastics, considering that only 14% of plastics packaging is recycled globally, while much of the rest ends up dumped, burned or stays in nature for ages, contributing to ocean acidification, freshwater pollution and loss of marine biodiversity.

We will address this challenge by switching to recyclable and compostable packaging and supporting recycling and composting throughout our supply chain. Building on our current composting experience we will scale it up to include the full scope of organic materials generated at our farms, as well as make sure to reduce the throughput of every resource and ensure its high-value reuse and recyclability whenever possible.

Another key area of our effort will be minimization and sustainable recycling of e-waste, starting from procuring from companies that have committed to and provide highest standards of material circularity, equipment repairability and upgrade options or use of product-as-service for production equipment, computers, cell-phones and other electronics.

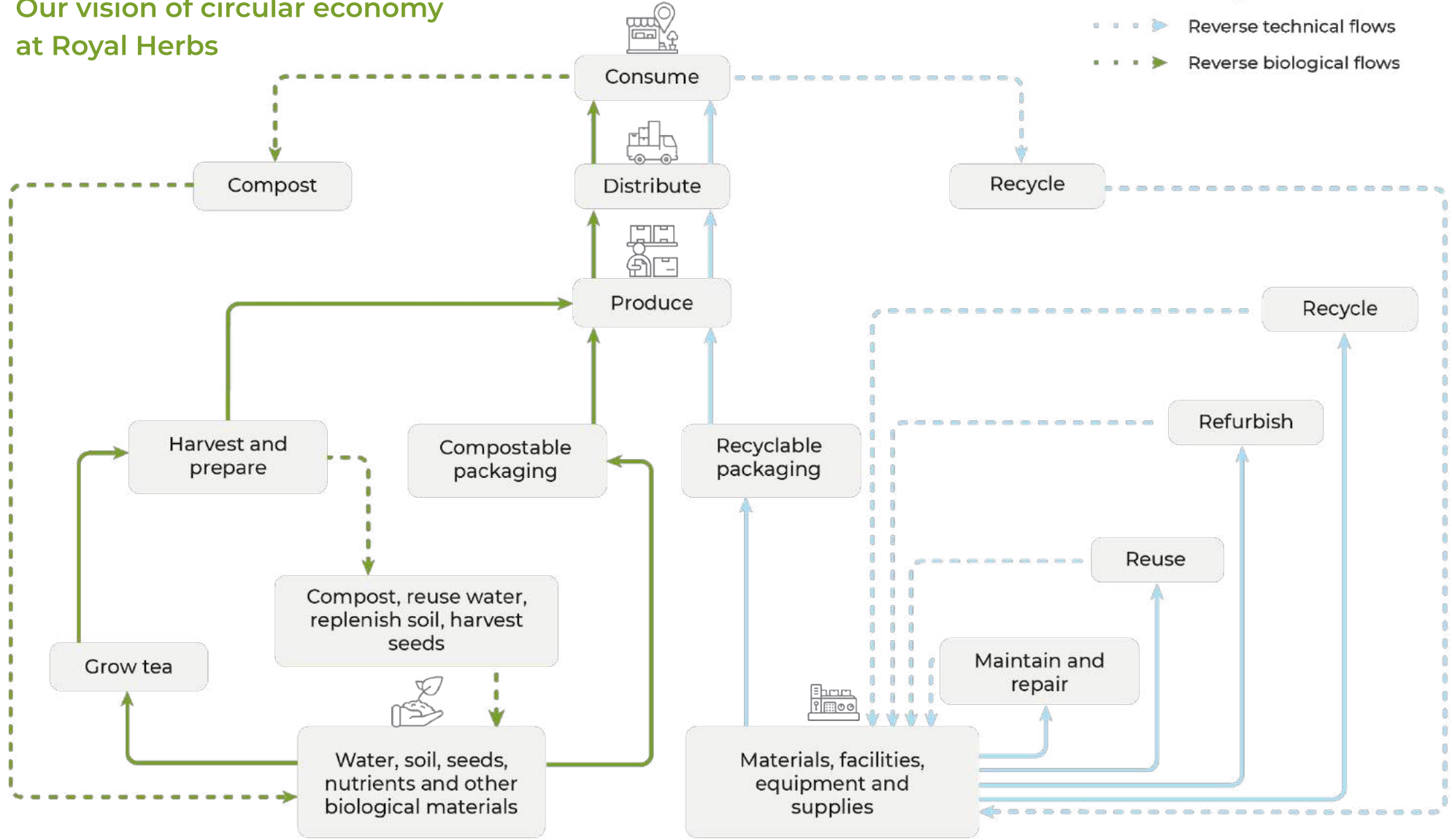
When upgrading computers we will ensure sharing of old ones that are still in a highly usable shape with local organizations and workers and recycling the rest in a responsible manner, so that no e-waste enters local or distanced landfills.





