

# Doing better every day

Sustainability Report 2023



Managing  
sustainability  
at Almarai®



Caring  
for people



Protecting  
the planet



Producing  
responsible  
products

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About this report

# Management Messages

## Message from our Chairman

“ I am pleased to share with you Almarai’s 2023 Sustainability Report. This year, we have made significant progress in our sustainability initiatives and have remained aligned with the targets, objectives, and commitments outlined in our ‘Doing Better Every Day’ strategy. ”

Our dedication to sustainability lies at the heart of our company’s strategy, and we prioritize transparency in communicating our commitments, targets, and performance efforts. We are committed to conducting our operations in an environmentally and socially responsible manner, and we continuously strive to minimize the impact of our products and services. This report aims to offer an open and transparent overview of our achievements and endeavors over the past year, providing access to data, strategy, and performance metrics.

From an environmental standpoint, our dedication remains in reducing greenhouse gas emissions, increasing our utilization of renewable energy, and improving our energy efficiency. Significant Initiatives and transformations have been implemented across our operations, encompassing the curtailment of energy usage, establishment of a renewable energy program, waste reduction, and adoption of sustainable practices.

Given the substantial challenge posed by climate change, our focus has centered on reducing our carbon footprint through investment in various business sectors, transition to alternative energy sources, and adoption of innovative technologies. The effectiveness of these innovations is increased when embraced by every member of our workforce, thus we have maintained our efforts to engage and enlighten our employees on the significance of sustainability.

Almarai maintains a strong commitment to social responsibility, both internally among our employees and through active engagement with our local communities. Our objective is to offer assistance to those requiring support, strive to generate a positive influence, and communicate our efforts transparently. I take great pride in the exemplary efforts of our operations teams, who have surpassed expectations to effect meaningful change within their respective communities. Among various initiatives, we have extended food donations, advocated for community health and wellbeing, and facilitated training and development opportunities for our staff and partners. Moreover, we are dedicated to fostering diversity and inclusion within our workplace, fostering an environment where everyone can flourish.

Additionally, we have implemented measures to ensure the ethical and sustainable nature of our supply chain. This involves enforcing stringent standards and procedures to verify that our suppliers adhere to our sustainability policies. Furthermore, we are dedicated to collaborating with our suppliers to reduce their environmental footprint and to ensure the provision of safe working conditions for their employees.

Central to our “Doing Better Every Day” strategy lies our dedication to generating mutual value. In 2022 we adopted the environmental, social, and governance (ESG) policies to take a stance against various ESG issues such as Human rights, Climate change, Energy, Animal welfare etc., and we have made considerable progress during this year. This sustainability report serves as a means to provide information and transparency to our stakeholders while holding ourselves accountable for our sustainability objectives. We take pride in our achievements in 2023, and this report showcases our diverse accomplishments as we push forward with heightened resilience toward achieving our 25 strategic sustainability targets.



**Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer**  
Chairman of the Board

## Message from our CEO

“ Almarai is a leading food and beverage manufacturer and distributor in the Middle East, providing quality products to over 42 million consumers. As we enter the sixth year of our ‘Doing Better Every Day’ strategy, we are proud to continue our commitments of contributing to create a more sustainable and equitable future for all. ”

Throughout 2023, we launched numerous initiatives aimed at integrating our approaches and pledges across all functions of our operations, while also extending assistance to our employees and communities in accordance with our 25 core objectives. The company takes pride in ensuring that our sustainability strategy remains in line with the Saudi Vision 2030 and the United Nations Sustainable Development Goals, while instilling a culture of sustainability throughout our organization.

We remained dedicated to our consumers, communities, and employees as part of our ‘Caring for people’ strategy. We placed a priority on promoting the health, safety, and wellbeing of our employees through various initiatives, including training sessions and awareness campaigns. Furthermore, we supported nearly 300 charities in proximity to our operations through sponsorships, events, campaigns, and product donations. Building on the digital advances we made in 2022, we continued with these initiatives in the current year to advance our efficiency and to find new ways to improve our engagement with our customers. Our research and development team are investigating emerging technologies and piloting new platforms to expand our capabilities. During 2023, we successfully broadened our eCommerce presence, paving the way for further investment to strengthen our connections with our consumers and customers.

In 2023, we intensified our efforts to integrate sustainability considerations into our daily decision-making processes. Our team remains dedicated to upholding a healthy environment, a core principle of our ‘Protecting the planet’ strategy and implemented initiatives to enhance resource efficiencies across various fronts including energy, water, waste, refrigerants, and transport. Committed to reducing our environmental footprint, we have implemented a suite of measures to minimize energy consumption, such as deploying energy-efficient lighting, embracing renewable energy sources, and promoting efficient resource utilization.

Our dedication to both people and the environment is mirrored in our commitment to ‘Producing responsible products.’ We aspire for our consumers to enjoy a life of abundance and wellbeing, with access to products with the highest standards of quality, safety, and environmental sustainability in mind. Almarai’s manufacturing facilities uphold the FSSC22000 Food Safety certifications, recognized by the Global Food Safety Initiative (GFSI) as a benchmark. Additionally, Almarai holds international animal welfare certifications from NSF International for its farms and operations, marking the company as the global pioneer in dairy and the first in Saudi Arabia for poultry to achieve such recognition. During the year, we also attained ISO 17025 Accreditation by the Saudi Accreditation Center for our testing and calibration laboratories. These certifications serve as a testament to our customers and consumers, assuring them that Almarai’s food products not only undergo rigorous testing for quality and safety. In doing so we also adhere to the highest standards of animal welfare.

Our people are the strongest part of the success of our company. This year, as in previous years, they delivered our commitments to our consumers, customers, stakeholders, and the business. Our people continued to prove their fortitude and resilience in the face of the challenges faced by the business, and I am particularly proud of their willingness to go the extra mile to deliver growth for our company. We continue to support, engage with, and rely on them to power our future, and I thank them wholeheartedly for their contribution in 2023. As we persist in our journey towards a more sustainable future by 2025, I encourage you to explore our company and our sustainability progress detailed in this report. With the continued dedication and enthusiasm of our employees, I am confident that we will propel ourselves forward in the years ahead, enabling us to reach our 2025 sustainability goals.



**Abdullah Albader**  
CEO



# About this report

“ Welcome to our seventh annual sustainability report, a comprehensive overview of our commitments and progress towards improving our environmental, social, and economic impacts. ”

It contains insights into Almarai’s sustainability-related programs, achievements, and performance, complementing the information provided in our Annual Report 2023.

## Scope

This report covers our operations as Almarai Company. This includes our operations in the GCC (Gulf Cooperation Council), which includes Saudi Arabia, United Arab Emirates, Oman, Bahrain and Kuwait (referred to as ‘Almarai’) Almarai’s operations as Pure Breed and co-manufacturing. To the extent possible, considering data limitations, and the boundaries outlined above, this report covers all main operational and corporate functions, unless otherwise stated.

See [Topic boundaries](#) for more information.

## Reporting frameworks

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option (See [GRI content](#) index for full details).

Where relevant, we also show our contribution to the National Transformation Program (NTP) of Saudi Arabia’s Vision 2030 and the United Nations Sustainable Development Goals (SDGs) (See [Alignment and contribution to national and international frameworks](#) full details).



### Reporting period



This report covers the period from 1 January 2022 to 31 December 2022, unless otherwise indicated.

### Feedback



For questions or comments regarding this report and sustainability at Almarai, please contact us at: [sustainability@almarai.com](mailto:sustainability@almarai.com).

### Report assurance



This report is assured as per ISAE 3000 standard by a third-party independent auditing firm, Intertek Saudi Arabia Ltd. Please refer to the [assurance statement here](#)

## Cautionary statement

This report contains certain forward-looking statements that express the way in which Almarai, and its Subsidiaries intend to conduct its activities. These statements typically contain words such as ‘anticipate,’ ‘believe,’ ‘expect,’ ‘estimate,’ ‘forecast,’ ‘intend,’ ‘plan,’ ‘project’ or similar expressions. Such statements are based on assumptions made using currently available information that is subject to a range of uncertainties that could cause actual results to differ from these projected or implied statements. Any forward-looking statements contained in this report are therefore not promises or guarantees of future conduct or policy, and thus Almarai and its Subsidiaries assume no obligation to publicly update any statements made in this report. Almarai and its Subsidiaries rely on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

## Topic boundaries

Material issue	Category	Topic boundaries
<b>Caring for people</b>		
Nutrition and wellbeing	Social	Almarai, Subsidiaries, consumers
Health and safety	Social, Economic	Almarai, Subsidiaries, consumers
Employee talent and diversity	Social	Almarai, Subsidiaries
Community investment	Social	Almarai, Subsidiaries, consumers
<b>Protecting the planet</b>		
Water management	Environmental, Economic	Almarai, Subsidiaries
Packaging innovation	Environmental, Economic	Almarai, Subsidiaries
Climate change	Environmental	Almarai, Subsidiaries
Waste management	Environmental, Economic	Almarai, Subsidiaries
Sustainable agriculture	Environmental, Social, Economic	Almarai, Subsidiaries
<b>Producing responsible products</b>		
Quality and food safety	Governance	Almarai, Subsidiaries, consumers, suppliers
Animal welfare	Social	Almarai, Subsidiaries
Ethical sourcing	Environmental, Social, Economic	Almarai, Subsidiaries, suppliers



About this report

# About Almarai®

“ Almarai Company is a Saudi publicly traded joint-stock company listed on Tadawul, the Saudi Stock Exchange. ”

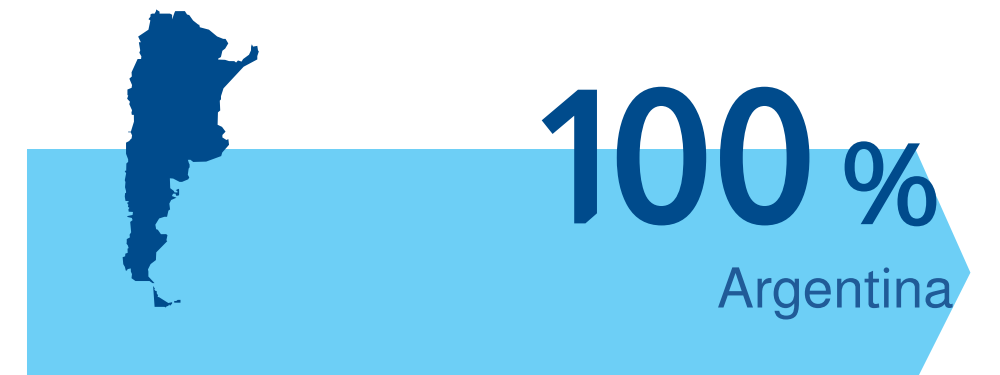
Founded in 1977, Almarai Company has grown to become the Middle East’s largest food and beverage manufacturer and distributor, and the world’s largest vertically integrated dairy company. With headquarters in Riyadh, Saudi Arabia, our production and distribution footprint cover the GCC states. In addition to our farming operations in Saudi Arabia, we also have arable farms primarily located in Argentina and the United States of America.

Through our direct control of the supply chain, we have the unique ability to deliver safe, quality products to millions of consumers every day.

## Procurement

Percentage of locally based suppliers across our countries of operation:

**63 %** Total



## Quality

Almarai conducts more than

**39,000**

quality tests applied daily to ensure our consumers receive the highest quality products.

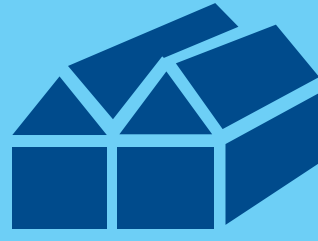
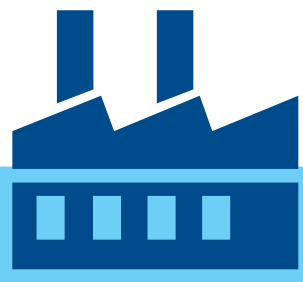


### Manufacturing

Read more about [our brands](#).

Almarai produces

**3.5** billion kilograms of products annually



Across several key areas:



Dairy



Juice



Bakery



Poultry



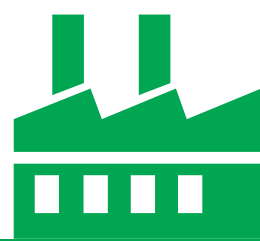
Infant Nutrition

### Sales, distribution & logistics

Almarai has more than

**10,000** vehicles

on the roads at any given time.



From our manufacturing facilities, our products are transported to

**82** depots in **7** countries across the GCC.



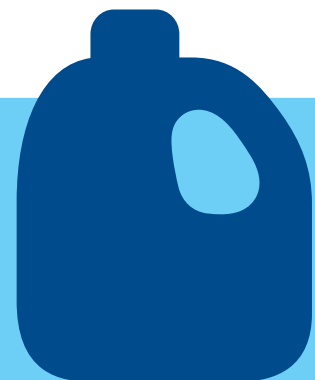
### Consumers

Almarai products reaching more than

**220,000**

Points-of-sale (POS)

located in **7** countries



### Our people

Read more about our [Mission, Vision & Values](#)

\*46,233, with the inclusion of the new acquisitions and as reflected in AR2023.

All our achievements are made possible by the commitment of our



**46,233\***

employees across our global operations.





# Doing better every day

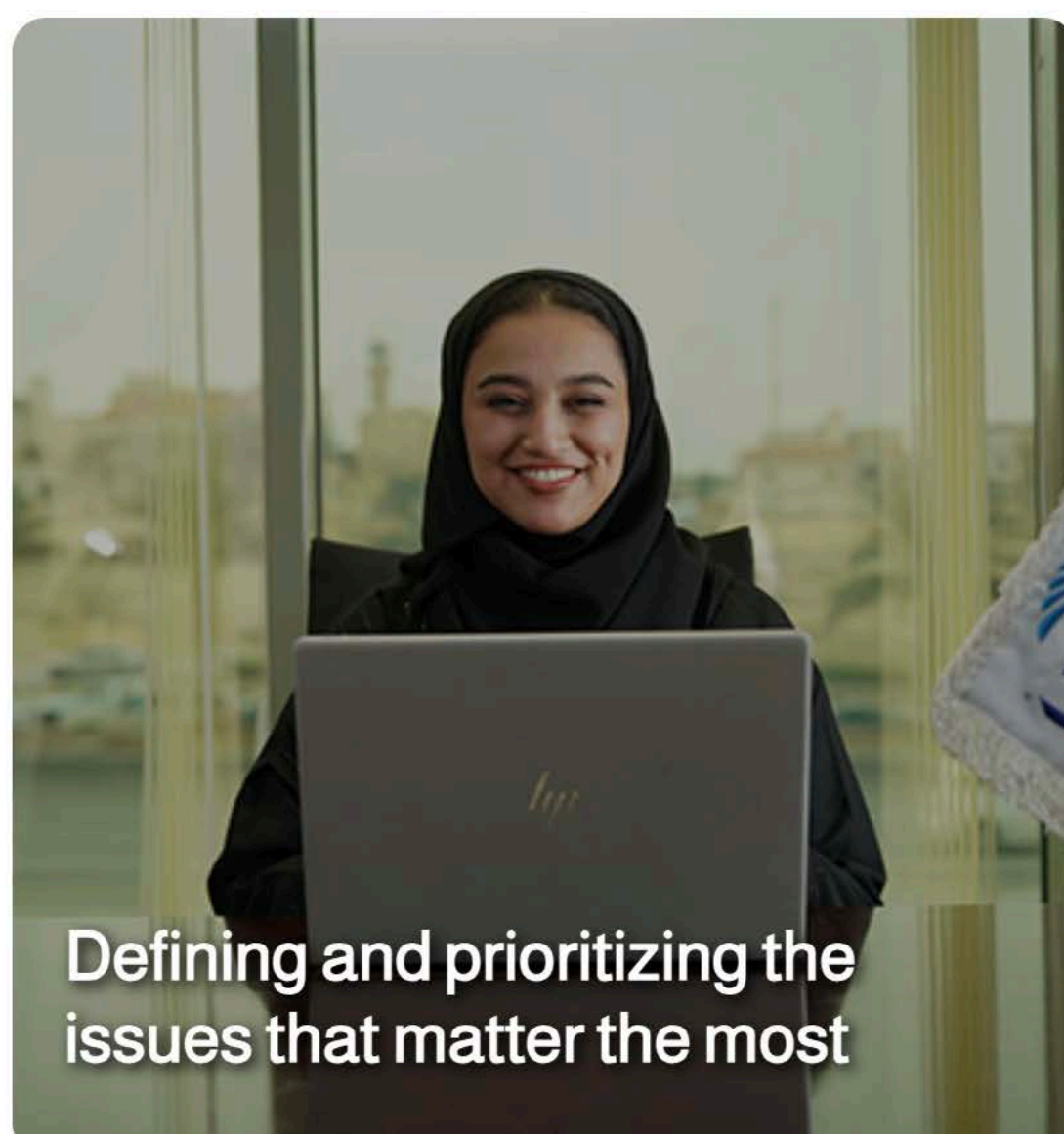
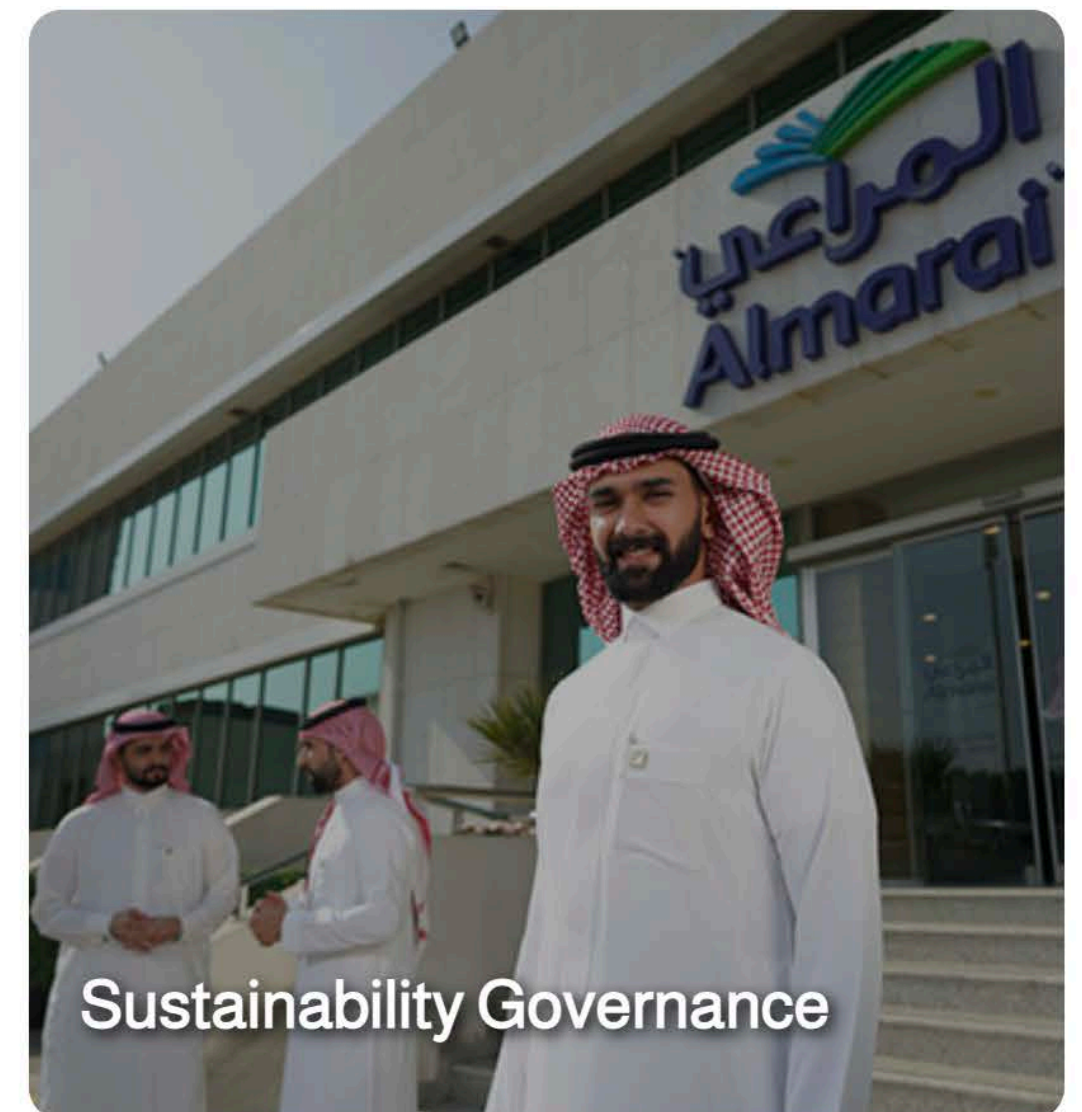
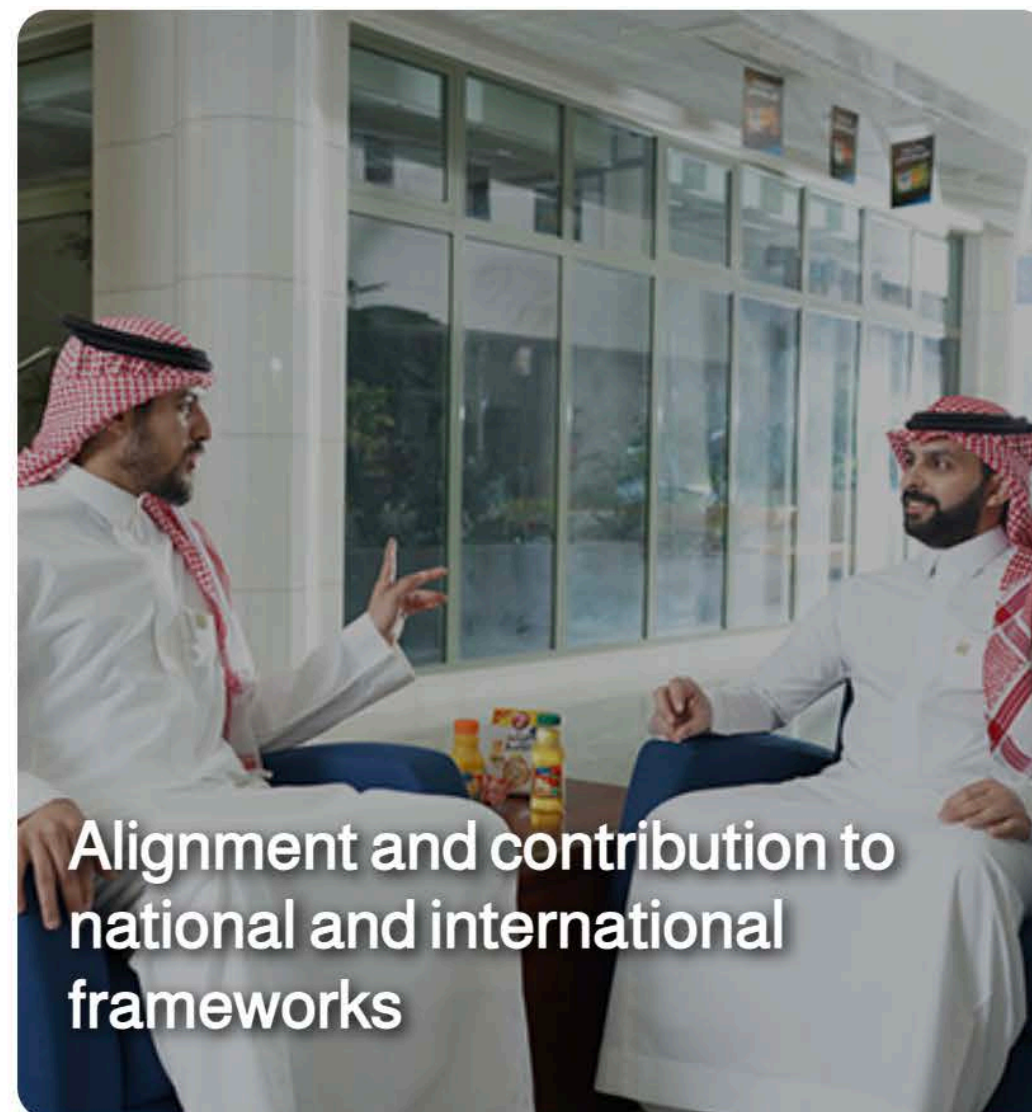
Sustainability Report 2023

Sustainability Management  
at Almarai®

# Sustainability Management at Almarai®

“ As the region’s largest food and beverage company, Almarai plays an important social, environmental, and economic role locally, regionally, and globally. ”

By overseeing the collective management of our economic, environmental, and social impact, our goal is to optimize the mutual value we provide to our stakeholders, both presently and in the future. We persist in adopting cutting-edge methods to safeguard the welfare of our consumers and employees, invest in the communities we operate in, guarantee the wellbeing of our farm animals, preserve the natural environment, and foster substantial economic value.