To achieve those ambitions we will aim to be certified by at least one of the currently available comprehensive zero waste and circular economy standards, such as [True Zero Waste by GBCI](#), [BS 8001 Circular Economy](#) or [Cradle to Cradle](#).



Our vision of circular economy at Royal Herbs

- Technical flows
- Biological flows
- Reverse technical flows
- Reverse biological flows



- 
 Renewable energy
- 
 Circular design
- 
 Sustainable suppliers
- 
 Throughput minimization

Use water wisely

Without improvements in the way water is managed and used around the world, we may face a [40% supply gap by 2030](#).

Regional water scarcity is going to aggravate under climate change, which increases our responsibility for the wise use of water. We particularly recognize the challenges and [necessity for the wise use of water in Egypt](#), considering limited freshwater supply, rising demands and significant exposure of Nile to unregulated pollution and potential for alteration of its flows.

Recognizing those impacts and risks we have committed to water stewardship and water-smart agriculture, seeking to improve our expertise in this regard. We will particularly explore best practices in this regard and use relevant tools, such as [WWF Water Risk Filter](#) and [WRI Aqueduct](#), to ensure a sound understanding of water risks and relevant measures.

As of today, we have implemented a range of water-saving measures and continuously improve the efficiency of our irrigation system. We meticulously measure water use per hour and use only approved and licensed wells, making sure our water consumption rate is in line with the underground water compensation rate. We plan to further improve in this direction and will strive to achieve circular water management, starting from increasing reuse of greywater and effective wastewater treatment, aiming to reduce overall water use per production output.

We will also join the [WASH pledge](#), to verify our commitment for providing access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees in all premises, making sure to align our activities with its [guiding principles](#) and use the [self-assessment tool](#) to correct our efforts in any necessary area.

Achieve sustainable energy

Due to the absence of national grid connection at our farms we rely on diesel generators for most of our farms, while our Bahareya farm in the desert is fully run on solar energy, also providing it to the workers village for lightning and other everyday uses.

Based on this successful experience, the impact of energy on climate and rapidly dropping renewables prices, we have devised to achieve sustainable and renewable energy, with most of it coming from solar. We also hope this effort will serve as a contribution to achieving the [national target](#) of 42% renewable electricity by 2035.

Throughout our transition to renewable energy, we will aim to improve energy use and implement an ISO 50001/50006 compliant energy system, starting from a comprehensive energy audit of all our facilities and farms.



Build green to last

In collaboration with local sustainability consultancies, we have designed and built our first green residential building for workers, which had a highly positive impact on employee quality of life and general happiness. We were also proud to receive two platinum and one gold award from Tarsheed for achieving 35% energy savings and 25% water savings.

We have also implemented an ambitious project for Royal Herbs new factory and administrative building in Sadat city, designed according to LEED and WELL standards, and included design for renewable energy, careful selection of sustainable building materials, planning for management of construction and demolition waste, water and energy efficiency, as well as measures to promote human of human comfort and wellbeing.

The project allowed to achieve 20% in energy savings (by reducing cooling and heating, lighting, domestic hot water and equipment loads) and up to 60% in water savings.

Our priority is to develop green buildings, for both retrofitting the current facilities and new projects, depending on viability and needs.

Building on our experience of retrofitting older buildings, will further invest in sustainable operations and maintenance of our buildings, as well as continuously update our employee training in this regard.



GOAL 3

Care for our people, deeply and honestly

Our commitments

▶ Support physical and mental wellbeing of our people

▶ Ensure health and safety in a reliable and effective manner

▶ Create a diverse, inclusive and welcoming workplace

▶ Help our people to do their best and keep growing



Nurture a culture of wellbeing

In today's world, it is not always easy to lead a healthy and sustainable lifestyle, even as our own wellbeing and future of the planet depend on it. At Royal Herbs, we want to change this, creating the most favourable and supporting conditions for employee wellbeing, health and planet-friendly living.