## Sustainability Management at Almarai

# Stakeholder engagement

“ We strive to engage in ongoing communication with stakeholders, including consumers, customers, investors, employees, regulators, and civil organizations. ”

We utilize various communication channels tailored to their specific interests to facilitate this dialogue effectively.

Historically, our most well-received engagement initiative has been granting public access to our manufacturing facilities in Saudi Arabia. However, due to the pandemic, we implemented a temporary lockdown of all onsite facilities to maintain uninterrupted production operations, thereby limiting public visits to our innovative facilities, however as the situation improved, we resumed our plant visiting program in later half of 2022. Nevertheless, as our communities gradually returned to normalcy, we resumed our facility visit program since the latter part of 2022.

Apart from the above engagements, we have ESG policies and position statements in place outlining our objectives regarding various aspects including animal welfare, climate change, community investment, energy, environmental impact of packaging, ethical sourcing, environmental policy, human rights, responsible marketing, and water stewardship. This initiative aims to provide transparency to our stakeholders regarding all our initiatives. To further strengthen transparency and credibility for our stakeholders, Intertek Saudi Arabia Ltd, an independent auditing firm, conducted an audit and provided assurance on our sustainability data and report in accordance with the ISAE 3000 standard.

The chart below outlines our key stakeholders, the significance of each stakeholder group to Almarai, their requirements and expectations, methods of communication with each group, and examples of specific actions to address them.

Stakeholders	Importance	Needs and expectations	Almarai engagement channels	How Almarai is responding
Shareholders/ Investors	Our shareholders and investors provide the capital necessary for sustainable growth; therefore, Almarai’s future growth and success ultimately depends on its ability to attract investment domestically and internationally. We are committed to delivering long term sustainable returns for shareholders and investors in a growing range of diversified product lines.	<ul style="list-style-type: none"> <li>Financial performance, efficient production and growth</li> <li>Dividends</li> <li>Contribution to economic development</li> <li>Share price</li> <li>Data disclosure and credibility</li> <li>Customer satisfaction</li> <li>Market share</li> <li>Publicly disclosed data about our Environmental, Social and Governance (ESG) performance, including strategies, targets and goals, methods for evaluation, policies, and procedures</li> </ul>	<ul style="list-style-type: none"> <li>General Assembly Meetings</li> <li>Public reports</li> <li>Shareholders’ Rights Policy</li> <li>Investor Relations</li> <li>Almarai Code of Conduct</li> <li>Reporting Violation Policy</li> <li>Global Anti-bribery &amp; Corruption Policy and Procedures</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report, Corporate Governance Code, Financial reports, Conferences and Earnings calls, etc.</li> <li>Quarterly results</li> <li>Disclosures</li> </ul>

Stakeholders	Importance	Needs and expectations	Almarai engagement channels	How Almarai is responding
Consumers	Our consumers are at the heart of our business. We want consumers across the region to think Almarai first when purchasing food and beverages. Building trust and ensuring that our products are the best is essential to our continued growth.	<ul style="list-style-type: none"> <li>● Product and ingredients quality, freshness, and safety</li> <li>● Product nutritional value and health implications</li> <li>● Product price</li> <li>● Brand reputation</li> <li>● Environmentally sound production practices</li> <li>● Animal welfare</li> <li>● Fair and ethical marketing</li> <li>● International recognition and certificates</li> <li>● Direct communication channels</li> </ul>	<ul style="list-style-type: none"> <li>● Social media channels</li> <li>● Visitor tours</li> <li>● Website</li> <li>● Call center</li> <li>● Electronic mail</li> </ul>	<ul style="list-style-type: none"> <li>● Direct dialogue with consumers on social media, including Facebook, Twitter, YouTube, Instagram and more</li> <li>● Monthly consumer surveys</li> <li>● Consumer hotline and WhatsApp</li> </ul>
Employees	Our employees are paramount to our business success, as they hold the commitment, dedication, and intellectual capital to drive innovation within our organization and deliver on our strategy.	<ul style="list-style-type: none"> <li>● Fair payment and benefits</li> <li>● Equal opportunity</li> <li>● Engagement and motivation</li> <li>● Transparent hierarchies</li> <li>● Job security</li> <li>● Training and career development</li> <li>● Safe work environment</li> <li>● Grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>● HR Policy</li> <li>● Training and development program</li> <li>● Training needs analysis</li> <li>● Employee grievance mechanism</li> <li>● Employee satisfaction surveys (on an ad hoc basis)</li> </ul>	<ul style="list-style-type: none"> <li>● Housing allowance and transport</li> <li>● Life / Medical insurance</li> <li>● Annual service award</li> <li>● Recreational activities for work/life balance</li> <li>● Talent assessments</li> <li>● E-learning and training program</li> <li>● Management courses</li> <li>● Almarai Academy</li> <li>● Graduate Professional Trainee Program</li> <li>● WE@Almarai</li> </ul>
Governmental regulatory bodies	We deeply value our relationships with our regulators and other government stakeholders, as they help us ensure that we effectively manage risks to our business and produce safe, quality products for consumers. We are committed to complying with all legal and regulatory requirements.	<ul style="list-style-type: none"> <li>● Compliance with national legislation and regulation</li> <li>● Contribution to economic development</li> <li>● Environmentally sound production practices</li> <li>● GHG emissions and impact on climate change</li> <li>● International recognition and certificates</li> </ul>	<ul style="list-style-type: none"> <li>● Internal audit</li> <li>● Stakeholder meetings and open dialogue</li> <li>● Public reporting</li> <li>● Working closely with regulators to develop improved standards</li> </ul>	<ul style="list-style-type: none"> <li>● Corporate Governance Code</li> <li>● Annual Report</li> <li>● Sustainability Report</li> <li>● Regulatory team meet regularly with government bodies representatives</li> <li>● Corporate affairs team meetings</li> <li>● Government forums</li> </ul>
Civil society organizations	As a people centric business, we believe that contributing to communities in the countries of our operations is important to building trust and bonds. We are committed to ensuring that access to quality and healthy food is not only a luxury, but a right.	<ul style="list-style-type: none"> <li>● Corporate Social Responsibility (CSR) and engagement</li> <li>● Funds and financial support</li> <li>● GHG emissions and impact on climate change</li> <li>● Data disclosure and credibility</li> <li>● Animal welfare</li> <li>● Environmentally sound production practices</li> <li>● Contribution to social and economic development</li> </ul>	<ul style="list-style-type: none"> <li>● CSR activities</li> <li>● Student learning opportunities</li> <li>● Food donations</li> </ul>	<ul style="list-style-type: none"> <li>● Food support for lower income and vulnerable groups</li> <li>● Educational awards</li> <li>● Dairy and Food Polytechnic</li> <li>● Almarai Driving School</li> </ul>





Sustainability Management at Almarai®

# Alignment to national and international development frameworks

“ Saudi Arabia’s Vision 2030 and National Transformation Program (NTP) have provided a comprehensive pathway for the country’s future, guiding economic, social and environmental progress in the upcoming years. ”

The Sustainable Development Goals (SDGs) provide governments and businesses with a framework to realize sustainable development, which is an urgent call for action to eliminate poverty, preserve the environment, and ensure prosperity for all. This report has identified how our initiatives are contributing to the objectives of the NTP and SDGs, which is symbolized by the relevant icons that are placed before the relevant sections throughout the report

## Alignment to NTP

	Material Issues	Relevant NTP strategic objectives
 <p>Caring for People</p>	Nutrition and wellbeing	2.1.3
	Health and safety	2.1.1 2.1.3 2.3.4
	Employee talent and diversity	4.2.2 4.4.2 4.4.3
	Community investment	2.1.3 6.2.1
 <p>Protecting the planet</p>	Packaging Innovation	2.4.1
	Climate Change	2.4.1
	Water Management	5.4.2
	Waste Management	2.4.1
	Sustainable agriculture	N/A





Quality and food safety	5.4.1
Animal welfare	5.4.1
Ethical Sourcing	3.1.6   3.3.5

**Alignment to SDGs**



Material Issues	Relevant NTP strategic objectives
Nutrition and wellbeing	2.2   3.4   17.16   17.17
Health and safety	3.4   3.6   8.8
Employee talent and diversity	5.1
Community investment	1.2   2.1   2.2   4.3   17.17



Packaging Innovation	12.2   14.1
Climate Change	7.2   7.3   9.4   13.1
Water Management	6.3   6.4   6.5   6.6   17.16   17.17
Waste Management	12.3   12.4   12.5
Sustainable agriculture	1.2   2.3   2.4   6.3   6.4   6.5   6.6   8.7   8.8   12.2   12.4   15.1   15.3   15.5   15.A   15.B   17.16



Quality and food safety	3.9
Animal welfare	17.16
Ethical Sourcing	1.2   6.3   6.4   6.5   6.6   8.7   8.8   12.2   12.4   12.7   15.1   15.3   15.5   15.A   15.B





## NTP 37 strategic objectives mapped into the eight themes:

### Transform Healthcare



- 2.1.1 Ease Access to Health Services
- 2.1.2 Improve the Quality and Efficiency of Healthcare Services
- 2.1.3 Promote Prevention Against Health Risks

### Improve Living Standards and Safety



- 2.3.1 Improve the Quality of Services Provided in Saudi Cities
- 2.3.2 Improve the Urban Landscape in Saudi Cities
- 2.3.4 Enhance Traffic Safety
- 2.4.1 Reduce All Types of Pollution
- 4.4.1 Improve the Living Conditions of Expatriates

### Ensure the Sustainability of Vital Resources



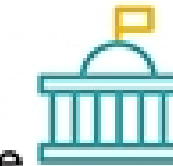
- 2.4.2 Provide Environmental Protection from Natural Hazards
- 2.4.3 Protect and Rehabilitate Natural Landscapes
- 5.4.1 Ensure Development and Food Security
- 5.4.2 Ensure Sustainable Access to Water Resources

### Social Empowerment and Non-Profit Sector Development



- 2.6.4 Empower Citizens Through the Welfare and Social Development System
- 2.6.5 Improve Effectiveness and Efficiency of Welfare and Social Development System
- 6.1.2 Encourage Volunteering
- 6.2.1 Enhance Business Focus on their Social Responsibilities
- 6.3.1 Support Non-profit Sector Growth
- 6.3.2 Enable Non-Profit Organizations to Achieve Greater Impact

### Achieve Governmental Operational Excellence



- 5.2.3 Improve the Productivity of Government Employees
- 5.2.4 Develop e-Government
- 5.2.5 Improve the Quality of Services Provided to Citizens
- 5.3.1 Enhance Transparency Across Government Entities
- 5.3.2 Support Communication Channels with Citizens and Businesses
- 5.3.3 Ensure Government Entities' Response to Customers' Feedback

### Labor Market Accessibility and Attractiveness



- 4.2.2 Increase Women's Participation in the Labor Market
- 4.2.3 Enable Integration of People with Disabilities in the Labor Market
- 4.4.2 Improve Working Conditions for Expatriates
- 4.4.3 Effectively Attract Suitable Global Talent

### Contribute in Enabling the Private Sector



- 3.1.1 Facilitate Doing Business
- 3.1.6 Attract Foreign Direct Investment (FDI)
- 3.3.2 Develop the Digital Economy
- 3.3.5 Develop the Retail Sector
- 4.3.2 Increase the Contribution of Small- and Medium-size Enterprises (SMEs) to the Economy
- 4.3.3 Increase the Contribution of Productive Households to the Economy
- 6.2.2 Encourage Businesses' Interest in Sustaining the National Economy

### Develop the Tourism and National Heritage Sectors



- 1.3.2 Conserve & Promote the Kingdom's Islamic, Arab, and National Heritage
- 3.3.6 Develop the Tourism Sector



Sustainability Management at Almarai®

# Sustainability governance

“ Almarai is dedicated to delivering top-tier governance standards to its investors and has established a robust corporate governance strategy that establishes guidelines and protocols to uphold adherence to optimal practices. ”

This strategy has consistently positioned the company as a leader for governance within the Middle East and the GCC. To uphold this commitment to excellence, Almarai emphasizes the importance of a strong governance framework for the long-term growth of its business and investments. This framework is engineered to safeguard shareholders' rights and uphold the company's standing as a regional leader.

To maintain sustainability as a top priority in our operations, our Executive Vice President of Quality, Regulatory, Health, Safety, Security & Sustainability directly reports to our CEO and Executive Management bi-monthly. Moreover, our Head of Sustainability oversees the tracking of progress towards our strategic objectives and targets, while the Executive Vice Presidents are responsible for ensuring the successful execution of our sustainability goals and targets. The meetings between the Executive vice presidents and Head of sustainability occurs every month.



## Sustainability Management at Almarai®

# Defining and prioritizing the issues that matter the most

“ We apply the principle of materiality to identify the key economic, social, and environmental issues that hold the most significance for our business and stakeholders. ”

### Our materiality processes

By considering the interests of our stakeholders, as well as the risks and opportunities existing in our operations, materiality helps us determine where to focus our efforts to enhance stakeholder value and improve our sustainability performance. Additionally, materiality guides us in determining what information should be disclosed publicly.

In 2019, we conducted a review of materiality considering internal and external stakeholders' opinions to identify material environmental, social, and governance issues that are most relevant to the organization. To ensure that our business is responding to the most relevant issues, we updated our materiality process in 2023 and will continue to do so in the future. Our approach to materiality is consistent with the GRI Standards.

### Our 2023 materiality assessment

In the materiality update concluded in 2023, we assessed the identified and other important material concerns to confirm their significance. The findings are outlined below. We noted that 'Nutrition and wellbeing' has become increasingly important for our internal stakeholders, likely due to the pandemic underscoring Almarai's vital role in ensuring food security for our communities. Furthermore, our external stakeholders emphasized the importance of employee health, safety, talent, diversity, and our community investment endeavors. Throughout 2023, Almarai continued to monitor the identified material concerns, initiatives, and progress to ensure alignment with our established objectives.





Sustainability Management at Almarai®

# Sustainability strategy

“ At Almarai, sustainability is core to our strategy. We believe that the world can be a better place if we are all committed to ‘Doing better every day’. By living up to our commitments, we can make positive changes that support a better tomorrow. ”

In 2019, we established a set of 25 goals and targets to achieve by 2025, during the development of our sustainability strategy, “Doing better every day”. Our strategy is built upon 3 interconnected pillars and addressing 12 material issues that are essential in supporting our contribution to building a more sustainable future.

## Doing better every day

Almarai believes that the world can be a better place if we are all committed to Doing better every day. By living up to our commitments we can make positive changes that support a better tomorrow.

## Our Commitments



**Caring for People**

### Material Issues

Our promise to improve the lives of those that are integral to our business success every day.

- Nutrition and wellbeing** : We are working to make sure that our products and communications support healthy living every day.
- Health and safety** : We are working to make sure we foster a health and safety culture among our people every day.
- Employee talent and diversity** : We are working to make sure that our people are developed, valued and included every day.
- Community investment** : We are working to make sure that we are leveraging our resources to create a positive impact every day.



**Protecting the planet**

Our promise to minimize our impact on our shared natural resources every day.

- Water management** : We are working to make sure we are effectively using water resources every day.
- Packaging innovation** : We are working to make sure we reduce the impact of our packaging on the environment every day.
- Climate change** : We are working to make sure we implement more sustainable solutions to reduce our emissions every day.
- Waste management** : We are working to make sure that we are moving towards zero to landfill every day.
- Sustainable agriculture** : We are working to make sure that our agricultural practices are regenerative every day.



Our promise to deliver “Quality you can trust” and enhance supply chain sustainability every day.

**Quality and food safety** : We are working to make sure our products are safe and satisfy consumers’ needs every day.

**Animal welfare** : We are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day.

**Ethical sourcing** : We are working to make sure we take a collaborative approach to elevate sustainability in our supply chain every day.

**Progress:**

Achieved ● On-track ◐ Some progress ◑ Limited progress ○

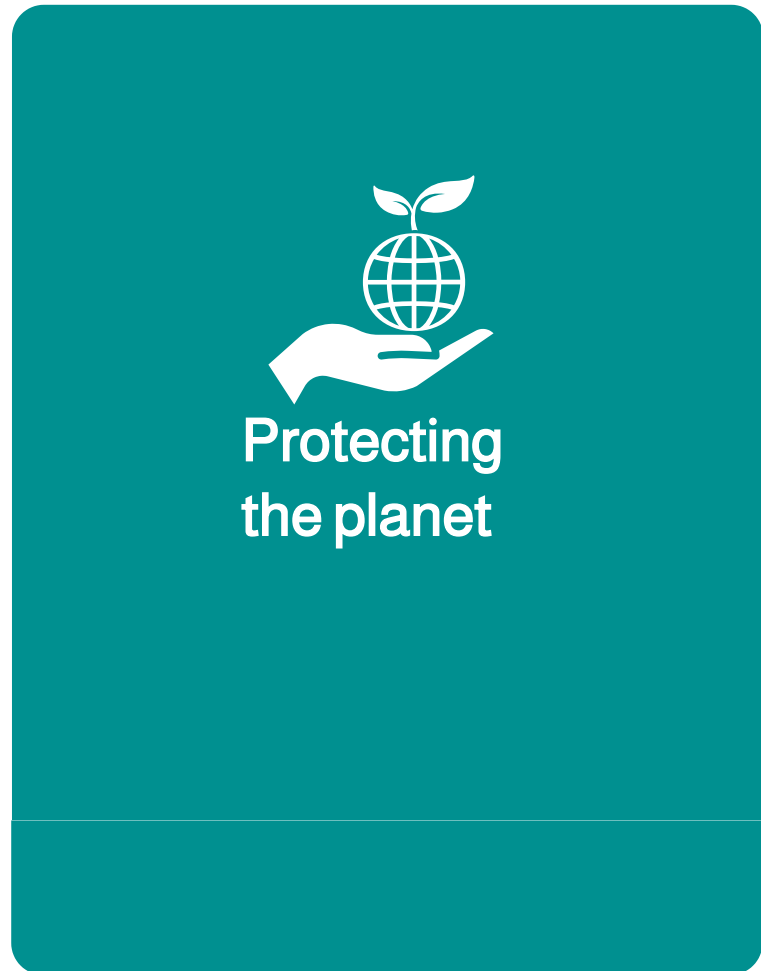
**Goal/Target** **Progress**



<b>Nutrition and wellbeing</b>	Develop and implement a holistic plan to further enhance our nutrition and wellbeing offering by 2025	◐
<b>Health and safety</b>	Achieve ISO 45001 compliance for all our divisions by 2025	●
	Institute an occupational health and wellbeing program accessible to all employees by 2025	◐
<b>Employee talent and diversity</b>	Ensure gender equality in our workforce, with focus on talent development, capabilities building, and opportunities	◑
	Reduce voluntary employee turnover to achieve an average of 12% over the period 2020-2024	●
	90% of managers engage in at least 40 hours of professional development per year by 2025	◐
<b>Community investment</b>	Donate 2.5 million healthy servings by 2025	●
	Educate 250,000 people through our site visit program by 2025	◐
	Improve the employability of at least 1,400 young people through the Dairy and Food Polytechnic (DFP) program by 2025	●



<b>Water management</b>	Increase water efficiency across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% by 2025 (against a 2018 intensity baseline)	◑
	Initiate and support collaborative efforts with stakeholders to address water risk and enhance conservation by 2025	◐
<b>Packaging innovation</b>	Avoid the use of 9,000 metric tons of plastics from entering the consumer waste stream by 2025 (against a 2015 baseline)	◐
	Actively support the transformation of the packaging economy in KSA by 2025	◐
<b>Climate change</b>		
<b>Transport and refrigeration</b>	Explore and trial alternative fuel vehicles for our sales transport fleet on an ongoing basis	◐
	Increase the fuel efficiency of our sales, distribution and logistics vehicles by 10% by 2025 (against a 2018 baseline)	●
	100% of our sales depot cold stores will be CFC free by 2025	●



Energy	Reduce energy consumption across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% from efficiency measures by 2025 (against a 2018 intensity baseline)	🌙
	Increase the share of electricity from clean energy sources across our Administration, Manufacturing, Sales, Distribution and Logistics Divisions to 20% by 2025	🌙
	Achieve ISO 50001 certification for our Administration, Manufacturing, Sales, Distribution and Logistics Divisions by 2025	🌙
Waste management	Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)	🌙
Sustainable agriculture	Enhance sustainable practices on our arable farms by 2025	🌙



Quality and food safety	All manufacturing sites will have Global Food Safety Initiative (GFSI) recognized certification by 2025	🟢
	All high-risk ingredient suppliers will have Global Food Safety Initiative (GFSI) recognized certification by 2025	🌙
Animal welfare	Achieve global animal welfare certification for our dairy and poultry farming operations by 2025	🟢
Ethical Sourcing	Put an ethical sourcing process and audit plan in place by 2025	🌙

**Sustainability strategy boundaries**

The scope of Almarai’s sustainability strategy covers Almarai’s GCC owned operations, excluding our subsidiaries Beyti and Teeba unless otherwise stated within the specific goal/target or below.

Goal/Target	Scope exceptions
Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)	This does not include animal manure.
Enhance sustainable practices on our arable farms by 2025	This includes Fondomonte USA and Argentina only.

# Doing better every day

Sustainability Report 2023

**Sustainability Management At Almarai®**

**Caring for people**



# Caring for People

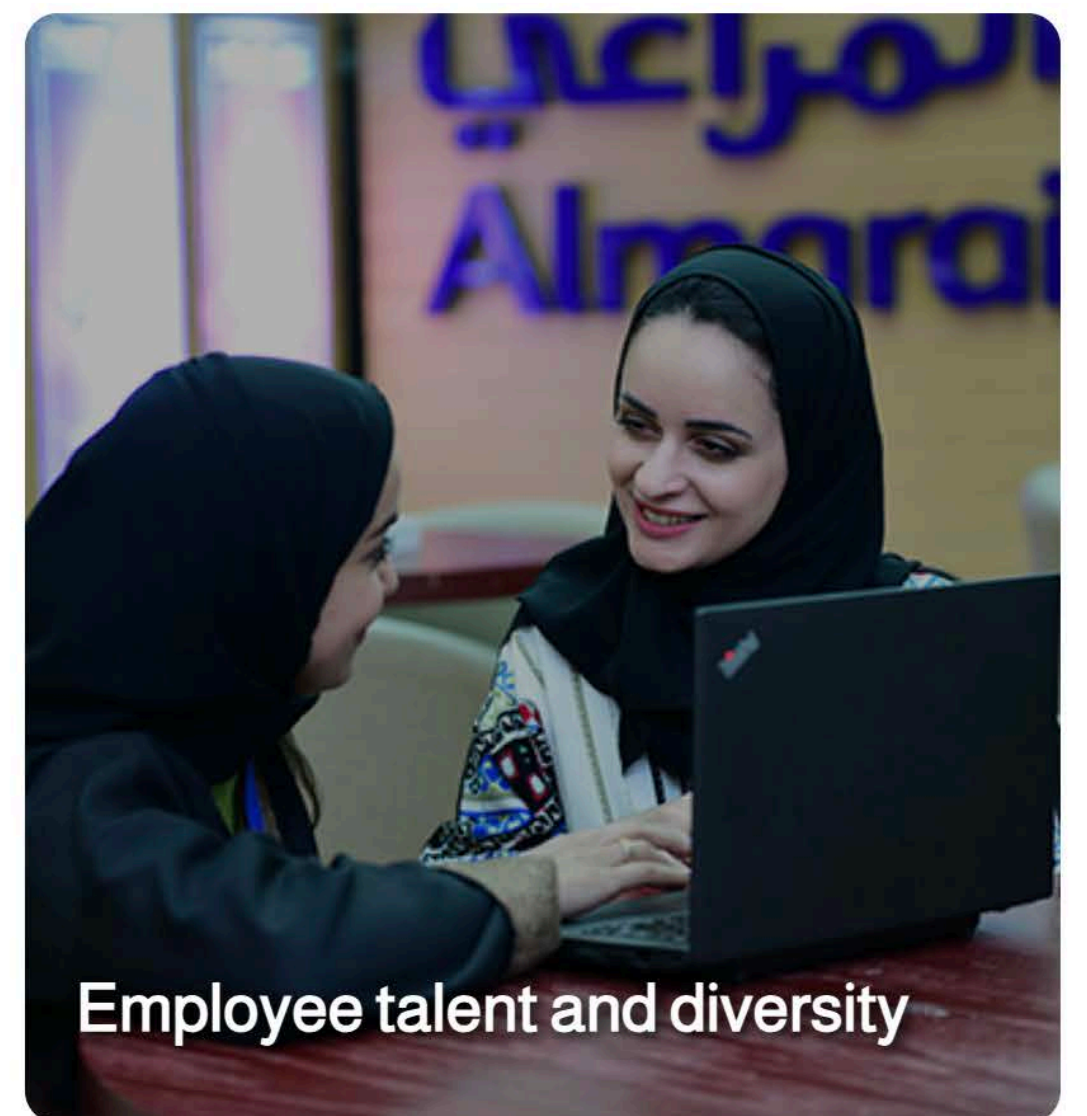
“ Our promise to improve the lives of those that are integral to our business success every day. ”



Nutrition and wellbeing



Health and safety



Employee talent and diversity



Community investment



Caring for people

# Nutrition and wellbeing

“ We are working to make sure that our products and communications support healthy living every day. ”

## Our approach

Almarai is devoted to providing consumers with wholesome, nutritious food and beverages that contribute to enriching their lives and fostering a healthy, joyful lifestyle. Almarai plays a pivotal role in strengthening the Kingdom’s food security by investing in local production capabilities and adopting sustainable practices. Our commitment involves continuous innovation, strategic investments, and the pursuit of cutting-edge technologies and skills to remain competitive, all while providing health-conscious and nutritious choices. Emphasizing health and nutrition across our product range, we consider it our vehicle for future advancements. We acknowledge our responsibility to assist people in leading lives filled with health and happiness, prioritizing nutrition and overall wellbeing.

Our branding and marketing strategies play a significant influence on people's lives by shaping the perception of the products we offer, and we are deeply committed to fulfilling our responsibility to market ethically. Anchored in our responsible marketing policy, this commitment is the bedrock of our pledge to furnish consumers with transparent, accurate, and clear labeling and communications. The policy is designed to empower consumers with comprehensive information regarding the health, nutrition, quality, and safety aspects of our products. Through product labeling, we aim to educate consumers about nutritional values, safe storage practices, recommended serving sizes, and the quantity of servings per item.

Our responsible marketing policy extends to encompass our various communication methods. In collaboration with the healthcare community and professionals, we conduct awareness campaigns to enhance understanding and knowledge of nutrition and wellbeing. Through our diverse communication channels, we strive to reach a broader audience, empowering a larger segment of individuals to make more informed choices regarding nutrition.



National Transformation Program



Almarai products contain no artificial colors or flavoring



Almarai products contain no trans fats



Almarai products contain no artificial sweeteners

## Almarai's commitment towards Clinical nutrition

Almarai has always believed in the transformative power of clinical nutrition. Almarai's first clinical nutrition symposium for elderly people was more than an occasion; it underlines our unwavering commitment to advancing healthcare and expanding our contribution to the Kingdom's food security efforts in line with Vision 2030.

## 2023 performance and initiatives

To ensure the wellbeing of our customers and consumers, we have established a comprehensive nutrition policy and framework. This policy and framework are based on eight core principles: reformulation of products, innovation, food fortification, marketing to children, food security, corporate social responsibility, nutrition, and food regulations. During 2023, we ran multiple campaigns to create awareness and understanding of the importance of nutrition, health, and wellbeing. In light of that, we started developing our corporate nutrition strategy to achieve our holistic plan and its targets to support our nutrition and wellbeing programs to serve the community at all levels.

Almarai is committed to providing consumers with healthy and nutritious products. To ensure this, we have implemented a nutrient profiling system as part of our Nutrition Policy. This system is based on the Saudi Food and Drug Authority (SFDA) 2333:2019 Permitted Health and Nutrition Claims standard, international dietary guidelines, and global standards for salt, sugar, fat content and nutritional information. We strive to continuously improve our innovations by incorporating the nutrition classification with the innovation process by providing our employees with guidance on the healthy and nutritious criteria.

## Our highlight stories

### Almarai remains committed to health awareness for consumers and healthcare professionals

Almarai seeks to build awareness of key nutrition and health information using various digital channels. We continued to expand our online audiences through new digital platforms including launching health and nutrition emails, social media chatbots, and providing updated nutrition information on our website.

Almarai participated as a platinum sponsor in the 5th edition of Future Food 2023 forum, held in Dubai in September under the auspicious of UAE ministry of economic and the Chamber of Commerce. Our participation in the event underscores the responsibility of private sector to contribute to the promotion of food security in its quantitative and qualitative concept by providing products of high nutritional value that meet peoples need and enrich their health every day.

Almarai has been actively involved in promoting health and nutritional awareness in Saudi Arabia. In 2023, we partnered with various organizations to support anti-drug campaigns, rheumatic diseases awareness, International Arthritis Day, oral and dental health care campaigns, blood donation campaigns, and anti-smoking campaigns.

The Undersecretary of the Ministry of Agriculture, Fisheries and Water Resources, Ali bin Mohammed Al-Abri honored Almarai Company for its diamond sponsorship of the Sixth Oman International Food Safety and Quality Exhibition and Conference held in Muscat from 12 to 14 June 2023. Almarai Company participated in the exhibition with a pavilion that included some of the company's products, such as baked goods, juices, and dairy. The pavilion was visited by His Excellency the Omani Minister of Commerce, Industry, and Investment Promotion, Qais bin Muhammad Al-Yousef. It is worth noting that Almarai Company is the largest vertically integrated dairy company in the world, and today it is the largest producer and distributor of food and beverages in the Middle East, and its high-quality food products reach over 200 million consumers in the Kingdom, the Arabian Gulf, Egypt, and Jordan.

During 2023, Almarai was awarded numerous awards, certifications, and rankings at local, regional, and international levels in various fields such as financial, administrative, marketing, quality, safety, consumer satisfaction, and sustainability. These awards and rankings serve to reinforce our commitment to our motto of "Quality you can trust".

- 

**Zero incidents of non-compliance** with regulations and/or voluntary codes concerning marketing communications
- 

**Winner of multiple awards** at local, regional and national levels.
- 

**100% of significant product categories** are covered by and assessed for compliance with product information and labeling procedures





Almarai was ranked highly in various fields such as measuring consumer satisfaction and brand image. All the local, regional, and international awards we won, demonstrate our commitment to delivering quality products and services. We are proud of our achievements and will continue to strive for excellence in all areas of our business.

### Almarai Participates in "InFlavour" Expo to Achieve Sustainability and Food Security

Almarai Company participated in the events of the new exhibition specializing in the food sector in Saudi Arabia, the World Culinary Exhibition "InFlavour," organized by the Ministry of Environment, Water and Agriculture, in cooperation with Tahaluf Company and partnership with several entities: The General Authority for Food Security, the Saudi Business Center and the Culinary Arts Commission are held at the Riyadh Exhibition and Convention Center (Malham) from 29 to 31 October 2023, which aims to achieve sustainability, food security and promote innovation in the Kingdom's food technology sector to establish new standards in the industry at the regional and global levels.



### Progress on our strategic goals and targets

Achieved ● On-track ◐ Some progress ◑ Limited progress ○

Goal/Target	Progress
Develop and implement a holistic plan to further enhance our nutrition and wellbeing offering by 2025	◐



Caring for people

# Health and Safety

“ We are working to make sure we foster a health and safety culture among our people every day. ”

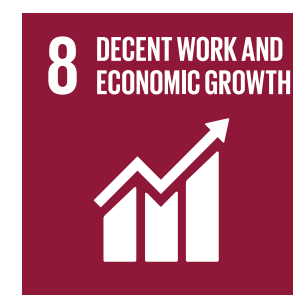
In 2023, our workforce collectively invested an impressive 206,222 hours in health and safety training, reflecting our unwavering commitment to employee wellbeing.

## Our approach

At Almarai, our dedication lies in establishing safe, healthy secure - conscious work environments for our employees and stakeholders. We are committed to conducting our operations in a manner that prioritizes the health and safety of our workforce, the environment, and the community. Our Occupational Health and Safety Management System is designed to actively prevent work-related injuries, illnesses, and minimize mental health incidents among our employees and stakeholders. We have three core components that make up our approach to cultivating a safety culture 'Safe Person, Safe Place, and Safe Practice Strategy,' which is embraced by everyone in the Almarai community and regularly updated by our Corporate Health, Safety, and Security Forums. These forums are responsible for ensuring adherence to international best practices and guidelines, playing a pivotal role in implementing our strategy across all business units. Our Leadership team supports and uphold our rigorous safety standards for both people and the environment, providing regular and ongoing training where necessary to enhance competencies across all facets, levels, and functions within our organization.

As we manage our safety processes, we are concurrently developing an occupational health and wellbeing program tailored for our employees. This initiative encompasses training modules covering various mental health issues, empowering individuals to recognize early signs and symptoms of mental health and implement preventive strategies through diverse digital resources. Employees will actively participate in awareness campaigns and events aimed at enhancing health, safety, and overall wellbeing. The program will offer access to health and safety professionals for guidance on a wide range of topics. We are also exploring innovative ways to incorporate technology, introducing virtual reality simulations, online courses, and interactive tools to make the program more accessible and engaging. Our commitment is unwavering in providing our employees with the necessary resources to maintain safety and wellbeing in their workplace. In addition to this, we are in the process of introducing an Employee Assisted Program (EAP) that will allow our staff to access 24/7 from anywhere in the world directly to a psychologist in various different languages to talk about any personal issues related to a wide range of subjects in total confidence.

To monitor and analyze incidents related to health, safety, and security, we have implemented an accessible incident reporting system for all employees. This system enhances our ability to prevent and manage incidents effectively by encouraging workers and stakeholders to report near misses, unsafe acts, and hazardous conditions. The reported data is then tracked and analyzed to identify potential trends and issues, facilitating evidence-based decision-making. These insights gained enable us to develop targeted interventions to prevent the recurrence of incidents. Additionally, the system allows us to monitor the efficacy of implemented control measures, facilitating adjustments as necessary. Through this comprehensive approach, we can ensure the safety, health, and security of our employees and stakeholders in their work environment.



National Transformation Program



## 2023 performance and initiatives

Our mobile occupational health unit represents just one facet of our comprehensive efforts to realize our goal of providing an accessible occupational health and wellbeing program for all employees. Since 2020, we have consistently implemented additional health and safety measures, prioritizing the physical, emotional, and economic wellbeing of our workforce. Ensuring that our operations remain safe, healthy, and secure has been paramount to sustaining our business in a responsible manner. The challenges posed by the COVID pandemic underscore the importance of robust and efficient health and safety management systems. In our commitment to maintaining the highest international best practices, we continuously evaluate and improve our policies and procedures to adapt to the ever-evolving changes within the environment we operate in.

Health, safety, and security (HSS) committee welcomed 12 female employees as fire marshals and first aiders. Prior to the year 2022 there were no female members in their HSS committee. This aligns with increasing number of female employees to ensuring gender equality in our workforce with focus on talent development capabilities building, and opportunities.

The Almarai Leadership team is publicly committed to promoting a culture of health and safety. We are proud to announce our achievement of the ISO 45001:2018 certification for all our Business Units, a significant milestone attained in July 2023. Our ongoing efforts are directed at sustaining this certification across our Poultry and Dairy Farming Business Units as well as Supply Chain operations that already have ISO 45001:2018 certification. With this certification in place across all our manufacturing and supply chain sites under ISO 45001, we have aimed to set the foundation of a safety culture ensuring international best practices are adopted in a consistent and transparent manner across all our Business Unit operations.

Technology plays a crucial role in our efforts to manage and mitigate risks, promote best practices, and enhance training accessibility. In 2023, Almarai continued its commitment to digitalization projects, ensuring that our employees have access to cutting-edge resources. We expanded our near miss reporting web form, enabling employees to easily report incidents such as near misses, unsafe acts, and hazardous conditions. Additionally, our cloud-based online incident reporting system is accessible to all employees via smartphones. Digital awareness channels and events are also employed to keep everyone updated with the latest health and safety information. These digital systems are integral to Almarai's pursuit of achieving our sustainability goals.

Almarai's commitment to producing "Quality you can trust" plays a vital role in enhancing the health and wellbeing of the Saudi population. This commitment aligns with the broader goals of Saudi Vision 2030, which emphasizes economic diversification and the improvement of public health standards.

## Quality of Life programs

Almarai Company provides support to many sports events, as we believe sport is important in contributing effectively towards good public health and instilling positive values in society. Almarai sponsored or participated in six sporting events: The sixth golf tournament in Nova Resort, Hail International Rally, Equestrian race in Riyadh and Jeddah, Blind Marathon Championship and Goalball for people with disabilities.

## Occupational health and wellbeing

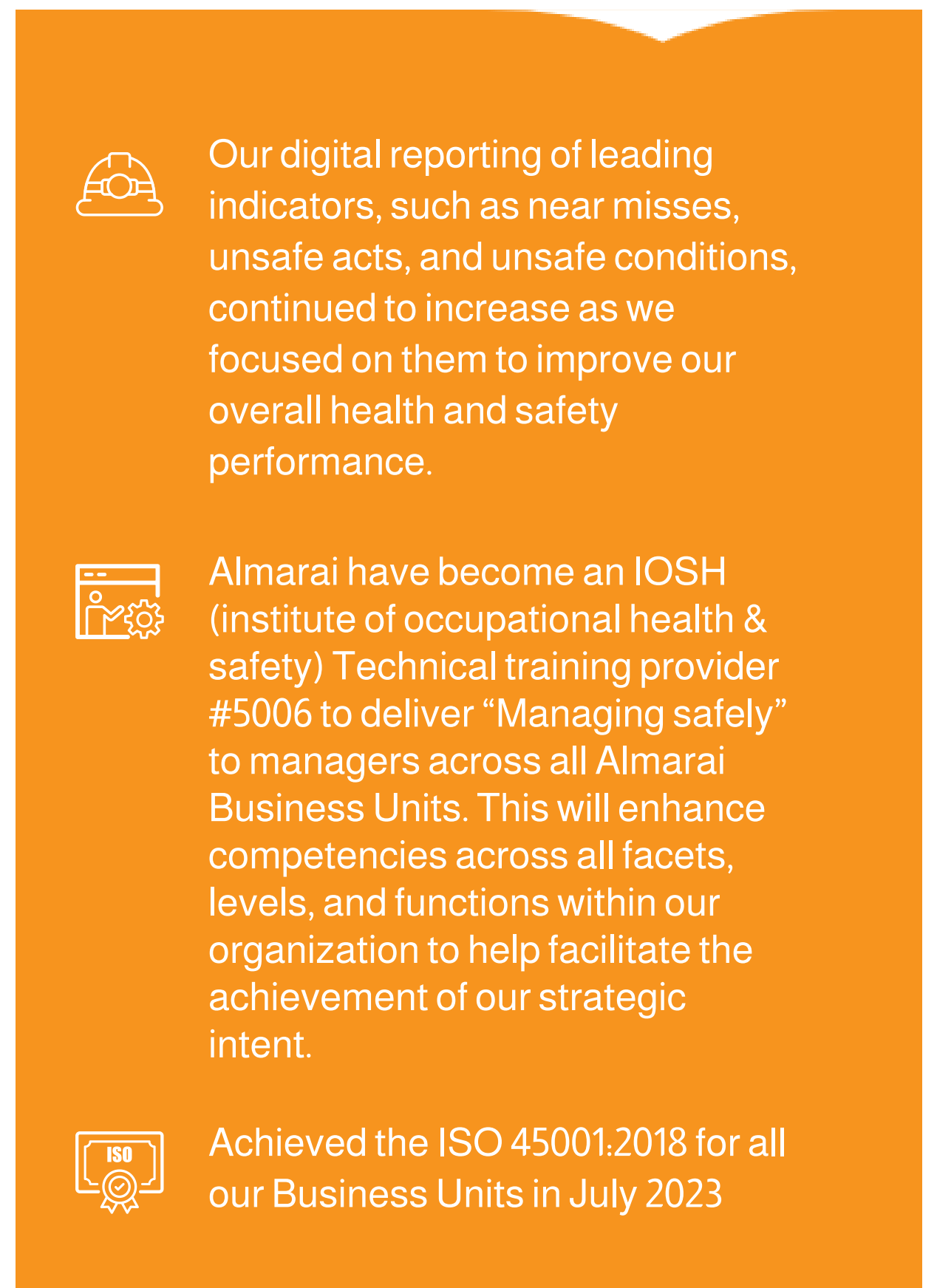
As a part of our occupational health and wellbeing program, Almarai conducted anonymous surveys and health and wellbeing checks, and worked in collaboration with the Saudi National Center for Mental Health to raise awareness of health and wellbeing among employees.

## Management of road risks

As a part of cultivating a road safety culture, Almarai has developed defensive driver training programs, installed inward and outward facing cameras, installed black box technology to monitor driver behaviors and set-up driving simulators across all its regions and countries where it operates.

## Progress on our strategic goals and targets

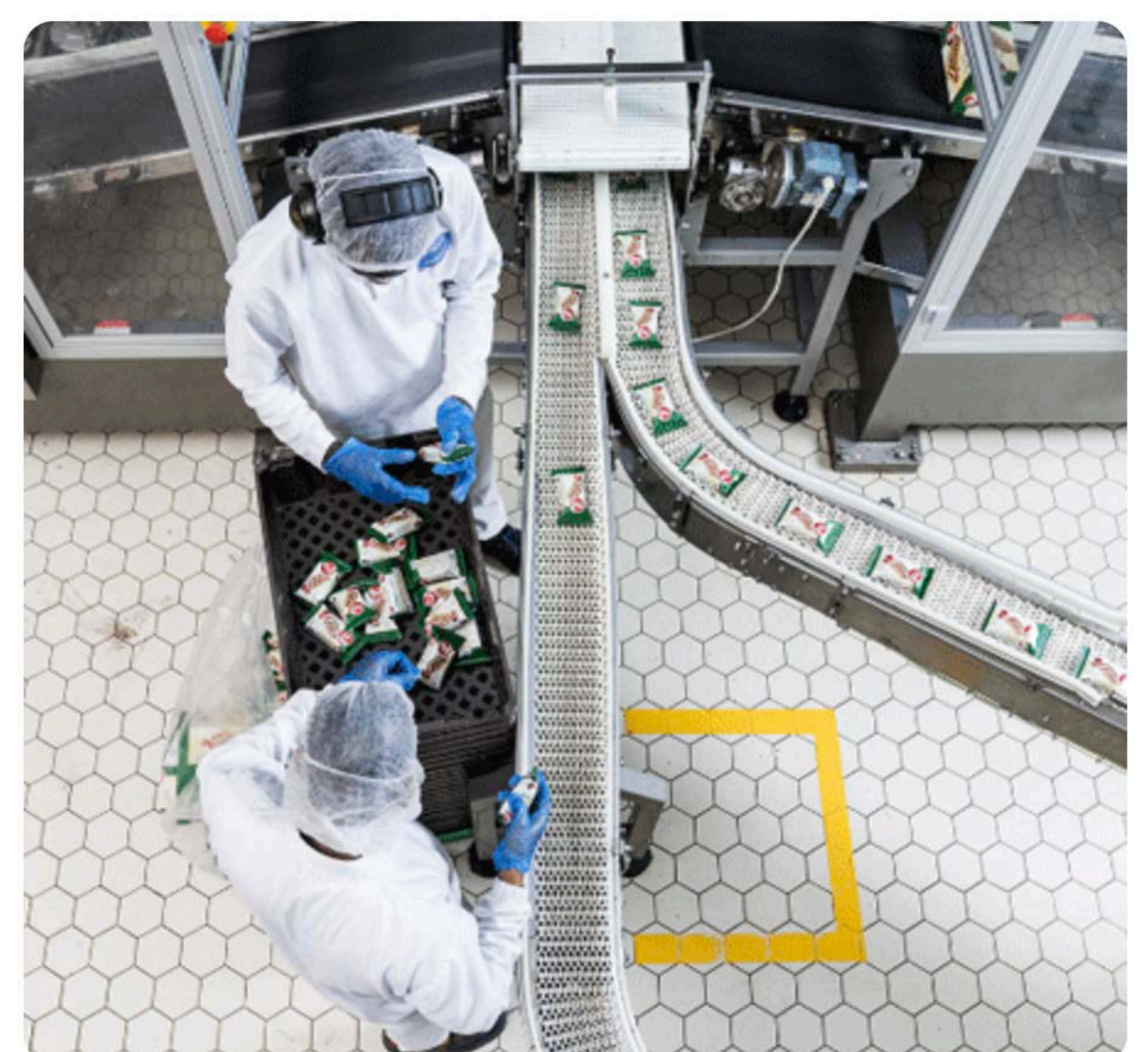
Goal/Target	Progress
Achieve ISO 45001 compliance for all our divisions by 2025	●
Institute an occupational health and wellbeing program accessible to all employees by 2025	◐

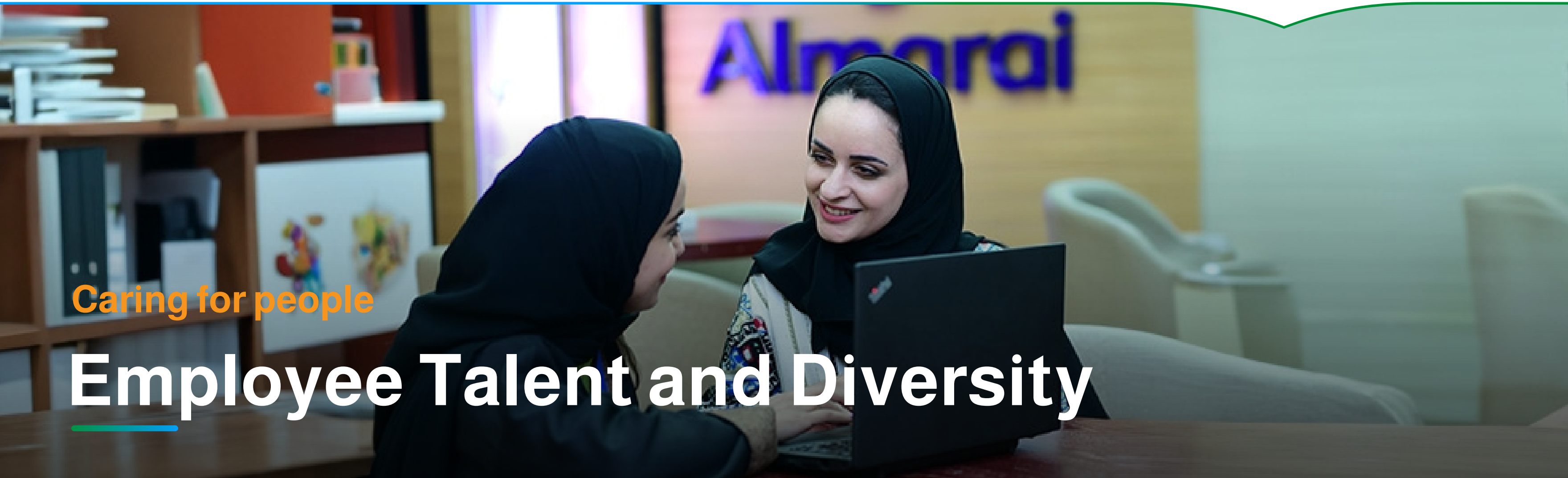


**Our digital reporting of leading indicators, such as near misses, unsafe acts, and unsafe conditions, continued to increase as we focused on them to improve our overall health and safety performance.**

**Almarai have become an IOSH (institute of occupational health & safety) Technical training provider #5006 to deliver "Managing safely" to managers across all Almarai Business Units. This will enhance competencies across all facets, levels, and functions within our organization to help facilitate the achievement of our strategic intent.**

**Achieved the ISO 45001:2018 for all our Business Units in July 2023**





Caring for people

# Employee Talent and Diversity

“ We are working to make sure that our people are developed, valued, and included every day. ”

Almarai onboarded 12 female employees in the HSS committee, this aligns with our focus on talent development and gender equality.