Today, we employ over 800 people directly, while many others indirectly depend on our operations to sustain their workplace. As we expect to expand our operations in the future, we want to ensure everybody will have the opportunities to live decent, happy and fulfilling lives in the culture of respect towards human rights and diversity.

While we have already achieved a lot in terms of making sure Royal Herbs is a remarkable place to work, we aren't stopping there. Our goal to care for the people was elaborated with particular dedication, aspiring to cover every relevant experience with Royal Herbs.



Mental and physical wellbeing

We define wellbeing in its widest sense to include physical as well as mental wellbeing, at the job and within their wider community. The wellbeing of people working here is at the centre of our operations. Summer vacations and employee sports teams are our essentials and will make sure to further extend our efforts in this area.



Work-life balance

In the era of speed, we value balance. We will focus our efforts on extending flexible working hours and remote working to support families whenever the job allows us to accommodate this flexibility, or adjust the schedule according to our employee preferences. We will also support employees in making the right work-life choices as family demands change. Our employees can also have unpaid time off to realize their interests.



Interpersonal relations

We want Royal Herbs to be a place where people actually care about each other, the company and the world. Our employees have myriad opportunities to collaborate, network and learn from each other at a variety of events and social gatherings, from picnics to sports events. And we love hearing new ideas and having employees express whatever they have on their mind, especially if it can help our company and people get better.



Working environment

Ergonomic furniture, high-end IT infrastructure and speedy internet are available to all our employees. We also respect privacy and everyday needs, providing people with rooms to rest and book meetings, as well as fully equipped kitchens to heat lunch. For us, it's about the environment that welcomes people and provides all the conditions so they can do their best.

Based on our experience in promoting benefits of the WELL standard according to which we designed our office building we will seek to cover all employees by relevant awareness measures, so they can get the most out of their workplace for their own good. Over the upcoming years we will extend our efforts to better understand employee needs and consider them in every detail both at our office buildings and farms.



Sustainable living

Our commitment to employee wellbeing extends to creating a culture of sustainability leadership in our board while providing employees with guidance for practising sustainable living habits at work and at home, as well as environmental learning opportunities and programs that help employees contribute to our journey towards sustainability.

If we want employees to use bikes or share their rides, we will not just tell them to do this, but first, understand the suitability of local infrastructure and any critical roadblocks. Only once we find out that the broader context allows for the desired practice or we can adapt it, we will create relevant physical and social conditions within the company, making sure sustainable habits are socially desirable, positively perceived and afforded by our employees.

We will never tell employees to do something, without first doing our part of the job. We will also continuously assess progress in this regard, collect feedback and improve relevant infrastructure and incentives to support the effective formation of sustainable habits.

Among the practices we will focus upon in the following years include healthy eating habits, drinking enough water, zero waste culture, sustainable mobility, engagement of employees with local communities through volunteering and opening up space for them to pitch sustainable ideas and get support for their implementation.its at work and at home, as well as environmental learning opportunities and programs that help employees contribute to our journey towards sustainability.



Supporting families

We are proud of being able to provide educational support, literacy courses and school financial aid to underprivileged families, as well as medical healthcare for family members of our employees. We consider this a great achievement but we also know that we can do more. Our next ambition is to develop tailored support packages so that every family in need receives not only general support but a more specific contribution to increase their standard of living and have a decent, healthy and sustainable life.



Ensure health and safety



Occupational health and safety

While we have already achieved a high standard of occupational health and safety and comply with all the legal requirements and OHSAS 18001, we are not stopping there. We will further ensure strict compliance, preventative healthcare, provide health and safety training to all employees, as well as relevant protective equipment.

We will ensure the highest standard of employee protection, including strict hygiene routines and minimal exposure. We will also nourish a culture where everyone can speak up about any health and safety concerns, understanding safety in both physical and psychological sense. At Royal herbs we want people to both to be safe and feel safe.

We will further invest in preventing any severe risk to human health. Finally, we will also improve upon our assessments, identifying health hazards, assessing exposure and impact across our supply chains and devising corrective measures.