## Our approach

Almarai offers one of the largest work environments in the Middle East, with more than 46,233 employees working in its various sectors. We understand the pivotal role our employees play in our success, and thus, we are dedicated to attracting, nurturing, and retaining a diverse and motivated workforce. Our aim is to cultivate a positive work environment where everyone contributes to our growth, and where our values shape both work and life within the company. We have cultivated an internal culture focused on employee development and advancement, supported by a robust system of continuous feedback aimed at enhancing our working environment. We are committed to providing our employees with favorable working conditions, ensuring their rights are upheld, and granting access to top-tier training and development opportunities to help them achieve their full potential. Additionally, we offer a comprehensive range of benefits and rewards to recognize and appreciate their hard work and dedication.

Almarai has a comprehensive Training Policy that covers all aspects of training. This includes training needs assessment, training plan, training delivery, training evaluation, and new employee induction. It also covers education assistance for employees, study leave, and summer and co-op trainee programs. Almarai uses a structured and systematic Talent Management Program to identify and develop employees to fill critical business roles within the organization. Succession Planning has been established for the top N-1 level (direct reports of CEO) and is ongoing, the process has been extended to business-critical positions two levels down from the CEO. In 2023, Almarai successfully completed the calibration of its entire talent pool of 1,650 managers covering all management grades across the company.

Established in 2014, the Almarai Academy was created with the goal of offering leadership development opportunities across all management tiers. Collaborating with both local and global training providers, the Almarai Academy ensures that its employees benefit from top-notch leadership development programs. As part of its commitment to strengthen its internal culture, the company introduced the 'WE@Almarai' initiative, aligning with Almarai's core values ASPIRE (Adaptable, Sharing, Passionate, Innovative, Respect, Excellence). This initiative aims to nurture a culture grounded in collaboration, respect, innovation, and excellence. Furthermore, the Almarai Academy empowers its employees to take charge of their personal development journey and strive for continuous improvement. It serves as a platform for employees to exchange ideas and insights, contributing to their professional growth. The Academy is guided by the following values:



- **WE Evolve:** marks all initiatives that signify individual and team growth and progress within Almarai's culture
- **WE Care:** involves all employee-centered activities and initiatives
- **WE Empower:** involves showcasing any learning activity, employee training, and charitable initiatives that help drive our people and Almarai forward
- **WE Celebrate:** signifies all celebratory events within and outside of Almarai

### Keeping employees engaged, motivated, and satisfied

As a prominent dairy and food company, our goal is to become an employer of choice. To achieve this, we have established a competitive reward system designed to align with our broader business strategy, aimed at attracting, retaining, and motivating our employees to deliver exceptional performance. Almarai offers a wide range of initiatives to foster a flexible work culture that promotes productivity, a healthy work-life balance, employee retention, and opportunities for personal and professional growth. These initiatives include various recognition and reward programs such as the Annual Service award and special day celebrations like National Day, as well as social outings, health and wellness activities such as discounted gym memberships and in-house events, training and e-learning opportunities, leadership programs like our Future Leaders program, employee satisfaction surveys, access to our mobile app e-connect for company news and special employee discounts, opportunities to contribute to society through blood donation events and micro home-based businesses in collaboration with the Saudi Human Resources Development Fund, recreational facilities at our plants for sports and relaxation, and personalized appreciation emails to all employees. These initiatives are all focused towards ensuring that Almarai remains an exceptional workplace where our employees feel supported, valued, and appreciated.

### 2023 Performance and Initiatives

Our global diversity and inclusion efforts aim to lay the groundwork for local initiatives, with a clear focus at the Group level on strengthen gender diversity and preparing for the upcoming generation of talent. Prioritizing inclusion as a key human resource objective, our strategy seeks to achieve gender equality in alignment with the broader goals of Vision 2030. We focus on achieving gender equality across various operational roles and on attracting and nurturing talent at the early stages of their careers. Action plans are crafted to address recruitment and retention, pay equity, non-discrimination, and other measures to foster an inclusive workplace environment. To this end, Almarai has implemented various initiatives to promote diversity and inclusion, including a comprehensive training program, mentoring, and coaching opportunities, and flexible working environment. We are committed to cultivating a safe and respectful workplace culture, where all employees are treated with dignity and fairness, and have equal access to opportunities and resources.

Dedicated to fostering continuous learning among our workforce, we have continued the transition of key training programs from in-person to online platforms, enhancing accessibility for all. Our e-learning platforms, available to employees at all levels, have maintained high levels of engagement, with a significant number of employees participating in training sessions. Despite this shift, the total number of trained employees remains substantial. Empowering employees to learn and develop skills at their own convenience and pace enables them to take ownership of their professional growth and become more actively engaged in the learning process. Moving forward, we are committed to providing our employees with top notch learning resources and technology, along with the necessary support for their professional development. Furthermore, we will explore innovative approaches to leverage technology, such as virtual reality and augmented reality, to create immersive and captivating learning experiences.

Digitalization plays an important role in our strategy to build a more efficient and resilient business. We have been supporting our employees through our mobile application, which serves to close communication gaps and promote our 'We@Almarai' initiatives, particularly for our remote workforce throughout the GCC region. Additionally, we have utilized SMS and WhatsApp messages to communicate with our employees, particularly for advancing internal initiatives and disseminating information such as the promotion of Covid-19 vaccinations through our health program. The 'We@Almarai' program continues to shine and serve as a voice for our employees, advocating for innovative and dynamic initiatives.



**Zero incidents** of discrimination reported.



**100% of employees** received regular performance and career development reviews.



**507,551 training hours** provided to staff.

Continuing to prioritize individual development plans, Almarai recognizes their crucial role in career advancement, focusing on tailored pathways for training, career growth, and feedback. In addition to the initiatives, we have introduced several professional development programs such as the Dairy and Food Polytechnic and Almarai Academy, underscoring our commitment to investing in human capital by supporting education, training, and skill development. These programs aim to equip employees with the necessary competencies to thrive and progress in their careers. They provide a secure and nurturing environment for employees to enhance their skills, fostering confidence and effectiveness in their roles. Moreover, these plans facilitate employees in gaining insights into their strengths and weaknesses, enabling them to identify areas for improvement and refine their skill sets accordingly.

Our Human Rights Policy, published in 2022, outlines our expectations and standards applicable in every country where the Group operates. We are fully committed to the UN Guiding Principles on Business and Human Rights and have implemented strong due diligence, remediation measures and regular engagement with stakeholders at local and global levels. We are dedicated to respecting fundamental human rights, such as freedom, education, and health.



### Our highlight stories

#### Reduced employee voluntary turnover

At Almarai, we understand that our employees are integral to our strength, and we are dedicated to attracting, nurturing, and retaining a motivated and diverse workforce. Our goal is to cultivate a positive work environment where everyone contributes to our growth, and where the values of the company define both work and life within the organization. Almarai offers a variety of activities aimed at fostering a flexible work culture that promotes productivity, encourages a healthy work-life balance, supports employee retention, and provides opportunities for personal and professional growth. Our voluntary employee turnover during the year 2023 was 10.2%.

#### Revised goal for gender equality

The Almarai 2021 Sustainability Report outlined modification of one of our targets from increasing number of female employees to ensuring gender equality in our workforce, with focus on talent development, capabilities building, and equal opportunities. We are working aggressively in alignment with the Saudi Vision 2030 and the National Transformation Program to promote gender equality in all of our businesses and functions.

### Progress on our strategic goals and targets

Achieved ● On-track ◐ Some progress ◑ Limited progress ○

Goal/Target	Progress
Ensure gender equality in our workforce, with focus on talent development, capabilities building, and opportunities	◑
Reduce voluntary employee turnover to achieve an average of 12% over the period 2020-2024	●
90% of managers engage in at least 40 hours of professional development per year by 2025	◐

Caring for people

# Community investment

“ We are working to make sure that we are leveraging our resources to create a positive impact every day.”

Our total CSR spend in 2023 increased by 23% as compared to the previous year.

## Our approach

Contributing to the wellbeing of society by aiding local communities in the areas where we operate is a crucial element of Almarai's sustainability strategy under the banner of "Caring for people." We have well-established and enduring community initiatives, either managed directly or in partnership with local organizations, which encompass educational, training, and developmental activities, investments, charitable contributions, sponsorships, and various other programs. This year we supported nearly 400 organizations who focus on helping those in need through health, sport, education, sponsorships, or other initiatives and this forms a key pillar in our Doing better every day strategy. We recognize the importance of contributing to the communities where we operate and aim to make a positive difference in society. We are dedicated to building and nurturing meaningful connections with these communities to generate positive societal impacts. Moreover, we are committed to assisting local communities in need by offering financial aid, resources, and services aimed at improving their quality of life.

## Building our strategy for community investment

Community investment is a fundamental component of Almarai's sustainability approach. To effectively manage its community investments and initiatives, Almarai has developed a strategic framework. This framework defines our primary focus areas, including training and development, healthcare, sports, donations, and sponsorships. It reflects how Almarai intends to fulfill its community investment obligations. To better understand the potential impact of its community investment activities, Almarai conducted an analysis and created an approach for assessment. Going forward, Almarai will use this work to measure the outcomes of its initiatives in the coming years.




## Our Strategic Community Investment Framework

### Where we focus

We prioritize projects, organizations, events and campaigns that align with our pillars.

Training and development

Health

Sports

Donations and Sponsorships

### What we do and how we support

We invest in our communities by dedicating resources and working in collaboration with partners across our pillars.

Training and development	Health	Sports	Donations and Sponsorships
We support selected projects, organizations and events that develop skills, promote education, reward educational excellence, and empower young people.	We support selected projects, organizations and campaigns that promote healthy eating and lifestyle choices and raise awareness on health issues.	We support selected projects, organizations and events that promote sports.	We support selected projects, organizations, events and campaigns dedicated to creating a lasting impact in our communities through both financial and non-financial support.
<p><b>Our flagship initiatives</b></p> <ul style="list-style-type: none"> <li>● Collaboration with Food industry polytechnic and Saudi logistics to train and localize jobs in the food and beverages sector</li> <li>● Collaboration with Authority of people to train, qualify and employ people with disability</li> <li>● Collaboration with EKHAA to support and train orphans</li> </ul>	<p><b>Our initiatives include</b></p> <ul style="list-style-type: none"> <li>● Almarai Better Health</li> <li>● Support programs for cancer patients</li> <li>● Almarai site visit program</li> <li>● Collaboration with friends of disabled association to support the events for people with special needs</li> <li>● Financial support to Zahra breast cancer foundation</li> <li>● Financial support to Rheumatism Association</li> </ul>	<p><b>Our flagship initiatives</b></p> <ul style="list-style-type: none"> <li>● Hail International Rally</li> <li>● Darrajati Association event</li> <li>● Sports tournament for people with disabilities</li> <li>● Villaggio Equestrian cup</li> <li>● Golf tournament</li> <li>● ITTF Saudi Arabia Para Open 2023</li> <li>● Riyadh running team on Saudi National day</li> </ul>	<p><b>Our flagship initiatives</b></p> <ul style="list-style-type: none"> <li>● Dental care program</li> <li>● Platinum sponsor Future food forum 2023</li> <li>● Product donation program</li> <li>● Supported 257 charitable organizations with food baskets</li> <li>● Sponsored vestibule exhibition event in King Saud University</li> <li>● Donation of infant milk to the victims of Syria and Turkey earthquake</li> </ul>

Almarai consistently extends a diverse array of donations as part of its social responsibility and ongoing commitment to support communities. Almarai remains dedicated to its Charity Support Program, established in 2021 as part of its community initiatives, with the primary objective of providing food assistance to families in need. This program is carried out in collaboration with various charitable organizations across different regions of the Kingdom. In 2023, the program distributed over 1,000,000 complimentary products to beneficiary societies across various regions of the Kingdom. Almarai has maintained longstanding support for many of these charities, citing the importance of sustainable partnerships, often broader awareness campaigns, national platforms, or supportive networks.

### Almarai's Commitment towards Biodiversity

Almarai believes that it has an important role to play in protecting biodiversity and the wellbeing of others. To this end, Almarai has committed to donating part of its community investments to environmental protection initiatives. Almarai is strongly committed to safeguarding the health and wellbeing within its care, as this impacts not only the animal's quality of life, but also the quality and safety of the food we produce. We obtained the certificate of conformance to Animal welfare policy in March 2023 which is a testimony that we believe that implementing internationally recognized principles for animal welfare is part of our license to operate as a leading food and beverages company.

Almarai continued to support the national afforestation campaign in partnership with the National Center for Vegetation Cover Development of the Ministry of Environment, Water, and Agriculture. This campaign aims to plant 10 million trees to contribute to the Kingdom's vision 2030. We have actively participated in this "Let's make it Green Initiative" ever since 2021 when we donated SAR 8 million to support this great cause. Some of our quality makers have also taken part in this initiative by planting more than 100 trees in Thadig National Park as part of our social responsibility program.

In 2023, we also planted nearly 7,000 trees which majorly include Palm trees, Conocarpus trees, Shade trees and flower plants across our Al Kharj and Hail locations. We strongly believe that Planting trees is an effective strategy for improving and maintaining biodiversity. Our solar PV in Al Kharj offsets 8,100 T of CO2 each year, equivalent to planting more than 8,000 trees.





## 2023 Performance and Initiatives

### Our highlight stories

#### Where we focus

Almarai annually sponsors and supports more than 300 charitable organizations working across our framework pillars:

- Training and Development
- Sports
- Health
- Donations and Sponsorships.

### What we do and how we support

#### Training and development

Almarai is committed to the education sector and has been supporting initiatives such as training and rehabilitation programs with Food Industries polytechnic, the Transport General Authority and the Saudi logistics Academy for increasing localize jobs in the food and beverages sector in Saudi. We are also dedicated to empowering the next generation of females through creating more development opportunities for them such as adding females in the HSS committee as fore marshals and first aiders. During the year 2023, Almarai held an event “Success partners 2023” under the slogan “nationalization is a strategic goal” aiming to attract the Saudi youth, apart from this Almarai has launched several programs and initiatives to support Emiratization under the slogan “Emiratization is a strategic goal.” Almarai signed a memorandum of cooperation with Charity Orphans Care Foundation “Ekhaa” to support the beneficiaries of the foundation with Almarai’s training, rehabilitation, and employment programs.

#### Health

Almarai is committed to supporting health initiatives to ensure people lead longer, healthier lives. In 2023, we continued to support various health programs including health programs for our staff and communities, events, and awareness campaigns. We provided financial support to the charitable association for the care of Rheumatology patients to secure biological medicine for children with rheumatology within the “Rheumo Heroes” program of the association. We also provided financial support to Zahra Breast Cancer Association to support the “Zehra’s Lamsa” project which serves female patients and cancer recoveries in general and breast cancer in particular. We also Initiated collaborations with Ahyaha Association and friends of the Disabled Association to support cancer and disabled patients. These initiatives demonstrate our commitment to providing the best health care for our staff and communities.

#### Sports

Almarai recognizes the importance of sports in promoting wellbeing, inclusion, and positive impacts on human health. To this end, Almarai sponsors a variety of sporting activities each year, such as Hail Industrial Rally, Villaggio Equestrian Cup, 5th golf tournament, 6th Sports tournament for the disabled, ITTF Saudi Arabia para open 2023 and Riyadh running team on the Saudi national day. Through these initiatives, Almarai aims to foster the development and skill enhancement of young and junior athletes, encourage community engagement in walking culture, facilitate the rehabilitation of individuals with disabilities, identify and nurture their athletic talents, enhance their quality of life, increase their involvement in community sports activities, and elevate them to become sports icons at both local and international levels.

#### Donations and Sponsorship

As a socially responsible business, Almarai supports several awards in partnership with other organizations to reward achievement in society. The Almarai Academic Excellence Award, launched in 2006, provides support to students enrolled in the public education system in GCC countries. The Almarai Award for Veterinary Medicine, launched in 2010, works in collaboration with the Saudi Veterinary Medical Society and King Faisal University to support the veterinary profession and protect the general health of the GCC’s livestock. The Almarai Award for Ideal Mother, launched in 2017 in partnership with the Disabled Children’s Association, honors mothers who support their children with disabilities. Almarai participated as a platinum sponsor in the fifth edition of the Future Food Forum 2023, held in Dubai in September under the auspices of the UAE Ministry of Economy and the Dubai Chamber of Commerce. We also supported 257 charitable organizations with food baskets from January – August 2023.

### Almarai donated 20 tons of infant milk to provide relief to those affected by the earthquake in Syria and Turkey

This donation follows through the directives of the wise leadership to provide relief to those affected by the earthquake in Syria and Turkey, and the company believes in the need to provide a helping hand to the people of Syria and Turkey who are living in tragic situations because of the natural disaster that struck the two countries. This donation also reflects the company’s directions in supporting national charitable campaigns and various social and humanitarian initiatives that would help and support those in need

-  50 million SAR spent on CSR projects
-  Nearly 400 organizations supported through donations and sponsorships
-  Over 1,000,000 products donated throughout the year.
-  33,605 visitors through Almarai site visit program in 2023

### Progress on our strategic goals and targets

Goal/Target	Progress
Donate 2.5 million healthy servings by 2025	●
Educate 250,000 people through our site visit program by 2025	◐
Improve the employability of at least 1,400 young people through the Food Industries Polytechnic (FIP) program by 2025	●

# Doing better every day

Sustainability Report 2023

Sustainability Management At Almarai®  
Protecting the planet

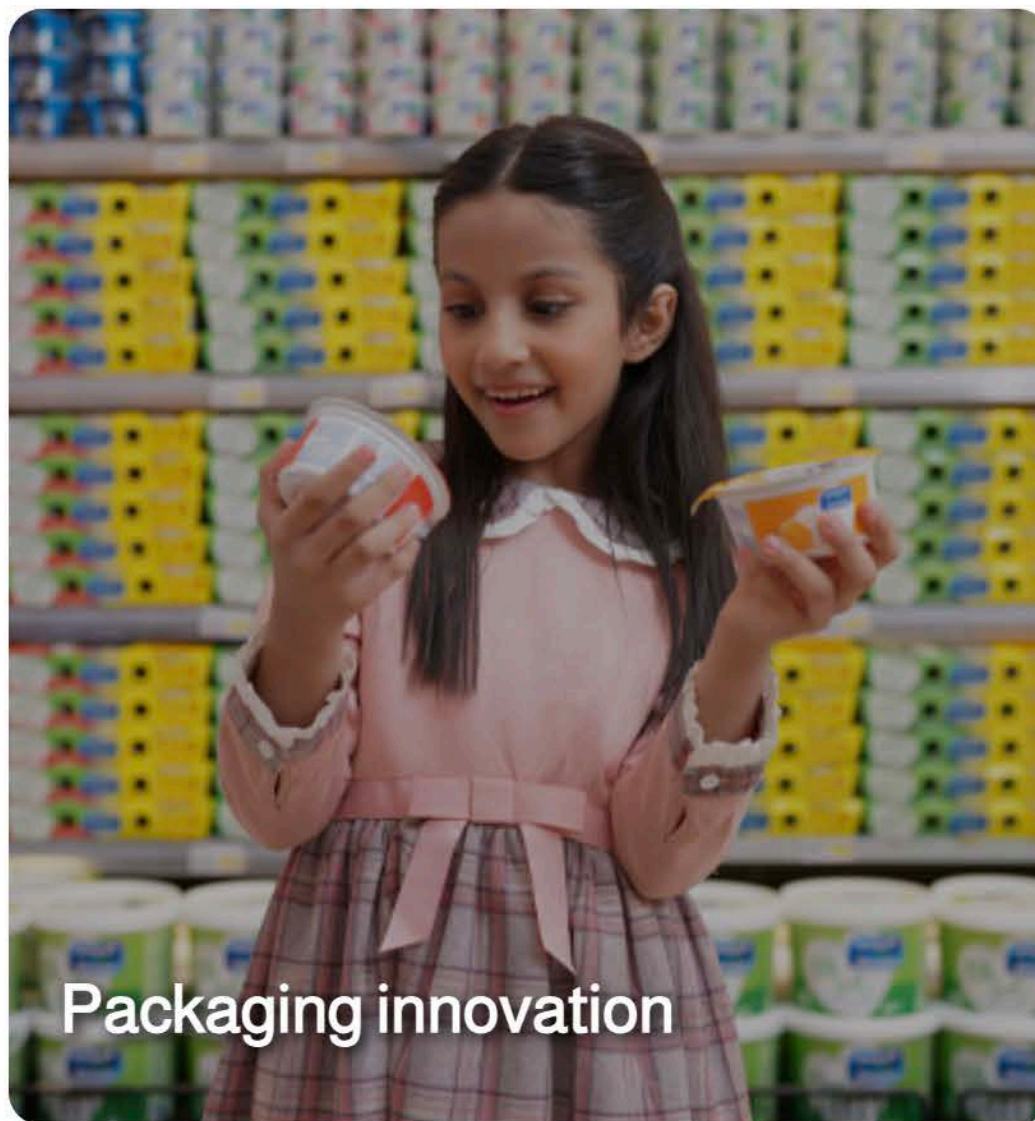


# Protecting the planet

“ Our promise to minimize our impact on our shared natural resources every day. ”



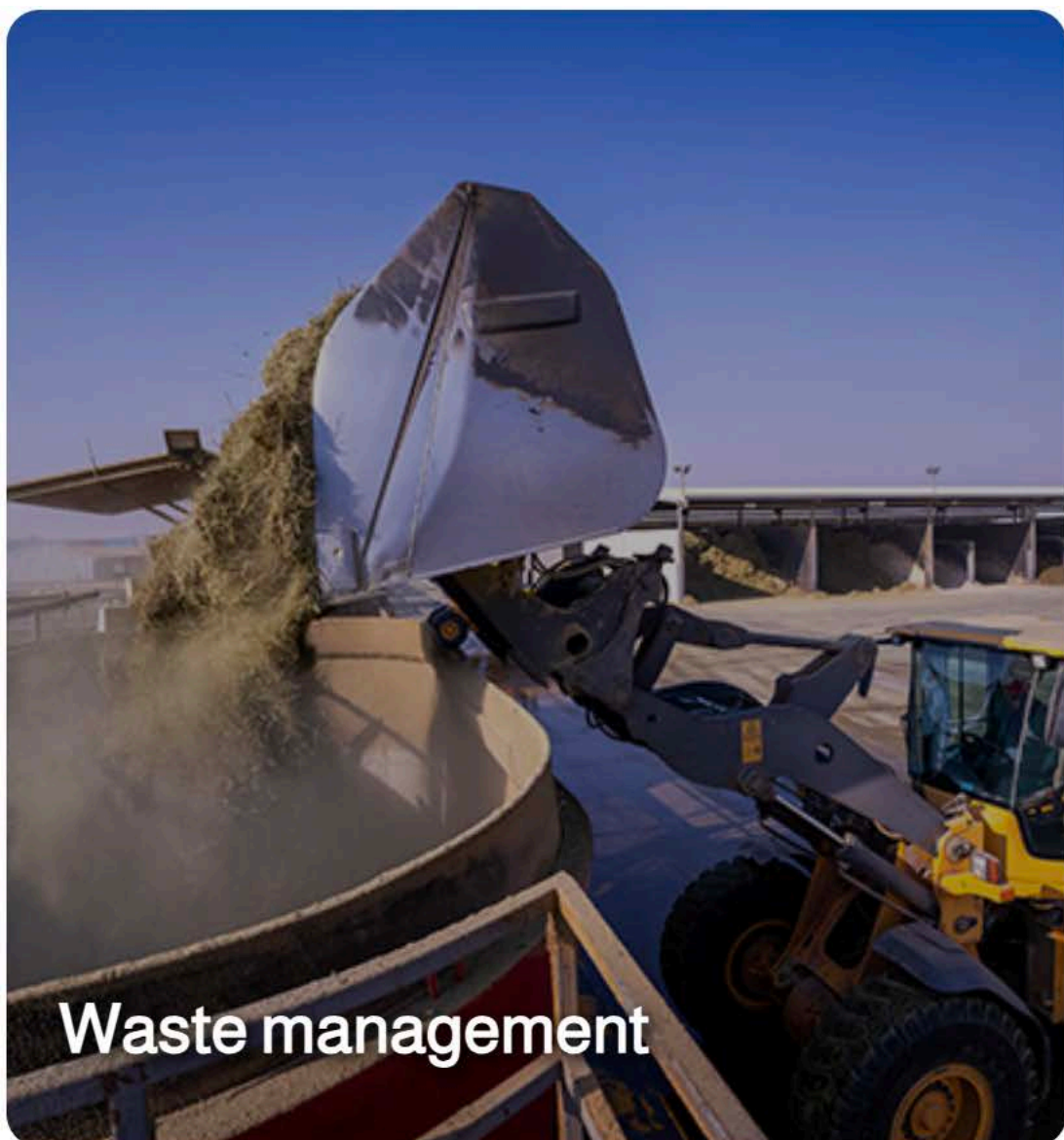
Water management



Packaging innovation



Climate change



Waste management



Sustainable agriculture



Protecting the Planet

# Water Management

“ We are working to make sure we are effectively using water resources every day. ”

Through integrating innovative technologies, embracing nature-based solutions, and fostering a collective commitment to responsible water management, we have turned our wastewater treatments into an ally in our efforts of protecting the planet.

## Our approach

As a company heavily reliant on agriculture for sourcing raw materials, we recognize the importance of effectively managing and conserving water and watersheds throughout our operations and supply chain. This commitment to water preservation also aligns with safeguarding the fundamental human right to water and contributes to the long-term sustainability of our business. Water conservation is an important component of Saudi Arabia's Vision 2030, which advocates the imperative of addressing and mitigating the impending water crisis while promoting water conservation and stewardship. Consequently, water management forms an important part of our environmental objectives, ensuring alignment with the latest industry best practices for companies to establish freshwater conservation targets.

In 2019, we formed a water steering group as part of our sustainability strategy development process which has been instrumental in setting our water management targets and action plan for improving water efficiency across our operations. Serving as a collaborative platform for knowledge exchange, the group remains integral in driving initiatives aimed at nurturing our water conservation efforts both presently and in the future.



In 2018, Almarai joined the Alliance for Water Stewardship (AWS), a move that has significantly increased our efforts in water conservation and stewardship within the communities where we operate. AWS is dedicated to fostering a water-secure world that supports the upliftment of people, cultures, businesses, and nature, both presently and in the future. Through this partnership, our network has gained insights into and implemented best practices in our business operations, aiming to reduce our environmental impact and conserve water resources wherever possible. We have integrated enhanced efficiencies into our arable and pasture farming practices, resulting in increased yields with reduced water consumption. In line with our commitment to innovation, we have introduced water management systems such as water metering, monitoring, and risk assessments to gain a comprehensive understanding of our water usage and identify areas for improvement.



## 2023 performance and initiatives

In 2022, we published our Water Position Statement, outlining our commitment to greater water stewardship. This statement sets out a longer-term strategy in line with our wider sustainability goals and will act as a system of governance for years to come, engaging our workers and business units in best practice thinking and culture. We have also been actively promoting awareness regarding the significance of water conservation across our operations. Our assessments of water culture have proven effective in changing employees' attitudes toward water stewardship, guiding our strategic approaches and responses. This tool for employee engagement empowers our workforce and fosters a culture of responsibility and best practices, resulting in increased individual awareness and concern for water conservation. Cultivating a positive workplace culture is crucial for achieving our sustainability objectives, and technology plays a pivotal role in this initiative. We have deployed comprehensive monitoring systems across our facilities to pinpoint areas of inefficiency and have upgraded our supervisory control and data acquisition systems along with metering systems to gain deeper insights into our water usage, disposal methods, and leak risks. This technological infrastructure enables us to rapidly address any issues, leading to significant reductions in both water and energy consumption. We remain committed to leveraging technology to enhance our sustainability efforts and minimize our environmental footprint.

## Progress on our strategic goals and targets

Goal/Target	Progress
Increase water efficiency across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% by 2025 (against a 2018 intensity baseline)	
Initiate and support collaborative efforts with stakeholders to address water risk and enhance conservation by 2025	



## Protecting the Planet

# Packaging Innovation

“ We are working to make sure we reduce the impact of our packaging on the environment every day. ”

### Our approach

Packaging holds a crucial role in our daily lives, offering convenience while minimizing food waste and product damages. In alignment with our Doing better every day strategy, Almarai is dedicated to mitigating the environmental impact of packaging to meet our customers' demands. Innovation is at the forefront of our approach, recognizing that much of the packaging we utilize is vital for safeguarding and preserving products throughout the supply chain. Our focus is on striking a balance between finding sustainable packaging solutions without compromising the freshness and taste of our products. Through inventive designs, materials, and technologies, we aim to not only reduce the volume of materials entering waste streams but also enhance supply chain efficiency. We have set an ambitious target to prevent 9,000 metric tons of plastic waste from entering waste streams by 2025. To achieve this, we are investing in research and development to discover new ways of reducing packaging while maintaining a safe and enjoyable experience for our customers. Additionally, we are exploring opportunities to incorporate recycled and biodegradable materials in our packaging to further minimize our environmental impact. Committed to reducing our carbon footprint and advancing sustainability, we strive to uphold the highest quality in our products and services for our customers.

In 2022, we published our position statement on Environmental Impact of Packaging to transparently communicate our approach. We emphasized our hierarchy of strategic approach of prioritizing removing and reducing followed by reusing, recycling, and reimagining.

### 2023 performance and initiatives

Our company has continued to innovate our plastic and paper packaging to ensure that the quality of our products remain while reducing the impact we have on the environment. Regarding our target of preventing 9,000 metric tons of waste by 2025, we have achieved a total of 7,247 metric tons to date. In 2023, we removed 164 metric tons of plastics and 628 annualized metric tons of paper weight. Our waste reduction initiatives have helped us reduce 4,719 metric tons of plastic packaging, 2,528 metric tons of paper used in packaging since 2018. In 2023, 67% of cardboard packaging work was done from recycled materials. As part of our packaging design process, we now make a conscious decision in the initial phases to address whether packaging is necessary. We are also seeking to use recycled materials in our products to encourage circular economy thinking into our packaging designs. Through investment at our manufacturing sites, we will be able to deliver reductions in the amount of corrugated board consumed through redesigning our outer boxes to be more resource efficient. A program is also underway to optimize pack sizes to drive efficiency improvements through the supply chain.



We officially registered one of our initiatives in the MWAN platform to solidify our commitment to protecting the planet pillar and engagement with local and national sustainability authorities.

## Our highlight stories

### Zabadi cups packaging optimization

In December 2022, Almarai conducted a commercial trial for utilizing 10% post-consumer recycled PET plastics for Zabadi cups, which ran successfully paving way for official launch in 2023. This effort is one of many ways that Almarai intends to drive demand for post-consumer recycled material to help evolve waste recycling ecosystem in the kingdom.

### HPET for Zabadi cups and poultry trays

In late 2022, we completed trials on using HPET for our Zabadi cups and poultry trays. Beginning in 2023, this initiative is expected to reduce our packaging usage in these formats by up to 25%, without affecting the quality, strength, and sturdiness expected for the packaging. This initiative will also have secondary benefits, as it will reduce our transportation carbon footprint due to reduced weight.

### Almarai donates plastic covers to the world's largest green mural

We donated 200,000 plastic covers from dairy containers to the Municipality of Jeddah Governorate, which supervised the implementation of the largest mural in the world in Jeddah under the name (Jeddah Green Mural). Almarai's participation in the Jeddah Green Mural, which took 8 months of work under the auspices of the Mayor of Jeddah Governorate, Saleh bin Ali Al-Turki, with an area of 383 square meters, came as part of the company's corporate social responsibility program, which aims to improve the urban landscape and treat visual distortion.


### Actively supporting packaging economy in Saudi Arabia

Almarai has been working with packaging suppliers, recyclers, plastics manufacturer, National Center for Waste Management (MWAN), and Saudi Investment Recycling Company (SIRC) to reduce waste at source and divert most waste away from landfill. In addition, Almarai has been working with other businesses from FMCG, plastics manufacturing and recycling sectors at KSA Packaging Working Group under the Federation of Saudi Chambers to engage with MWAN and SIRC to divert more waste from landfills and evolve the circular packaging economy.

### Progress on our strategic goals and targets:

Achieved ● On-track ◐ Some progress ◑ Limited progress ○

Goal/Target	Progress
Avoid the use of 9,000 metric tons of plastics from entering the consumer waste stream by 2025 (against a 2015 baseline)	◐
Actively support the transformation of the packaging economy in KSA by 2025	◐

-  **7,247 metric tons** of packaging reduction since 2018.
-  **4,719 metric tons** in total of plastic packaging reduction since 2018.
-  **2,528 metric tons** of paper packaging since 2018.
-  **67% of carboard packaging** from recycled materials in FY 2023.



Protecting the Planet

# Climate Change

“ We are working to make sure we implement more sustainable solutions to reduce our emissions every day. ”

Almarai received the award for ‘Best Practices: GHG Emission Reduction in Poultry’ at the InFlavour Food Production Expo.

### Our approach

Almarai acknowledges the potential risks posed by climate change to both food production and the environment. We are committed to minimizing our environmental footprint and promoting long-term sustainability. In 2020, we created an “Energy Roadmap” to reduce our environmental impacts and resource use. This roadmap is connected to our energy strategy, which focuses on reducing energy use, monitoring energy and switching to renewable energy. To ensure that every member of the organization comprehends their role in lowering energy consumption, Almarai has implemented training programs, awareness campaigns, and energy-saving competitions. In 2022, we released our Energy Policy and Climate Change Position Statement to enhance transparency regarding our approach to energy stewardship and the reduction of emissions.

Energy awareness is an important part of our energy management strategy and ability to capitalize on technological solutions. Our goal is to establish an energy center of excellence to serve as a platform for sharing knowledge and driving initiatives towards our strategic goals. Our energy culture focuses on three key elements: awareness, regular equipment maintenance and optimization, and continual process improvement. We make this culture accessible to our staff through training sessions, governance structures, and the implementation of best practices.

Our commitment to sustainability is also demonstrated in our approach to refrigerant gases. We understand that CFCs have a much larger impact on climate change than other emissions, and as such, we have initiated a proactive program aimed at restricting, reducing, and replacing these gases whenever feasible. This includes making our cold chain distribution system more efficient to reduce use and replacing CFCs with alternatives such as HCFCs and HFCs, which are more effective and reduce global warming emissions. We also have a rigorous maintenance and monitoring program in place to ensure that any potential leaks are identified and addressed quickly.

The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming





practices, landfill waste reduction, commitment to 100% chlorofluorocarbon-free cold storage at its sales depot, and fuel efficiency measures including trailing alternative fuel vehicles.

## 2023 performance and initiatives

We are committed to promoting a culture of best practice amongst our colleagues and instilling an energy culture throughout the business. In 2023, we continued to develop our energy management systems. We have created an ISO roadmap which focuses on setting energy goals, ensuring commitment, energy planning, preparing to meet ISO 50001 requirements, and monitoring and measuring progress against our energy goals. We have made significant progress in the head office and dairy and juice manufacturing sites, and we are aiming for all of our Administration, Manufacturing, Sales, Distribution, and Logistics Divisions to be certified by 2025.

Our commitment to sustainability is demonstrated by the implementation of the Almarai Energy Monitoring Systems (AEMS) across the GCC (KSA, Oman, UAE, Bahrain & Kuwait). A total of 75 locations have been connected to AEMS, allowing us to better understand our energy usage and trends. Furthermore, to enhance our decision-making capabilities, we have initiated a steam efficiency project and implemented a pilot project involving combined evaporative cooling systems in our dairy and juice operations. Both projects have demonstrated significant energy savings. These endeavors are integral to our continuous commitment to diminish our environmental footprint and secure a sustainable future.

As part of our commitment to sustainability, we have set a target to increase the proportion of clean energy utilized across our Administration, Manufacturing, Sales, Distribution, and Logistics Divisions to 20% by 2025. To achieve this, we are collaborating with global power producers to establish renewable energy facilities at our locations and boost our reliance on renewable energy from the grid. For instance, since 2018, we have been implementing solar energy generation capacities at various sites. Moving into 2023, we will persist in procuring additional renewable energy while also investigating innovative applications of solar power, including its use in hot water production. Notably, we are extending our solar power initiatives not only in Hail but also in Al Kharj. Additionally, we operate several biofuel-integrated vehicles for product deliveries across the UAE, and although we initially planned to expand our biofuel sales fleet, challenges in finding a suitable biofuel supply in other regions have arisen. The introduction of biofuel vehicles largely depends on the availability of biofuel in the market. Despite these challenges, we remain dedicated to our sustainability objectives and will continue exploring alternative fuel options for our sales fleet.

## Our highlight stories

Since 2022, we have been testing alternatives to standard refrigerants, such as R290, a non-toxic refrigerant with zero ozone depletion potential and a low global warming potential. In 2023, we continued to standardize our operations to use this replacement gas to help reduce our emissions and have a positive impact on climate change. We have also been working to increase the fuel efficiency of our sales, distribution, and logistics vehicles despite accomplishing our goal 2025 goal. We have maintained our energy awareness program, 'Go Green', in our Jeddah (KSA) since 2021, and Al Kharj and Hail (KSA) sites since 2017. The program aims to educate and bring a mindset change among employees towards energy conservation, target specific significant energy uses to reduce consumption through process improvement and alternative solutions, and engage employees in energy saving activities.

We are actively working towards achieving our 2025 goal to explore and trial alternative fuel vehicles for our sales fleet. Since the later part of 2021, we have been progressively incorporating biofuel into a growing portion of our fleet vehicles for product deliveries in the UAE. Additionally, we are in discussions with biofuel suppliers in Saudi Arabia to initiate trials and potentially adopt biofuels within the kingdom.

## Almarai's sponsorship of the Environmental Excellence Award

HRH Prince Abdulaziz bin Saad bin Abdulaziz, Governor of Hail, honored Almarai Company for its diamond sponsorship of the Environmental Excellence Award in its first edition, organized by the branch of the Ministry of Environment, Water and Agriculture in the Hail region. Almarai's sponsorship of the Environmental Excellence Award as a diamond sponsor comes within the company's corporate social responsibility plans and programs with the aim of encouraging environmental work and spreading awareness towards securing the future of the country's people and preserving its natural resources.



28% increase in solar energy usage from 2022.



Our sales, distribution, and logistics vehicles over 3% less fuel vs. 2021, which is about 8.4 million liters less fuel used.



Management commitment	Operational improvements	Engineering improvements	New technologies
<ul style="list-style-type: none"> <li>Establishing an effective communication system and allocating appropriate resources to support the effective management and implementation of the program</li> </ul>	<ul style="list-style-type: none"> <li>Building awareness with a supporting employee reward and recognition scheme for generating the best energy saving ideas</li> <li>Reviewing standard operating procedures and operational practices to improve energy efficiency</li> <li>Implementing all feasible employee energy saving ideas</li> <li>Conducting energy audits to build an energy culture</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging collaboration to Identify all energy sources utilized at the sites and developing engineering controls to reduce energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and implementing new technologies to optimize existing equipment and enhance energy utilization</li> </ul>

### Progress on our strategic goals and targets

	Goal/Target	Progress
<b>Transport and refrigeration</b>	Explore and trial alternative fuel vehicles for our sales transport fleet on an ongoing basis	
	Increase the fuel efficiency of our sales, distribution and logistics vehicles by 10% by 2025 (against a 2018 baseline)	
	100% of our sales depot cold stores will be CFC free by 2025	
<b>Energy</b>	Reduce energy consumption across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% from efficiency measures by 2025 (against a 2018 intensity baseline)	
	Increase the share of electricity from clean energy sources across our Administration, Manufacturing, Sales, Distribution and Logistics Divisions to 20% by 2025	
	Achieve ISO 50001 certification for our Administration, Manufacturing, Sales, Distribution and Logistics Divisions by 2025	



Protecting the Planet

# Waste Management

“ We are working to make sure that we are moving towards zero to landfill every day. ”

## Our approach

Almarai is dedicated to environmental and natural resources protection and reducing our ecological footprint. We are actively working to decrease our direct waste and packaging while enhancing our recycling initiatives. Additionally, we are exploring alternative materials and delivery methods to traditional packaging. We are committed to informing our suppliers, farmers, and consumers to enable them to make more sustainable choices. Through collaborative efforts, we believe we can build a more sustainable future for all.

We are committed towards waste reduction and optimum use of our resources. We aim to be more efficient in our operations and emphasize on waste diversion from landfills. In our efforts to minimize food waste, we consistently enhance our demand forecasting for precision and cost reduction. Moreover, we aim to maximize recycling of packaging and process waste generated from our manufacturing and distribution sites. Furthermore, we collaborate with waste management firms to recycle challenging materials like shrink wrap, diverting them from landfills by reusing them into alternative materials.

We are dedicated towards reducing our waste generation and ensuring responsible disposal practices. To achieve this, we have formed a waste steering group to facilitate information exchange and create strategies aimed at reducing landfill waste. Our goal is to reduce the amount of waste sent to landfills by 2025 by 50%, compared to levels recorded in 2018. We prioritize waste prevention, reuse, recycling, and maximizing the utilization of food surplus. Through these efforts, we align our waste management practices with the waste grading principles.

## 2023 performance and initiatives

In 2023, our waste recycling initiatives continue to thrive as we were able to recycle 50% more the amount of waste as compared to 2022. We also increased our food waste sold to animal feed by 45% which is a testament of our commitment towards waste reduction. We have also significantly reduced our waste going to landfill as we have come down to 55% as compared to 70% in 2018. We have also continued to expand our partnerships with third-party providers to divert food and dairy waste to animal feed programs. We have also initiated a new partnership with a third-party provider in Dubai, who recycles the packaging and removes water for reuse through reverse osmosis. Additionally, we have continued to expand our procurement efforts for additional partnerships with public and private sector entities, currently being explored.



National Transformation Program



Recycled nearly 50% more the amount of waste vs. 2022.



Food waste resold to Animal feed increased by 45% compared to 2022.



55% of waste going to landfill, compared to 70% for the 2018 baseline.

## Our highlight stories





### Producing organic fertilizer


Almarai's poultry litter charring operations in Hail continues to produce organic fertilizer. The EcoChar Gasification plant located in the facilities is running in HADCO, producing a carbon-rich product obtained when biomass is heated in a closed container in either an oxygen-starved or oxygen free environment. This product consists of high phosphorus, potassium, magnesium, and carbon values and can hold 2.5 times its volume in moisture. This product has superior nutrient-retention properties and is more valuable for improving stability in soil compared to biochar. Ecochar, considered the premium version of biochar, can increase crop yields, boost agriculture, and has a variety of other uses, including animal feed supplements, bedding, and use as a water filtration medium.