Health beyond work

Ensuring a healthy and safe working environment is just one side of the coin. Beyond taking care of people at work, we want to make sure they are healthy in every respect. Thus, in line with our commitment to human wellbeing, we will also provide healthcare for employees in regards to issues beyond occupational health and safety whenever possible.

Some of our efforts to date include the establishment of the medical centre, campaigns on Hepatitis C and breast cancer awareness, as well as registration of social insurance numbers for our employees.

Our further efforts in this regard will focus on extending preventative healthcare, including frequent medical checkups, relevant vaccinations and supporting general health awareness.



Create a diverse and inclusive workplace



Real diversity and inclusion

Diversity has always been at the core of our business and during the next decade, we will ensure it is better recognized by our employees, partners and other stakeholders.

We will focus on becoming an equal opportunity employer in every aspect, from supporting cultural diversity to tailored initiatives for inclusion of the vulnerable groups.

As part of our commitment to inclusion, we will evaluate internal communications, encouraging employees to provide feedback and let us know about all the areas where we can do better.



Gender equality

We believe both men and women play a vital role in shaping Royal Herbs as a company and the future of our society more broadly. We also recognize that due to cultural context, women have often been limited in opportunities to participate and be acknowledged for their contribution. Thus, we want to highlight the fact that women participation is essential for sustainable development and social justice, and that it is important to help them live flourishing and self-sufficient lives free from discrimination and harassment.

Commitment to gender equality means for us equal opportunities to join the workforce at any level, inclusive parental leave, time to care and ensuring that work by women and men is equally recognized and valued.

Our action on gender will align with and draw inspiration from the ambitious [A Quantum Leap for Gender Equality: For a Better Future of Work for All](#) report by the International Labour Organization which vividly outlines a vision and roadmap for women empowerment.

Our aim is to achieve gender parity within the workforce, including high-skilled jobs and career development opportunities, as well as ensure equal representation at the board level. By 2021 we will conduct our first gender audit using the Women's Empowerment Principles [Gender Gap Analysis Tool](#).

Moving further in this ambition, we will assess all our suppliers on gender policies, action and absence of discriminatory practices and ensure that our approach to gender is clearly shared across our value chains while supporting gender equality and women empowerment at the local level through tailored training and establishing a scholarship for young women to gain degrees in environmental management and sustainable agriculture.



Fair wages

We offer fair salaries, always pay on time and provide generous holiday bonuses. In the following years, we will focus on eliminating gender-based salary bias.

We will also consistently lower the difference between highest and lowest paid wages in our broader efforts to combat poverty and growing inequality, which remain significant issues both in Egypt and globally, according to the recent [Human Development Report](#).

We will also sustain our compliance with Fair Trade certification and our continuous engagement with partners in this regard.

Guard human rights

As a company, we understand that every choice we make has the potential to impact human rights on a daily basis and we embrace our responsibility to protect them beyond avoiding harm and basic compliance and see them as an integral part of our business agenda.

Our action on human rights will align with the UN Guiding Principles on Business and Human Rights, with a commitment to respect, protect and remedy human rights within our operations and across the value chain, including suppliers, labour contractors, distributors and business customers.

We will start a process to identify potential and actual human rights impacts, ensure action to address those impacts and support effective grievance and whistleblowing mechanisms.

We will continue to effectively resolve any issues that arise, ensuring access to remedies for victims of abuse and align our action with the [UNGC good practices on human rights](#). We will track and report on our action for human rights in line with the [UN Guiding Principles Reporting Framework](#).

We commit to zero tolerance for abuse and discrimination based on religion, age, gender, nationality, political preferences, experience, wealth, background and physical abilities, as well as forced or child labour, modern slavery and displacement, while protecting children's rights, land rights and freedom of association.

We will also ensure employee awareness and regular training about the importance of human rights and non-discriminatory working environment.

Foster fulfilment and growth



Growing talent

We aim to provide our employees with outstanding working conditions and ensure they can grow and realise their purpose and meaning, not just deliver the results. With the recognition of a growing population, we will particularly support young people in achieving their potential.

We will continue supporting people in developing professionally, identifying internal candidates to offer them growth opportunities before opening job postings to external candidates. We will also to help them build skills needed to advance in life and career with Royal Herbs or beyond.



Retaining talent

We commit to ensuring a marvellous and inspiring experience of working at Royal Herbs.