### Waste reduction collaborations

Almarai has been working with packaging suppliers, recyclers, plastics manufacturer, National Center for Waste Management (MWAN), and Saudi Investment Recycling Company (SIRC) to reduce waste at source and divert most waste away from landfill. In addition, Almarai has been working with other businesses from FMCG, plastics manufacturing and recycling sectors at KSA Packaging Working Group under the Federation of Saudi Chambers to engage with MWAN and SIRC to divert more waste from landfills.

## Progress on our strategic goals and targets

Achieved  On-track  Some progress  Limited progress 

Goal/Target	Progress
Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)	



Protecting the Planet

# Sustainable agriculture

“ We are working to make sure that our agricultural practices are regenerative every day. ”

## Our approach

Almarai's dedication to sustainability is noticeable through our operations at Fondomonte, our arable farms situated in Argentina and the United States. We prioritize the production of top-quality feed for our dairy herds in Saudi Arabia while upholding sustainable agricultural practices. We implement optimal land-use practices to enhance land productivity on our arable farms and actively pursue regenerative farming practices wherever feasible. These practices contribute to the long-term sustainability of our arable farms by enhancing soil health and vitality, increasing carbon sequestration, and fostering ecological biodiversity. In California, we have implemented a land conservation program, where 15% of the land is left fallow at any given time to support soil regeneration. In Argentina, we conduct regular environmental impact assessments on our alfalfa farms and closely monitor the application of fertilizers and pesticides in compliance with local regulations. Furthermore, we maintain ongoing communication with local environmental regulatory bodies in both countries

Our commitment to sustainable farming practices is evidenced by our investments in irrigation infrastructure. In the United States, we have implemented subsurface drip and pivot irrigation in arable farms in Arizona, while in California, we are lining irrigation canals with concrete to reduce water loss. We also ensure that all canals are gravity fed and require no energy for pumping. We are dedicated to monitoring water use in accordance with local regulations and engaging in ongoing dialogue with local water management authorities.

We have implemented strong bio-security procedures, livestock and poultry flock located on multiple sites to reduce risk, disease control and vaccination program are in place along with screening and quarantine of incoming animals. Professional vet group within the farming division ensure large scale losses do not occur. Our arable farms in the United States are dedicated to sustainability and reducing their carbon footprint.

Sustainability is evident in our operations at Fondomonte, our arable farms located in Argentina and the United States. We see to it that we produce the highest quality feed for our dairy herds in Saudi Arabia, while also adhering to sustainable agricultural practices, as evidenced by our investments in irrigation infrastructure and environmentally friendly practices such as transporting feed by train from our farms to port for shipping, sourcing from hydroelectrically generated power sources and using electric irrigation pumps, among others. Furthermore, we take pride in being SHARPs (Safety & Health Achievement Recognition Program) certified, an accreditation program by OSHA (Occupational Safety and Health Administration), which acknowledges small and medium business employers with exemplary safety and health programs that have utilized OSHA's On-Site Consultation program services.



## 2023 performance and initiatives

### Supporting young farmers

We are proud of supporting 4-H (Young Farmers of America), a program initiated by the National Institute of Food and Agriculture within the United States Department of Agriculture. This program is structured to assist young individuals in acquiring expertise and abilities related to agriculture through hands-on projects and activities. Our support plays a vital role in guaranteeing that the upcoming generation of farmers and agricultural experts is well-prepared with the necessary skills and knowledge to thrive in their respective careers. By endorsing 4-H, we contribute to shaping a future filled with skilled and competent professionals in the field of agriculture. We are honored to be involved in this initiative and remain dedicated to ensuring that the succeeding generation of farmers and agricultural experts possesses the essential skills and knowledge for success in their chosen endeavors.

### Almarai honored for Obtaining “Saudi G.A.P” Certificate

The Ministry of Environment, Water and Agriculture, honored Almarai Company for obtaining the Saudi Good Agricultural Practices certificate “Saudi G.A.P”. This came during a ceremony held by the National Committee of Poultry Producers of the Council of Saudi Chambers in the presence of His Excellency the Minister on 12 July 2023, to honor the companies that obtained “Saudi G.A.P” certification for applying several standards of good agricultural practices that will contribute to the sustainability of production and provide healthy and safe food to the consumer, as well as enhance consumer confidence in local poultry products.

### Progress on our strategic goals and targets

Achieved ● On-track ◐ Some progress ◑ Limited progress ○

Goal/Target	Progress
Enhance sustainable practices on our arable farms by 2025	◐



Zero incidents of non-compliance with environmental laws and regulations.



All of our US Sites (Vicksburg in Arizona, Blyth and Calipatria in California) are SHARPs certified for Health and Safety.

# Doing better every day

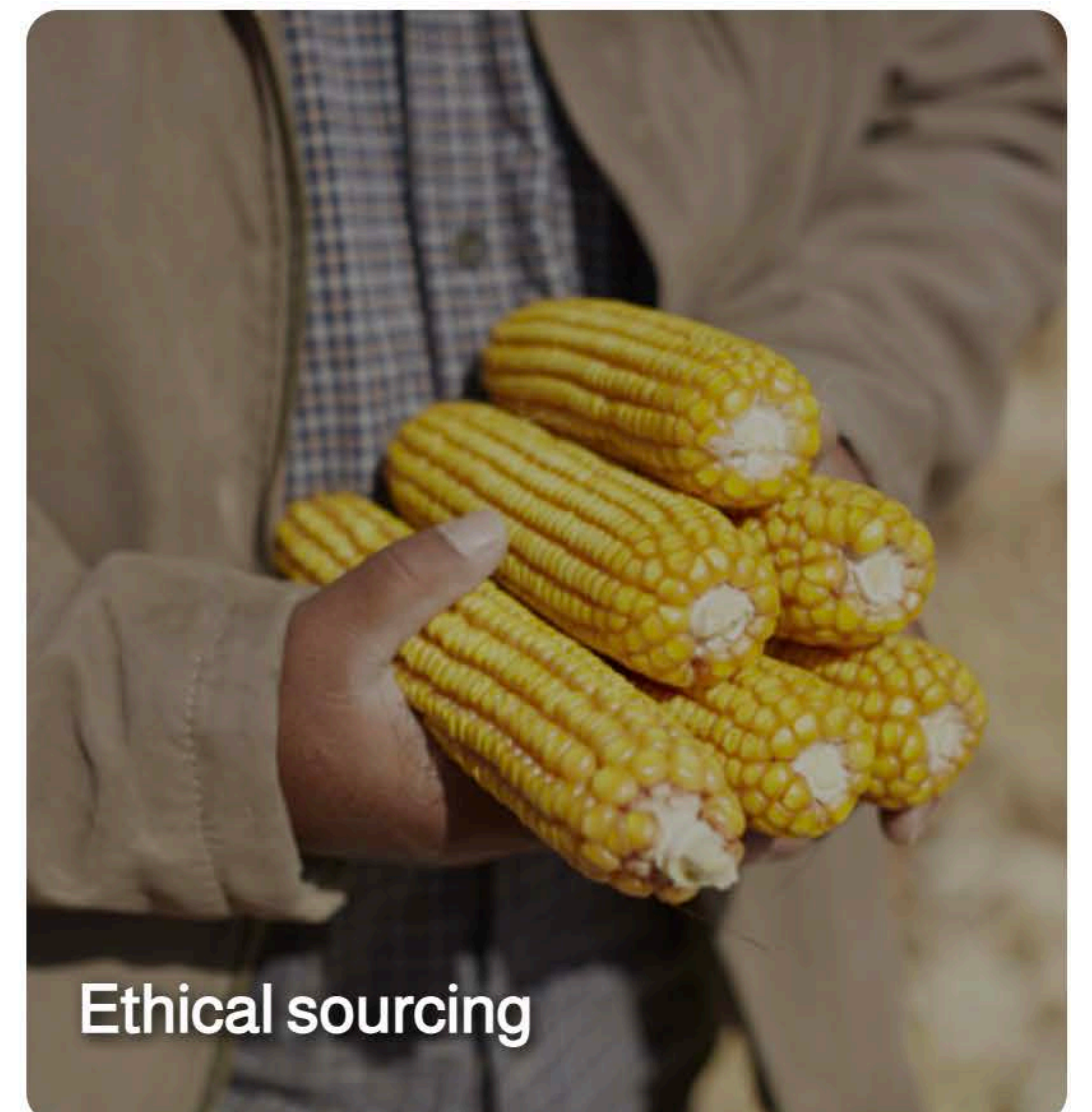
Sustainability Report 2023

Sustainability Management At Almarai®

Producing responsible  
products

# Producing Responsible Products

“ Our promise to deliver ‘Quality you can trust’ and enhance supply chain sustainability every day. ”







Producing Responsible Products

# Quality and food safety

“ We are working to make sure our products are safe and satisfy consumers’ needs every day.”

Among the notable modern technologies implemented in Almarai’s manufacturing facilities and logistics services is the application of fourth generation industry technologies, the latest in logistics & industrial services.

### Our approach

Almarai is dedicated to delivering top-tier products and services to all our consumers and other stakeholders. This commitment is integral to our overarching strategy of continuous improvement. Ensuring quality and Food Safety Culture is a collective effort among our staff, guaranteeing the safety, credibility, and dependability of all our offerings. We uphold this commitment through innovative systems and automation, diverse training initiatives and a comprehensive internal audit structure. Additionally, our systems undergo rigorous verification from globally respected certification and inspection bodies, who conduct both scheduled and unannounced audits and physical assessments at our facilities.

We are dedicated towards food safety and excellence through the attainment of the Food Safety System Certification (FSSC) 22000 across all our operations, a food and management certification acknowledged instrument acknowledged by the Global Food Safety Initiative (GFSI). Moreover, our facilities boast multiple certifications, including the ISO 9001 Quality Management System, ensuring the continual strength of our quality and food safety performance. To uphold this standard, we conduct tailored annual training for our employees, facilitated by renowned international experts such as AIB International and Campden BRI (UK). Furthermore, we have a recognition program to foster the development of our quality culture.

We are committed in our dedication to food safety and quality, and we will persist in ensuring that our products and services are of the highest quality.

### 2023 performance and initiatives

In 2021 we have produced a revised Food Safety and Quality Policy that outlines our commitments and strategy towards maintaining the highest standards of safety and quality in the products we manufacture. As part of this policy, we have continued to commit ourselves to the certifications and management systems that govern our approach and will continue to maintain best practice in line with international guidelines.



## Our highlight stories

### Certification to Global Best Practice

Almarai is dedicated to prioritizing the health, safety, and wellness of our consumers, and we are strongly committed to guaranteeing the safety and nutritional quality of all our food products. After achieving FSSC 22000 Food Safety certification across all manufacturing sites, we had extended the framework to ensure that all site laboratories and relevant methods obtain ISO 17025 certification by the end of 2023. This standard, effective as of July 2023, establishes the general requirements for laboratory competence and testing, serving as the global benchmark for ensuring technical proficiency in consistently producing reliable results. Our Poultry Farming laboratory has already acquired this certification in July 2023, and our ongoing efforts aim to instill absolute confidence in our consumers and customers regarding the highest global standards upheld in our feed, ingredient, and product testing processes.



In addition, we are aiming to extend our existing ISO 14001 Environmental Management System certification to encompass all pertinent manufacturing sites within the company. This certification has already been obtained in our Farming, Sales, Distribution, and Poultry sectors and was effectively upheld last year. The Dairy Juice Foods, Bakery, and Infant Nutrition (DJBI) divisions are set to achieve this certification by the first quarter of 2025. This initiative aligns directly with our overarching sustainability Key Performance Indicators (KPIs) and to producing products in an environmentally responsible manner.

Throughout 2023, we collaborated closely with our primary suppliers to ensure they understand our sustainability objectives and our expectations regarding their obligation to obtain their own food safety certification accredited by the Global Food Safety Initiative (GFSI). Presently, 74% of these suppliers have acquired this certification, thereby uphold the safeguarding of our products and brand reputation.

In 2023, we continued to conduct some of our internal and external food safety audits unannounced, to demonstrate our “Quality you can trust” mindset. We believe this is a true reflection of our continually improving quality and food safety practices to deliver safe products of the highest quality to our consumers. Almarai’s commitment to “Quality you can trust” is also a commitment to continuous improvement, which is envisioned in the principles of our sustainability strategy, “Doing better every day.” We celebrated the annual World Quality Day by reflecting on our achievements to ensure the best quality for our consumers and our ambition to lead the way in every sector we participate in. The theme of “World Quality Week 2023” was “Quality: Realizing Your Competitive Potential,” which we as a business subscribe to. Employees at all levels of the business participated in some activities to reinvigorate the quality mindset and culture and to celebrate our successes.

- 
**Zero incidents** of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.
- 
**Zero number** of recalls.
- 
**100%** of significant product categories covered by and assessed for compliance with product information and labeling procedures.

### Progress on our strategic goals and targets

Goal/Target	Progress
All manufacturing sites will have Global Food Safety Initiative (GFSI) recognized certification by 2025	
All high-risk ingredient suppliers will have Global Food Safety Initiative (GFSI) recognized certification by 2025	

## Producing Responsible Products

# Animal welfare



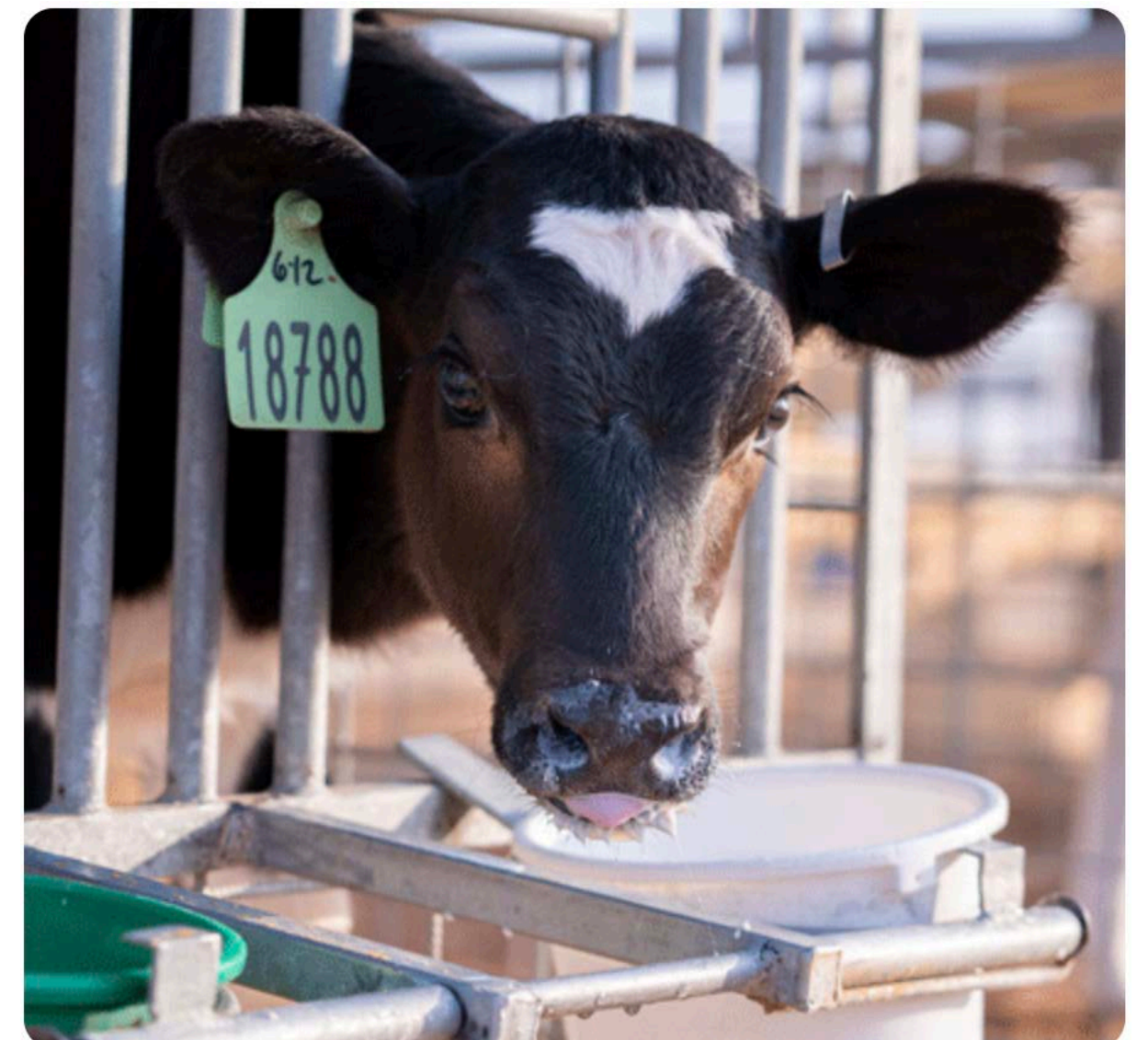
“ We are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day. ”

### Our approach

At our organization, we are devoted to upholding the highest levels of animal wellbeing. We strongly believe that prioritizing animal welfare is an integral aspect of establishing a sustainable business and supply chain. Our approach, termed Doing better every day, guarantees that our customers receive products of superior quality and ethical standards. We are committed to enhancing animal welfare across all facets of our operations, collaborating closely with our teams and partners to consistently elevate our benchmarks. Adhering to the guiding principles set by the World Organization for Animal Health (OIE) and the universally acknowledged 'Five Freedoms' for animals under human care, we ensure the mental and physical health of animals. In the production of our fresh meat, poultry, and eggs, we abide by these five freedoms: freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviors, and freedom from fear and distress.

At Almarai, our dedication to ensuring the wellbeing and health of our livestock is unwavering. We collaborate closely with veterinary organizations to guarantee optimal care for our animals. Our Holstein dairy herds benefit from continuous support from professional veterinary teams, round-the-clock shelter with shade, as well as air cooling and showering throughout the year. We prioritize a nutritious diet specifically tailored to meet the needs of our livestock. To uphold the highest product quality, we carefully source feed from well-managed locations and ensure precise feeding quantities for our animals. Our poultry flocks receive exceptional care, including top-notch husbandry and nutrition. In our broiler farms, we employ a distinctive air filtration system, house broilers in climate-controlled barns, and provide them with a nutritious diet. Notably, we refrain from using cages on any of our poultry farms at Almarai.

Our top priority is the wellbeing of our animals, and we have implemented a thorough health plan to safeguard the health of our cows and chickens. Rather than relying on therapeutic antimicrobials as a substitute for proper management, our approach emphasizes effective vaccination, excellent animal husbandry, and optimal hygiene practices. In cases where treatment is necessary, our cows and chickens receive care based on best practices and evidence-based treatment protocols. They are temporarily removed from production until they fully recover. It is worth noting that no antimicrobials are utilized in the treatment of broiler chickens.



## 2023 performance and initiatives

### Our highlight stories

In 2023, we reinforced our commitment to animal welfare by unveiling our Animal Welfare Policy. This policy serves as a transparent account of our initiatives to ensure the wellbeing of all livestock and animals under our supervision, guarding against any malpractice and striving to provide optimal living conditions. To underscore our dedication to animal welfare, we have taken proactive measures to meet the NSF Global Animal Wellness Standards. This includes updating our standard operating procedures, conducting training sessions for on-site employees, establishing an Animal Welfare team, and aligning our record-keeping practices with these standards. Consequently, all our dairy and poultry farms have obtained certification from NSF International, meeting the requirements of the International Animal Wellness Standard.

Almarai is committed to being a leader in animal welfare within the sector and has garnered recognition for its efforts. It has achieved a significant milestone by becoming the first globally certified according to International Animal Wellness standards for dairy farms and operations. Additionally, it holds the distinction of being the first in Saudi Arabia to receive certification for poultry hatchery, transport, and operation. To further bolster the local veterinary community, Almarai has extended its cooperation and partnership agreement with the Saudi Veterinary Medical Association, slated to continue until 2024. This agreement includes the exclusive sponsorship of the "Almarai Veterinary Medicine Award for the Gulf Cooperation Council Countries," valued at five hundred thousand Saudi riyals (500,000 SAR) annually. Launched in 2009, this award has recognized 62 winners to date, with numerous veterinary doctors and researchers contributing to the advancement of the Saudi veterinary medical field. Almarai remains dedicated to supporting these professions and enhancing the local community.

### Animal Welfare accreditation

Almarai stands firm on our commitments to safeguarding the health and wellbeing of all animals within its care, as this impacts not only on the animal's quality of life, but also on the quality and safety of the food we produce. We believe that implementing internationally recognized principles for animal welfare is part of our license to operate as a leading food and beverages company. We obtained the Certificate of Conformance to the Animal Welfare Policy in March 2023.

### Progress on our strategic goals and targets

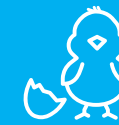
Goal/Target	Progress
Achieve global animal welfare certification for our dairy and poultry farming operations by 2025	<div style="width: 10%;"></div>



**Zero incidents of non-compliance** with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices.



**100% of cows** in enclosed housing with resting areas and 100% of chickens in enclosed cage free housing.



**172,000 cows** in our herd in Saudi Arabia and 198 million chickens raised.



**1<sup>st</sup> company** to achieve global animal welfare certification for our dairy and poultry farming operations.





## Producing Responsible Products

# Ethical sourcing

“ We are working to make sure we take a collaborative approach to elevate sustainability in our supply chain every day. ”

### Our approach


As an industry leader, Almarai remains steadfast in its commitment to sustainability and responsible practices across our entire value chain. Our dedication is evident in our continuous efforts to source products adhering to the highest safety, environmental, and ethical standards. Through the implementation of comprehensive policies and guidelines, we guarantee transparency and eliminate malpractice within our supply chain.

We hold our suppliers to a high standard, requiring adherence to our risk assessments and Supplier Code of Conduct, as well as transparent information provided through self-assessment questionnaires. Furthermore, we actively invest in and collaborate with local communities to advocate for improved labor practices, bolster economic resilience, promote sound agricultural methods, and uphold ethical standards. The essence of our "Doing better every day" vision is ingrained in our organizational culture, reflecting our unwavering commitment to safeguarding and respecting human rights within the intricacies of our supply chain.

As a socially responsible corporate entity, our commitment to upholding the highest ethical standards in our supply chain remains unwavering. In the fiscal year 2023, we have continued our efforts to ensure supplier compliance through the publication of our ethical sourcing policy, providing transparent insight into our approach. Additionally, we have updated our initiatives by introducing a supplier self-assessment questionnaire to evaluate suppliers' adherence to environmental, social, and governance standards. Throughout this fiscal year, we have persisted in collaborating closely with our suppliers, emphasizing the importance of signing the code. This ongoing commitment reflects our dedication to fostering best practices and ensuring that all our suppliers align with the utmost ethical standards.

### 2023 performance and initiatives

#### Progress on our strategic goals and targets

Goal/Target	Progress
Put an ethical sourcing process and audit plan in place by 2025	



National Transformation Program

-  100% of purchased volume from suppliers is compliant with company's sourcing policy.
-  100% of purchased volume is verified as being in accordance with credible, internationally recognized responsible production standards.
-  63% of all suppliers engaged are locally based.
-  Zero instances of negative social and/or environmental impacts in the supply chain.