We will make every effort to make sure that our employees are highly motivated to stay and grow together with us for as long as they would like to.

We will remix experience and youth, run mentor programs. provide relevant coaching and never forget to celebrate achievement and inspire people to reach out for the new heights.

GOAL 4

Steer towards sustainable future

Our commitments

- ▶ Improve living standards of the local communities
- ▶ Build impactful partnerships that contribute to the SDGs
- ▶ Inspire sustainable and healthy lifestyles among our customers
- ▶ Lead efforts on business accountability and integrity
- ▶ Integrate global frameworks and report on our progress

Support sustainable local development

At Royal Herbs, we believe that businesses have the power to change the world for the better. This section specifies our dedication for such change, through engagements with communities, customers and coalitions.



Engaging with care

We take an active part in the development and daily life of the communities at the location sites of our farms. During the next ten years, we will make distinctive efforts to understand local development needs and priorities and to make sure our contribution serves for the best of the local communities, is well-aligned with SDGs and activities of diverse local actors, using clear community engagement guidelines. As much we will ensure that our contribution stems from the areas of our greatest expertise while not hesitating to learn more in areas where we are just at the start.

Based on thorough assessment and consultations we will develop annual CSR plans with careful revision of priorities every year based on changing community needs, as well as ensure effective monitoring, feedback and evaluation of those activities. We also plan to identify the most promising and relevant sustainable solutions that we can contribute locally and support their implementation.

Among some of the current opportunities, we are looking forward to are local climate change mitigation and adaptation, helping to implement the principles of the circular economy and providing training for starting or making existing businesses sustainable.



Promoting local employment

We believe that vulnerable groups should be the first people who gain access to education and training for green jobs in sustainable agriculture, helping to sustain and restore our ecosystems while attaining a better standard of living.

Our particular efforts will be dedicated to protecting and providing opportunities to the vulnerable groups. continuing our work in supporting community healthcare, providing resources to schools and educational opportunities, as well as ensuring effective use of the Fairtrade premium.

We will strategically establish new farms in places where local communities are in greatest need and can benefit most from our presence, helping them to combat poverty, achieve better health and have access to decent and green jobs.



Building relationships

As part of our engagement with communities, we will also aim to ensure positive relations with local people and respect towards local culture and traditions. One of our key ways to do this will be through the implementation of employee volunteering programs to build trust and achieve better mutual understanding.



Encourage sustainable lifestyles



Standing for sustainability

We know that customers increasingly care for what the products they buy stand for. Among building other key attributes of our brand, we will continuously engage with consumers to communicate our sustainability efforts and achievements through tailored campaigns, clear product information and traceability.

With our commitment to being a “warehouse of medicines”, we will also explore new uses and combinations of medical herbs and how our products can support better health among our customers, also providing them with relevant guidance and recipes.



Listening to the people

In addition to our outreach efforts, we will be as attentive when it comes to hearing what people think about us and what they expect us to do, establishing clear and engaging feedback mechanisms via our platforms and social media. We will also make sure to address all requests and complaints in a timely and responsive manner.

Partner for the SDGs

Meaningful collaborations allow all of us to learn from each other, scale-up positive impacts and lead broader societal change. Building upon our previous experiences we will seek collaborations in areas where we can make the greatest difference while making sure all our partners exemplify excellence in sustainability implementation, commitment to continuous improvement and genuine dedication to the cause.

Some of the networks and coalitions we have identified as consonant to our values include [SAI platform](#) for sustainable agriculture, [World Business Council for Sustainable Development \(WBCSD\)](#), [Alliance for Water Stewardship](#), [Global Alliance for climate-smart agriculture](#), [Global Landscapes Forum](#) and [1% for the Planet](#). We will also seek collaborations with non-governmental and civil society organizations, research institutes and educational institutions to advance our capacities for relevant contributions.

Ensure business integrity

We will ensure effective implementation of our anti-corruption and bribery policy, including frequently and regularly conducting anti-corruption and bribery audits, as well as relevant training. We will also support conditions for realising the freedom of association and collective bargaining, tax transparency and prevention of anti-competitive practices.

Align efforts and openly report on progress

To track our and share our progress we will publish an annual Sustainability Report aligned with the UN Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) and CDP (formerly Carbon Disclosure Project), allowing us to grasp how our action matches to global leadership and to ensure it lives up to our ambition.



Making change happen

The road ahead is long and complex but we feel confident and excited to embark on it, supported by our people, customers and partners. Over the following decade, we will aspire to combine broad and transformative perspectives on sustainability with dedicated efforts in every detail across all our operations and the whole stakeholder network and value chain.

We envision a future where people can thrive and flourish in balance with nature. Where we don't simply support and restore ecosystems but learn to embrace the richness and diversity of life on Earth, far beyond its value for humans or economic reasoning to protect it.

We hope to provide a leading example of combining business success with sustainability, proving that it is not only a responsible choice but an essential one for any company that wants to remain competitive and thrive in the rapidly changing world.

We confidently and gladly embrace responsibility for leadership on climate action and the SDGs, ready to drive broader industry action, support sustainable market trends and align our actions with the most up to date science on global environmental change. In line with the [UNGC call to business action](#) for the following decade, we are ready to take sustainability personally and be honest about our challenges and achievements. We invite all our partners to do the same.

We look forward to creating a world where sustainable and regenerative business models are the norm, not the exception. We hope to help define this new era by our own vision, purpose, example and devotion.













This is our only planet and it is time we take it seriously, with all the care we are capable of. Now, let's do this together.

ANNEX

**Royal Herbs
sustainability
framework**



Protect the planet and restore balance

Commitments	Long-term priorities	Aspirational targets	Achieve by	SDGs
Practice sustainable agriculture	Maintain sustainable and resilient agriculture by combining tradition and innovation	Maintain sustainable and resilient agriculture in line with leading certification systems	Achieved, sustain annually and improve	 
Regenerate nature	Support ecosystems and biodiversity stewardship	Implement biodiversity assessments, plans and tailored projects	Achieved, sustain and extend	 
		Transform deserts and degraded lands into sustainable productive landscapes	2030	
Support a liveable climate	Become a fully climate positive business by 2035	Gradually reduce scope 1&2 GHG emissions	2030	
		Gradually reduce scope 3 GHG emissions	2030	
	Consider climate change in investment decisions	Make all new investments climate-proof	2021	  
	Protect business from loss & damage related to climate change	Establish a Climate Adaptation Fund, also covering aspects of response, relief and recovery	2030	 



Appreciate resources and close the loops

Commitments	Long-term priorities	Aspirational targets	Achieve by	SDGs
Become a circular business	All suppliers are sustainable and responsible	Ensure all suppliers are sustainable and responsible	2030	 
	Continuously seek ways to increase local sourcing	Increase the share of local suppliers	2025	
	Ensure complete traceability of every single ingredient	Cover all production inputs covered by a traceability system	Achieved, sustain annually	
	Ensure sustainable and responsible distribution	Ensure compliance of fleet with internal sustainability criteria	2030	 
	Design safe, sustainable and circular products	Make products recyclable or compostable	2025	
	Achieve zero waste with focus on prevention and recovery	Strive for zero waste for material and food	2025	
Use water wisely	Achieve circular water management	Increase in water efficiency	2025	
	Responsibly treat wastewater	Ensure regulated wastewater treatment	Achieved, sustain annually	
Achieve sustainable energy	Transition to renewable and sustainable energy	Switch to renewable energy sources	2030	
	Continuously reduce consumption and increase energy efficiency	Increase in energy efficiency	2025	
Build green to last	Innovate the use of green and circular building	Develop green buildings according to internally developed criteria	2030	
	Maintain buildings to ensure their sustainable long term operations	Manage buildings sustainably	2025	 
	Responsibly and sustainably demolish buildings	Ensure that demolished buildings undergo resource recovery and recycling	2030	 