# Doing better every day

Sustainability Report 2023

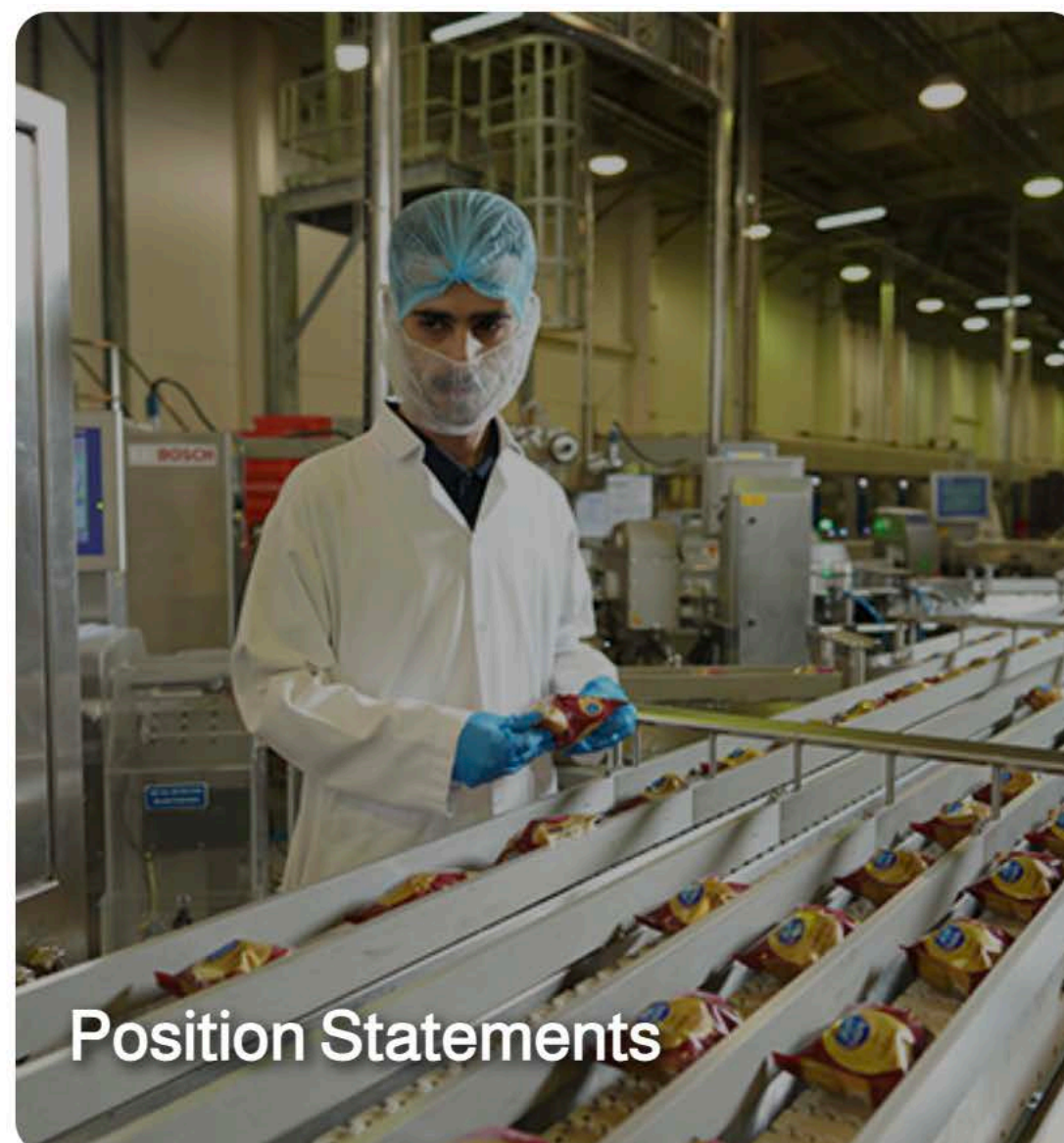
| Our ESG Policies

# Our ESG Policies

“ Almarai is the World’s Largest Vertically Integrated Dairy Company, and the Middle East’s largest food and beverages manufacturer and distributor serving more than 42 million consumers in the Arabian Gulf region. ”

Due to our geographic and economic scale, we are uniquely placed to enhance sustainability and build a more resilient and equal future for all. While continuing to navigate through challenges with strength and resilience, we continued to work tirelessly towards the 25 sustainability targets under our Doing better everyday strategy that are aligned with the Saudi Vision 2030 and the United Nations Sustainable Development Goals.

In our stride to bring transparency in everything we do, we recently published ESG policies and position statements covering our aspirations on animal welfare, climate change, community investment, energy, environmental impacts of packaging, ethical sourcing, environmental policy, human rights, responsible marketing, and water stewardship.”



# ESG Policies







Our ESG Policies

# Animal Welfare



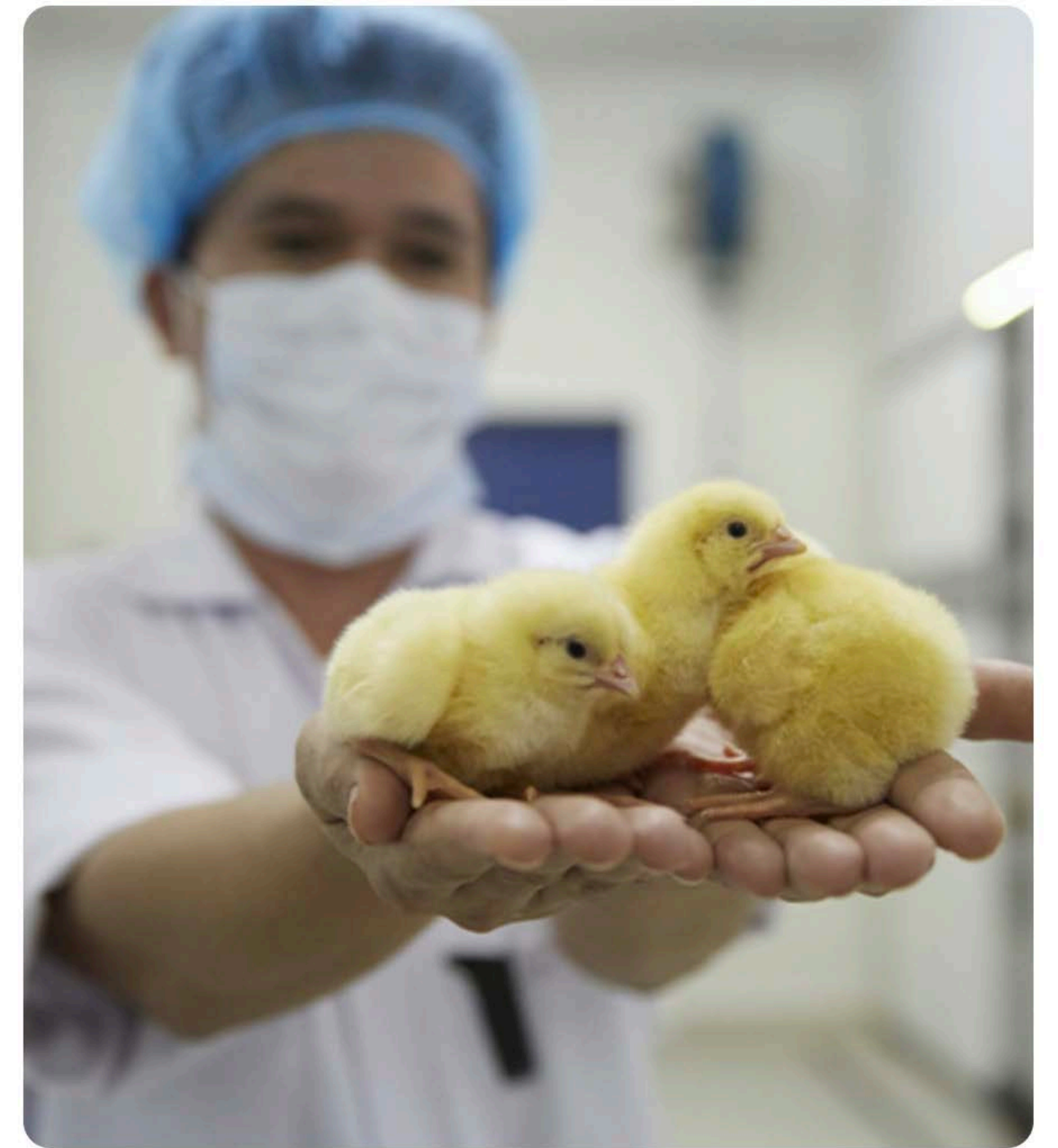
“ Almarai is dedicated to safeguarding the health and wellbeing of all animals within its care, as this impacts not only the animal’s quality of life, but also the quality and safety of the food we produce. We believe that implementing internationally recognized principles for animal welfare is part of our license to operate as a leading food and beverage company. ”

This Animal Welfare Policy from Almarai Company (“Almarai”) applies to the Almarai Farming Division and Poultry Business Unit on the rearing, treatment, and transport of cows and poultry. The commitments in this Policy Statement are in addition to all applicable legal requirements.

Almarai is dedicated to safeguarding the health and wellbeing of all animals within its care, as this impacts not only the animal’s quality of life, but also the quality and safety of the food we produce. We believe that implementing internationally recognized principles for animal welfare is part of our license to operate as a leading food and beverage company.

## Almarai continues to adopt leading best practices and is committed to principles listed below:

One of the key aspects of our Quality Management System is our commitment to continuous improvement, and we recognize that the principles of our sustainability strategy, “Doing better every day”, are perfectly aligned to this. As we celebrated World Quality Day 2021, we reflected on our achievements in ensuring the best quality to our consumers and on our ambition to lead the way in our sector. To raise awareness on Almarai’s approach to quality, we communicated our achievements in our three sustainability pillars, “Caring for People”, “Protecting the Planet”, and “Producing Responsible Products”. We followed our internal communication activities with online quizzes that led to a high level of employee engagement.



1 All manufacturing sites will have Global Food Safety Initiative (GFSI) recognized certification by 2025.

2 Humane animal handling and care with zero tolerance on any animal abuse, mistreatment, neglect, or negligence at operational levels of live animal supply chain.

3 Ensure the following Five Freedoms are achieved through systematic process approach.

- A . Freedom from hunger, thirst, and malnutrition
- B . Freedom from fear and distress
- C . Freedom from physical and thermal discomfort
- D . Freedom from pain, injury, and diseases
- E . Freedom to express its innate pattern of behavior

4 Provide animals with a high-quality diet without the use of growth hormones.

5 Require all employees to be competent in humane handling, aware of their responsibilities towards Animal welfare, and comply with applicable laws and regulations

Almarai will communicate the Animal Welfare Policy to all employees and stakeholders and ensure it is freely available to the wider community. This policy will be reviewed and updated as required.

This policy, supported by Almarai's Farming Division and Poultry Business Unit, will be applied to all relevant operations within Almarai.

[Download Policy](#) 

Our ESG Policies

# Community Investment



“ This policy outlines our community investment principles and governs the selection and management of our community investment initiatives. It provides guidance to entities who are seeking to receive support from Almarai. Almarai is committed to communicating openly and transparently to our stakeholders on our community impact, and we report on our community investment initiatives on an annual basis in the Almarai Sustainability Report. ”

This Community Investment Policy from Almarai Company (“Almarai”) applies to all Almarai community investment activities across the Gulf Cooperation Council (GCC) countries. Entities requesting support shall respect Almarai’s Code of Conduct1.

This policy outlines our community investment principles and governs the selection and management of our community investment initiatives. It provides guidance to entities who are seeking to receive support from Almarai. Almarai is committed to communicating openly and transparently to our stakeholders on our community impact, and we report on our community investment initiatives on an annual basis in the Almarai Sustainability Report.

**Almarai shall give preference to projects, organizations, and events that most closely align with our sustainability commitments to**

- 1 Support projects, organizations, and events that develop skills, promote a healthy lifestyle, and create a lasting impact on communities.
- 2 Provide grants, financial support, nonfinancial support, and product donations to entities to support the delivery of a specific community-based projects.
- 3 Support registered, approved, and audited charities and student groups (under the supervision of the educational institution), non-profit organizations and schools, and civil-society organizations located inside the GCC.



4 Reject projects, organizations, events, or campaigns that could harm Almarai's reputation.

5 Provide exceptions on a case-by-case basis at Almarai's discretion

Almarai will communicate the Community Investment Policy to all its employees and external stakeholders, and ensure it is freely available to the wider community. This policy will be reviewed and updated as required.

This policy, supported by Corporate Marketing Division, will be applied to all community investment activities of Almarai.

See Almarai's [Code of Conduct](#) for more information on the principles and standards we strive to achieve as a company.

Download Policy 



Our ESG Policies

# Energy



“ This Energy Policy applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each Almarai, an Almarai Entity). ”

The purpose of this policy is for Almarai to optimize energy use, improve cost-effectiveness and productivity, enhance working conditions, reduce greenhouse gas emissions, and be sustainable.

Almarai is committed to efficient use of energy to produce and deliver world class products and services to our customers. We are committed to responsible energy use and will practice energy efficiency in all operations and processes, wherever it is cost effective to do so.

### To implement this policy, we shall:

- 1 Achieve and maintain compliance with applicable legal and other requirements pertaining to energy efficiency, energy use, and energy consumption.
- 2 Develop and implement a framework for setting and reviewing energy management objectives and targets that aligns with the Almarai’s 2025 Sustainability Strategy for energy and climate change.
- 3 Ensure the availability of information and necessary resources to achieve the objectives and energy targets.
- 4 Ensure the continual improvement of Almarai’s energy performance and the energy management system in a manner that supports and compliments Almarai’s overall business purpose and strategy.



5 Consider energy efficiency as a factor in the design and procurement of products and services that may impact Almarai's energy performance.

6 Encourage a culture of energy awareness and conservation within employees, suppliers, and subcontractors by active communication of energy performance and opportunities for improvement.

Almarai will communicate the Energy Policy to all its employees and interested parties, and ensure it is freely available to the wider community. This policy will be reviewed and updated as required.

This policy, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai.

[Download Policy](#) 

## Our ESG Policies

# Environmental



“ We at Almarai are committed to responsible stewardship of resources in relation to our Activities, Products and Services, without compromising the ‘Quality you can trust’ commitment to all Stakeholders. The implementation of internationally recognized principles and global best practices is a part of our mandate to continually improve our environmental performance as a leading food and beverage company. ”

This Environmental Policy applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and existing under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each such entity, including Almarai, an Almarai Entity).

We at Almarai are committed to responsible stewardship of resources in relation to our Activities, Products and Services, without compromising the ‘Quality you can trust’ commitment to all Stakeholders. The implementation of internationally recognized principles and global best practices is a part of our mandate to continually improve our environmental performance as a leading food and beverage company. Almarai’s key environmental focus areas are thus: energy management and climate change, waste management, water management, pollution prevention, and biodiversity management.

### Almarai committed to:

- 1 Identifying and implementing opportunities for environmental sustainability.
- 2 Engaging employees through motivation, educating and training on environmental matters and promoting an environmental responsible culture through dialogue, also with suppliers, contractors, customers and other interested parties.
- 3 Managing identified environmental risks by setting realistic and achievable objectives and targets to drive continual improvement of Almarai’s environmental management system in order to enhance the environmental performance.



4 Preventing pollution and protecting the environment and natural biodiversity.

5 Complying with all applicable environmental laws and regulations.

6 Minimizing resource consumption and waste of raw materials, product and packaging, and to improve the efficient use of resources.

This policy, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai.

[Download Policy](#) 



## Our ESG Policies

# Ethical Sourcing



“ This Ethical Sourcing Policy from Almarai Company (“Almarai”) sets forth the principles and standards we strive to achieve and describes our expectations for supplier adherence. ”

It applies to all suppliers of goods and services, and their associated employees, agents and/or subcontractors, who do business with or on behalf of Almarai (“suppliers”). All suppliers are responsible for ensuring their practices are consistent with the practices herein.

### Almarai will continue to adopt ethical practices:

- 1 To conduct business in accordance with Almarai’s Code of Conduct1.
- 2 For suppliers to comply with all applicable laws and regulations relating to anti-corruption and anti-bribery to protect the confidential and non-public information of Almarai.
- 3 For suppliers to prohibit unlawful employment of children under the legal age of work.
- 4 For suppliers provide fair treatment to all employees and shall not engage in unlawful discrimination, harassment, or abuse of any kind.
- 5 For suppliers to provide employees compensation with wages and comply with all applicable laws and regulations regarding maximum working hours.
- 6 To encourage suppliers to go beyond the legal requirements and implement plans to reduce the use of natural resources.



- 7 For suppliers to comply with all applicable environmental laws and regulations.
- 8 For suppliers to manage the health and safety risks and enable a safe and hygienic workplace that complies with all applicable laws.
- 9 To demonstrate that product safety and quality management systems comply with all applicable food safety laws and regulations.
- 10 To evaluate and treat suppliers fairly without taking into consideration any non-business considerations.

Almarai will communicate the Ethical Sourcing Policy to all its employees and external stakeholders, and ensure it is freely available to the wider community. This policy will be reviewed and updated as required.

This policy, supported by Supply Chain Division, will be applied to all business operations and services carried out by Almarai.

See Almarai's [Code of Conduct](#) for more information on the principles and standards we strive to achieve as a company.

[Download Policy](#) 

## Our ESG Policies

# Human Rights



“ Almarai is dedicated to respecting and protecting the human rights of its employees, workers in its value chain, and members of the communities in which it operates. This policy sets forth the principles and standards that Almarai is committed to. ”

Almarai is dedicated to respecting and protecting the human rights of its employees, workers in its value chain, and members of the communities in which it operates. This policy sets forth the principles and standards that Almarai is committed to.

This Human Rights Policy applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and existing under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each such entity, including Almarai, an Almarai Entity).

Almarai is dedicated to respecting and protecting the human rights of its employees, workers in its value chain, and members of the communities in which it operates. This policy sets forth the principles and standards that Almarai is committed to.

### Almarai will continue adopting leading practices to:

- 1 Prohibit the unlawful employment of children under the legal age of work.
- 2 Ensure fair opportunity and treatment of all employees and candidates with no acts of discrimination, harassment, or abuse of any kind.
- 3 Provide employees compensation with timely wages and comply with all applicable laws and regulations with respect to legal working hours.
- 4 Prohibit forced or compulsory labor, meaning any work or service performed under coercion or without consent by the person concerned.



5 Subject to and in accordance with applicable law, Almarai respects our employees' rights for freedom of association and collective bargaining, without fear of reprisal, intimidation, or harassment. In locations where trade unions and/or collective bargaining is limited by law, Almarai has instituted communication mechanisms between employees and management.

Almarai will communicate the Human Rights Policy Statement to all its employees and stakeholders, and ensure it is freely available to the wider community. This policy will be reviewed and updated as required.

This policy, supported by the Human Resources Division, will be applied to all business operations and services carried out by Almarai.

[Download Policy](#) 



Our ESG Policies

# Responsible Marketing



“ This Responsible Marketing Policy from Almarai Company (“Almarai”) applies to all marketing and communications aimed at consumers. ”

This covers marketing and communications including but not limited to television, radio, outdoor, print, digital including company-owned websites and third-party websites, social media, apps and online games, direct marketing, sponsorships, and all other forms of communication including packaging.

This Responsible Marketing Policy is supported and reinforced by the Almarai Executive Leadership Team, overseen, and governed by the Marketing and Communication Teams, and implemented across the organization through the direct support of employees.

## Communications on responsible marketing principles shall:

- 1 Respect the ethics and values particular to consumers in that country.
- 2 Provide information to the intended audience in a transparent manner.
- 3 Prohibit the promotion of compulsive snacking.
- 4 Promote marketing to adults who make household purchasing decisions (gatekeepers) and young people (persons aged 12 and over).
- 5 Portray accurate information on products that is comprehensible by the audience.



6 Depict children in marketing communications, if relevant, and ensure that children are in safe physical and social environments.

7 Endorse selective initiatives that encourage healthy and active lifestyles.

8 Promote products that meet the health and taste preferences of the student population at schools.

9 Create selective branded educational programs.

Almarai will communicate the Responsible Marketing Policy to all its relevant employees and external stakeholders. This policy will be reviewed and updated as required.

This policy is governed by the Corporate Marketing Division.

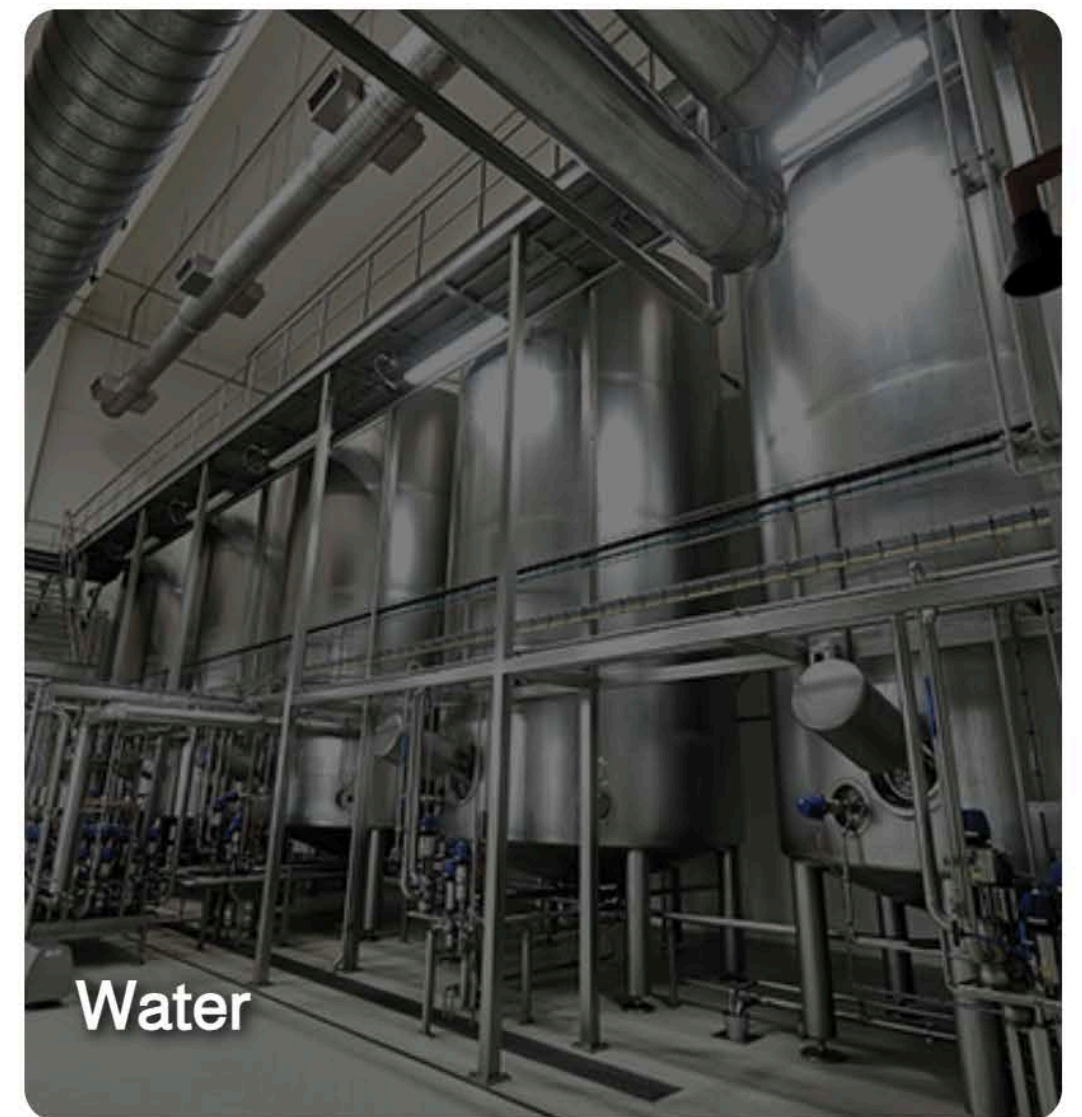
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# Doing better every day

Sustainability Report 2023

| Position Statements

# Position Statements







Position Statements

# Climate Change



“ Greenhouse gas (GHG) emissions have changed the composition of our atmosphere and climate. The changing climate affects society and ecosystems in various ways. Industrialized food systems emit GHGs as large amounts of energy are required to produce fertilizers, and to process, package, transport, and preserve food. ”

This Climate Change Position Statement applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and existing under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each such entity, including Almarai, an Almarai Entity).