Care for our people

Commitments	Long-term priorities	Aspirational targets	Achieve by	SDGs
Promote employee wellbeing	Ensure a holistic approach to human wellbeing and openly promote it among employees	Majority of employees report full support in sustaining mental and physical wellbeing	2022	
	Support a friendly atmosphere and good interpersonal relations	Majority of employees report satisfaction with interpersonal relations at the workplace	2022	
	Support and encourage work-life balance	Majority of employees report complete support in achieving work-life balance	2022	 
	Guide and reward sustainable living habits	Full coverage by guidelines and bonuses for sustainable and healthy living habits	2023	 
		Employees to practice more sustainable living habits	2025	 
		Executives exemplify sustainable lifestyles	2022	  
	Ensure a stunning working environment	Majority of employees report satisfaction with the working environment annually	2021	
Support employees families based on their needs	Provide employee families covered by tailored support packages on an annual basis	2022	 	
Ensure health and safety	Ensure and improve workplace health and safety	All employees covered by health and safety system and training	Achieved, sustain annually	
	Prevent injuries and mitigate future occurrences	Zero fatalities and major injuries annually	Achieved, sustain annually	
	Prevent environmental incidents	Zero severe environmental incidents annually	Achieved, sustain annually	
	Ensure access to safe water, sanitation and hygiene	All employees have access to safe water, sanitation and hygiene	Achieved, sustain annually	
	Implement preventative and holistic healthcare	All employees covered by advanced health awareness measures and preventative healthcare	2022	

Care for our people

Commitments	Long-term priorities	Aspirational targets	Achieve by	SDGs
Guard human rights	Ensure employee awareness about human rights and non-discriminatory practices	All employees covered by human rights and non-discrimination training	2021	  
	Zero tolerance for human right abuses	Zero cases of human right abuses, forced or child labour or discrimination	2021	  
Create a diverse and inclusive workplace	Ensure all employees feel included, respected, fairly treated and heard	High employee inclusion rate based on internal surveys	2022	
	Continuously improve opportunities for women	1:1 gender parity among all employees	2028	
		1:1 gender parity among executive positions	2030	
	Do well above minimum wages and overcome wage inequalities	All employees receive at least ..% above local minimum wage	2021	
		Achieve at least 0.4 ratio of minimum to average wage	2023	
	Acknowledging the diversity of needs	All facilities comply with criteria of inclusive design and workplace	2030	 
	A maximum of 10-times difference between highest and lowest wages by 2040	A maximum of 20-times difference between highest and lowest wages	2025	
	Women and men receive equal and fair wages	90%-110% maximum range differences in salaries	2023	 
Proactively respond to feedback and resolve grievances	All grievances resolved within 1 month	Annually		
Facilitate fulfillment and growth	Ensure all employees can develop and grow	Full coverage by career development plans	2025	 
	Support employees in gaining relevant skills	Full coverage by tailored training opportunities	2023	 
	Make work at Royal Herbs feel like a dream come true	Below 10% leaving rate of permanent employees per year	2024	

Steer towards sustainable future

Commitments	Long-term priorities	Aspirational targets	Achieve by	SDGs
Partner for the SDGs	Seek high-impact partnerships across for SDGs	Be active contributor in at least 5 global sustainability networks	2022	17 PARTNERSHIPS FOR THE GOALS 
Contribute to sustainable local development	Ensure needs-based and fair contribution to sustainable development of local communities	Invest into local sustainable development	2021	11 SUSTAINABLE CITIES AND COMMUNITIES 
		Improve living standards of the local communities in line with the SDGs	2030	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES 
		All communities we operate in covered by needs-based CSR plans	2022	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES 
	Support local hiring	Hire people locally whenever feasible	2023	11 SUSTAINABLE CITIES AND COMMUNITIES 
	Ensure positive relations with local communities	Provide feedback to community requests and local grievances	Annually	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Encourage sustainable living	Continuously engage with consumers to make Royal Brands stand for sustainability	Conduct sustainable and healthy lifestyles campaigns	2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
		Customers associate Royal Herbs with sustainability among other characteristics	2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	Address all product complaints or requests in timely and responsive manner	Zero unaddressed product complaints by customers	Annually	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Ensure business integrity	Fight corruption and bribery	Zero cases of corruption and bribery	Annually	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
		All employees covered by anti-corruption and bribery training	Annually	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Align efforts and report on progress	Publish an annual sustainability report	At least one external verifications of annual sustainability report	Annually	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 

Collaboration list

Partnerships for the greater good

Over the years, we have engaged into multiple collaborations, from local to international scale. This allowed to create a strong network of dedicated partners, which help us to grow as a company and achieve greater positive impact within and outside of our operations.

Farms



Factory



Communication, reporting and awareness



CSR Collaboration



International Associations





For any inquiries related to our sustainability activities, please contact us at info@royalherbs.com

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