Greenhouse gas (GHG) emissions have changed the composition of our atmosphere and climate. The changing climate affects society and ecosystems in various ways. Industrialized food systems emit GHGs as large amounts of energy are required to produce fertilizers, and to process, package, transport, and preserve food.

The purpose of this position statement is for Almarai to implement more sustainable solutions to reduce our emissions. To do so, our strategies focus on four main themes:



Energy efficiency	Clean energy	Energy culture	Refrigeration
<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to manage energy use and improve energy efficiency across our operations and transport networks.</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to implement clean energy solutions. Our current focus is on building onsite solar power generation systems across our operations.</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to build awareness across our business to drive positive behavioral change.</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to switch our refrigeration systems to CFC (chlorofluorocarbons)-free alternatives. Continuing to deploy refrigerants with lower global warming potentials.</li> </ul>

Almarai will communicate the Climate Change Position Statement to all its employees and interested parties, and ensure it is freely available to the wider community. This position statement will be reviewed and updated as required.

This position statement, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai.

[Download Statement](#) 



Position Statements

# Environmental Impact of Packaging



“ The purpose of this position statement is to share the global concerns about the impact packaging waste has on the environment and Almarai is prepared to play its part to address this challenge. This requires a holistic approach to understand how consumers use our products in conjunction with the requirements within the supply chain. ”

This Environmental Impact of Packaging Position Statement applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and existing under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each such entity, including Almarai, an Almarai Entity).

Packaging is essential to protecting and preserving the quality and safety of our products for consumers. Today’s food and beverage packaging prevents spoilage and food waste whilst enhancing shelf life. It helps to maintain the taste and freshness of our products and provides important nutritional information to help consumers make more informed choices. Single-use plastic packaging, both lightweight and high performing, helps to increase the overall efficiency through the entire supply chain.

The purpose of this position statement is to share the global concerns about the impact packaging waste has on the environment and Almarai is prepared to play its part to address this challenge. This requires a holistic approach to understand how consumers use our products in conjunction with the requirements within the supply chain.

Our strategic approach to address the challenge is based on: Remove and Reduce, Re-use, Recycle, Review, and Re-imagine.



Remove and Reduce	Re-Use	Recycle	Review and Re-Imagine
<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to remove unnecessary packaging completely or where this is not possible, to reduce the amount of packaging used without compromising food safety and quality. We actively work to eradicate hard to recycle plastics with recyclable plastics in our packaging materials.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing the use of re-usable tertiary packaging to transport goods through the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to utilize recycled content in our corrugated board and secondary and tertiary packaging. We will develop and validate use of recycled HDPE and PET initially for nonfood contact use.</li> </ul>	<ul style="list-style-type: none"> <li>Through the continuous review and re-design of our packaging, we apply the latest design knowledge into our packaging solutions, utilize alternative materials that minimize the use of plastics and design our packaging with the above in mind.</li> </ul>

By taking this 360-degree approach, Almarai will significantly reduce the impact of its packaging within the environment. Almarai will communicate this position statement to all its employees and interested parties, and ensure it is freely available to the wider community. This position statement will be reviewed and updated as required.

This position statement, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai.

[Download Statement](#) 



## Position Statements

# Water



“ As the world’s largest vertically integrated dairy company with operations in areas of varying water risk, we recognize that we have an important role to play in contributing to a water secure future. Effective water management and stewardship are inexorably linked to our business’s long-term viability. Our strategies focus on three main themes: water efficiency, water stewardship, and water culture. ”

This Water Position Statement applies to Almarai Company (“Almarai”), a listed joint stock company, incorporated and existing under the laws of the Kingdom of Saudi Arabia (Almarai), and any of its Controlled entities (each such entity, including Almarai, an Almarai Entity).

Water is a critical input for agricultural production and plays an important role in food security. Agriculture currently accounts for 70% of all freshwater withdrawals<sup>1</sup>. Food production requires adequate water supplies for growing crops, feeding livestock, and processing ingredients. As the world’s largest vertically integrated dairy company with operations in areas of varying water risk<sup>2</sup>, we recognize that we have an important role to play in contributing to a water secure future. Effective water management and stewardship are inexorably linked to our business’s long-term viability. Our strategies focus on three main themes: water efficiency, water stewardship, and water culture.



Water efficiency	Water stewardship	Water culture
<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to improve water efficiency across our operations to reduce withdrawal at source. Our arable farming operations based in the United States, Argentina and Romania, utilize irrigation methods most suitable for the environment. We have invested heavily in irrigation infrastructure since acquiring the farms in the United States. In our all locations of our operations, we monitor water use in line with local regulations and maintain ongoing dialogue with local bodies governing water management.</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to improve our understanding and contribution to water management beyond our direct operations to protect shared water resources. Almarai has been a member of the Alliance for Water Stewardship (AWS) since 2018. Our membership with AWS guides our efforts in achieving good water stewardship practices, contributing to the sustainability of local water resources, and in making continuous improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Identifying and acting on opportunities to build awareness across our business to drive positive behavioral change. Value chain water impact contributions from our supply chain outside of our direct control are priority areas for future investigation.</li> </ul>

By taking this 360-degree approach, Almarai will significantly reduce the impact of its packaging within the environment. Almarai will communicate this position statement to all its employees and interested parties, and ensure it is freely available to the wider community. This position statement will be reviewed and updated as required.

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This position statement, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai. This position statement, supported by the QRHSS&S Division, will be applied to all business operations and services carried out by Almarai

[World Bank, Water in Agriculture](#)

[World Resources Institute, Aqueduct Water Risk Atlas](#)

Download Statement 

# Doing better every day

Sustainability Report 2023

| Performance Data



# Performance Data



## Managing Sustainability at Almarai

### Our sustainability performance

	2020	2021	2022	2023
<b>Number of incidents of non-compliance with environmental laws and regulations</b>	0	0	0	0
GCC	0	0	0	0
USA	0	0	0	0
Argentina	0	0	0	0



**Caring for People**

**Our sustainability performance**

	2020	2021	2022	2023
<b>Nutrition and wellbeing</b> <span style="float: right;">+</span>				
<b>Number of incidents of non-compliance concerning product information and labeling</b>	7	3	0	1
GCC	7	3	0	1
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications</b>	0	0	0	0
GCC	0	0	0	0
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)</b>	100%	100%	100%	100%
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Health and safety</b> <span style="float: right;">+</span>				
<b>Number of employee lost time injuries</b>	180	228	202	195
GCC	153	176	170	188
USA	16	37	15	7
Argentina	11	15	17	0
<b>Contractor lost-time injuries</b>	3	3	5	0
GCC	0	3	5	0
USA	3	0	0	0
Argentina	0	0	0	0



	2020	2021	2022	2023
<b>Employee lost-time injury rate (per 1 mln man-hours)</b>	<b>1.70</b>	<b>2.15</b>	<b>1.76*</b>	<b>1.58</b>
GCC	1.38	1.68	1.50*	1.54
USA	20.00	47.48*	14.71	7.86
Argentina	24.24	28.62	39.47	0.00
<b>Contractor lost-time injury rate (per 1 mln man-hours)</b>				
GCC	0	0.83*	1.28	0.00
USA	37.00	0	0	0
Argentina	0	0	0	0
<b>Hours of employee health and safety training</b>	<b>62,965</b>	<b>167,915</b>	<b>227,229</b>	<b>206,222</b>
GCC	56,582	150,284	222,469	201,595
USA	6,163	17,160	4,456	3,263
Argentina	220	471	304	1,364
<b>Hours of contractor health and safety training</b>	<b>984</b>	<b>19</b>	<b>112</b>	<b>11,576</b>
GCC	0	0	0	8,303
USA	984	16	112	3,263
Argentina	0	3	0	10
<b>Average hours of health and safety training per employee</b>	<b>1.7</b>	<b>4.7</b>	<b>5.9</b>	<b>5.0</b>
GCC	1.5	4.3	5.9	5.0
USA	19.1	45.9	8.0	6.9
Argentina	1.1	2.2	1.4	5.9
<b>Average hours of health and safety training per contractor</b>				
GCC	0	0	0.0	2.65
USA	15.14*	0.24*	1.72*	141.87
Argentina	0.0*	0.05	0.0	0.50
<b>Employee absenteeism rate (%)</b>				
GCC	5.0%	3.1%	7.0%	6.0%
USA	7.0%	12.2%	NIA	8.0%

	2020	2021	2022	2023
Argentina	3.6%	6.7%	6.1%*	5.6%
<b>Employee talent and diversity</b> <span style="float: right;">+</span>				
<b>Number of employees</b>	<b>37,066</b>	<b>35,386</b>	<b>38,351</b>	<b>41,072</b>
GCC	36,534	34,801	37,570	40,370
USA	323	374	557	470
Argentina	209	211	224	232
<b>Male employees</b>	<b>36,198</b>	<b>34,539</b>	<b>37,422</b>	<b>40,025</b>
GCC	35,768	34,059	36,761	39,455
USA	263	310	476	380
Argentina	167	170	185	190
<b>Female employees</b>	<b>868</b>	<b>847</b>	<b>929</b>	<b>1,046</b>
GCC	766	742	809	915
USA	60	64	81	90
Argentina	42	41	39	41
<b>Full time, male employees</b>	<b>36,196</b>	<b>34,449</b>	<b>37,422</b>	<b>40,121</b>
GCC	35,768	34,059	36,761	39,455
USA	261	220	476	476
Argentina	167	170	185	190
<b>Full time, female employees</b>	<b>867</b>	<b>845</b>	<b>929</b>	<b>1,035</b>
GCC	766	742	809	915
USA	59	62	81	81
Argentina	42	41	39	39
<b>Part time, male employees</b>	<b>2</b>	<b>3</b>	<b>5*</b>	<b>2</b>
GCC	0	0	0	0
USA	2	3	5	2
Argentina	0	0	0*	0

	2020	2021	2022	2023
<b>Part time, female employees</b>	1	2	3*	3
GCC	0	0	0	0
USA	1	2	2	2
Argentina	0	0	1*	1
<b>Senior management employees</b>	253	254	274	342
GCC	229	234	253	285
USA	10	8	8	44
Argentina	14	12	13	13
<b>Middle management employees</b>	1,240	1,250	1,296	1,438
GCC	1,190	1,196	1,235	1,373
USA	28	31	40	44
Argentina	22	23	21	21
<b>Non-management employees</b>	35,573	33,882	36,500	39,304
GCC	35,115	33,371	36,082	38,712
USA	285	335	252	418
Argentina	173	176	166	174
<b>New employee hires</b>	2,352	4,521	6,526	6,950
GCC	2,007	4,075	6,195	6,717
USA	323	381	280	175
Argentina	22	65	51	58
<b>New employee hires, age 18-30</b>	1,479	2,826	3,980	3,982
	62.9%	62.5%	61.0%	57.3%
GCC	1,373	2,616	3,826	3,850
	68.4%	64.2%	62%	57%
USA	90	163	109	78
	27.9%	42.8%	39%	45%
Argentina	16	47	45	54

	2020	2021	2022	2023
	72.7%	72.3%	88%	93%
<b>New employee hires, age 31-50</b>	<b>763</b>	<b>1,625</b>	<b>2,493</b>	<b>2,924</b>
	<b>32.4%</b>	<b>35.9%</b>	<b>38.2%*</b>	<b>42.1%</b>
GCC	627	1,440	2,348	2,846
	31.2%	35.3%	37.9%	42.4%
USA	131	167	139	74
	40.6%	43.8%	49.6%	42.3%
Argentina	5	18	6	4
	22.7%	27.7%	11.8%	6.9%
<b>New employee hires, age 51+</b>	<b>110</b>	<b>70</b>	<b>50</b>	<b>44</b>
	<b>4.7%</b>	<b>1.5%</b>	<b>0.8%</b>	<b>0.6%</b>
GCC	7	19	21	21
	0.3%	0.5%	0.3%	0.3%
USA	102	51	29	23
	31.6%	13.4%	10.4%	13.1%
Argentina	1	0	0	0
	4.5%	0.0%	0%	0%
<b>New employee hires, male</b>	<b>2,214</b>	<b>4,410</b>	<b>6,354</b>	<b>6,719</b>
	<b>94.1%</b>	<b>97.5%</b>	<b>97.4%</b>	<b>96.7%</b>
GCC	1,932	4,006	6,060	6,522
	96.3%	98.3%	98%	97%
USA	263	346	258	150
	81.4%	90.8%	92.1%	85.7%
Argentina	19	58	36	47
	86.4%	89.2%	70.6%	81.0%
<b>New employee hires, female</b>	<b>138</b>	<b>267</b>	<b>169</b>	<b>227</b>
	<b>5.9%</b>	<b>5.9%</b>	<b>2.6%</b>	<b>3.3%</b>

	2020	2021	2022	2023
GCC	75	69	135	195
	3.7%	1.7%	2.2%	2.9%
USA	60	191	19	25
	18.6%	50.1%	6.8%	14.3%
Argentina	3	7	15	7
	13.6%	10.8%	29.4%	12.1%
<b>Voluntary employee turnover</b>	<b>2,446</b>	<b>4,568</b>	<b>4,040</b>	<b>4,209</b>
	<b>6.6%</b>	<b>12.9%</b>	<b>10.5%</b>	<b>10.2%</b>
GCC	2,322	4,422	3,892	4,040
	6.4%	12.7%	10.4%	10.0%
USA	111	93	122	149
	34.4%	24.9%	21.9%	31.7%
Argentina	13	53	26	20
	6.2%	25.1%	11.6%	8.6%
<b>Voluntary employee turnover, age 18-30</b>	<b>938</b>	<b>2,917</b>	<b>1,602</b>	<b>1,603</b>
	<b>38.3%</b>	<b>63.9%</b>	<b>39.7%</b>	<b>38.1%</b>
GCC	874	2,832	1,523	1,612
	37.6%	64.0%	39.1%	39.9%
USA	56	53	54	69
	50.5%	57.0%	44.3%	46.3%
Argentina	8	32	25	18
	61.5%	60.4%	96.2%	90.0%
<b>Voluntary employee turnover, age 31-50</b>	<b>1,338</b>	<b>2,976</b>	<b>2,272</b>	<b>2,314</b>
	<b>54.7%</b>	<b>65.1%</b>	<b>56.2%</b>	<b>55.0%</b>
GCC	1,301	2,931	2,219	2,247
	56.0%	66.3%	57.0%	55.6%
USA	32	24	52	65

	2020	2021	2022	2023
	28.8%	25.8%	42.6%	43.6%
Argentina	5	21	1	2
	38.5%	39.6%	3.8%	10.0%
<b>Voluntary employee turnover, age 51+</b>	<b>170</b>	<b>270</b>	<b>166</b>	<b>197</b>
	<b>7.0%</b>	<b>5.9%</b>	<b>4.1%</b>	<b>4.7%</b>
GCC	147	254	150	181
	6.3%	5.7%	3.9%	4.5%
USA	23	16	16	16
	20.7%	17.2%	13.1%	10.7%
Argentina	0	0	0	0
	0%	0%	0%	0%
<b>Voluntary employee turnover, male</b>	<b>2,379</b>	<b>4,449</b>	<b>4,020</b>	<b>4,104</b>
	<b>97.3%</b>	<b>97.4%</b>	<b>99.5%</b>	<b>97.5%</b>
GCC	2,271	4,335	3,892	3,959
	97.8%	98.0%	100%	98%
USA	98	61	110	127
	88.3%	65.6%	90.2%	85.2%
Argentina	10	53	18	18
	76.9%	100.0%	69.2%	90.0%
<b>Voluntary employee turnover, female</b>	<b>67</b>	<b>95</b>	<b>89</b>	<b>90</b>
	<b>2.7%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.1%</b>
GCC	51	87	69	81
	2.2%	2.0%	1.8%	2.0%
USA	13	8	12	22
	11.7%	8.6%	9.8%	14.8%
Argentina	3	0	8	2
	23.1%	0.0%	30.8%	10.0%

	2020	2021	2022	2023
<b>Female employment rate (%)</b>	2.3%	2.4%	2.4%	2.5%
GCC	2.1%	2.1%	2.2%	2.3%
USA	18.6%	17.1%	14.5%	19.1%
Argentina	20.1%	19.4%	17.4%	17.7%
<b>Women in senior management</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>13</b>
	2.8%	2.0%	4.4%	3.8%
GCC	2	1	1	3
	0.9%	0.4%	0.4%	1.1%
USA	3	2	3	2
	30.0%	25.0%	37.5%	4.5%
Argentina	2	2	8	8
	14.3%	16.7%	61.5%	61.5%
<b>Women in middle management</b>	<b>33</b>	<b>39</b>	<b>49</b>	<b>50</b>
	2.7%	3.1%	3.8%	3.5%
GCC	26	29	32	41
	2.2%	2.4%	2.6%	3.0%
USA	3	6	12	8
	10.7%	19.4%	30.0%	18.2%
Argentina	4	4	5	5
	18.2%	17.4%	23.8%	23.8%
<b>Women in non-management positions</b>	<b>828</b>	<b>803</b>	<b>867</b>	<b>995</b>
	2.3%	2.4%	2.4%	2.5%
GCC	738	712	776	871
	2.1%	2.1%	2.2%	2.2%
USA	54	56	58	88
	18.9%	16.7%	23.0%	21.1%
Argentina	36	35	33	36

	2020	2021	2022	2023
	20.8%	19.9%	19.9%	20.7%
<b>Board seats occupied by women</b>	<b>1*</b>	<b>1*</b>	<b>1*</b>	<b>1</b>
	11.1%*	11.1%*	11.1%*	11.1%
GCC	0	0	0	0
	0%	0%	0%	0%
USA	0	0	0	0
	0%	0%	0%	0%
Argentina	1	1	1	1
	20.0%	20.0%	20.0%	20.0%
<b>Number of employees with a disability</b>	<b>421</b>	<b>404</b>	<b>415</b>	<b>411</b>
GCC	421	404	415	411
USA	0	0	0	0
Argentina	0	0	0	0
<b>Number of formal incidents of discrimination reported</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GCC	0	0	0	0
USA	0	0	0	0
Argentina	0	0	0	0
<b>Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GCC	0	0	0	0
USA	0	0	0	0
Argentina	0	0	0	0
<b>Number of female employees entitled to maternity leave</b>	<b>428</b>	<b>561</b>	<b>449</b>	<b>86</b>
GCC	360	352	375	0
USA	28	169	36	46
Argentina	40	40	38	40
<b>Number of female employees that took parental leave</b>	<b>43</b>	<b>45</b>	<b>61</b>	<b>63</b>
GCC	38	34	55	55
Argentina	NIA	3	10	4



	2020	2021	2022	2023
USA	2	1	2	3
Argentina	3	10	4	5
<b>Number of female employees that returned to work in the reporting period after parental leave ended</b>	<b>36</b>	<b>33</b>	<b>56</b>	<b>59</b>
GCC	34	29	50	52
USA	2	1	2	2
Argentina	0	3	4	5
<b>Number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>	<b>36</b>	<b>24</b>	<b>56</b>	<b>60</b>
GCC	34	23	50	52
USA	2	0	2	3
Argentina	0	1	4	5
<b>Female employee return to work rate of employees that took parental leave (%)</b>	<b>84%</b>	<b>73%</b>	<b>92%</b>	<b>94%</b>
GCC	89%	85%	92%*	95%
USA	100%	100%	100%	67%
Argentina	0%	30%	100%*	100%
<b>Female employee retention rate of employees that took parental leave (%)</b>	<b>84%</b>	<b>53%</b>	<b>92%</b>	<b>95%</b>
GCC	89%	68%	92%*	95%
USA	100%	0%	100%	100%
Argentina	0%	10%	100%	100%
<b>Total hours of training provided</b>	<b>407,612</b>	<b>295,100*</b>	<b>468,117</b>	<b>507,551</b>
GCC	399,698	275,596	454,885	496,819
USA	6,514	12,042	4,568	5,265
Argentina	1,400	7,462	8,664	5,467
<b>Average hours of training per employee</b>	<b>11.0</b>	<b>8.3</b>	<b>12.2</b>	<b>12.4</b>
GCC	10.9	7.9	12	12.3
USA	20.2	32.2	8	11.2
Argentina	6.7	35.4	39	23.6
<b>Percentage of employees receiving regular performance and career development reviews (%)</b>				

	2020	2021	2022	2023
GCC	100%	100%	100%	100%
USA	NIA	100%	100%	100%
Argentina	NIA	3%	20%	35%
Learning and development programs (GCC only)	1,365	1,681	572	831
Number of Almarai Academy participants (National and non-national)	388	863	459	638
Number of Almarai Driving School participants (National and non-national)	977	818	113	193
Saudization (GCC only)				
Number of Saudi employees	8,653	8,626	8,762	9,465
Percentage Saudization among total workforce	27%	25%	23%	23%
Percentage Saudization of middle management	25%	26%	27%	27%
Percentage Saudization of senior management	20%	23%	24%	25%
Number of Saudi female employees	634	608	657	748
Number of Saudi Almarai Academy participants	271	301	1,214	1,465
Number of Saudi Graduate Professional Trainee participants	19	0	25	26
Number of Saudi Almarai Future Leaders participants	0	0	0	0
Number of Saudi Dairy & Food Polytechnic participants	425	227	537	362
Number of Saudi Almarai Driving School participants	91	129	113	119
Total number of Saudi nationals in professional development programs	806	657	1,889	1,972
Ratio of basic salary of women to men				
Senior management (M)	99%	98%	98%	97%
Middle management (E)	99%	99%	99%	99%
Non-management positions (ODS)	100%	100%	101%	101%

### Community Investment +

Total CSR spending (SAR million) - GCC only	35.14	41.55	40.94	50.37
Total CSR spending as a percentage of net profit (%) -GCC only	1.80%	2.66%	2.33%	2.46%
Product donations - GCC only	55,830*	397,925*	781,672*	1,020,264
Number of schools provided with snacks for students	0	63	411	1,530

	2020	2021	2022	2023
Snacks for school children (Number of servings)	0	50,540	354,120	708,890
Number of low income families provided with food baskets	0	1,355	566	639
Number of charities provided with food donations	0	183	318	391
Product donations for charities (Number of servings)	0	345,847	426,668	310,344
Total product servings donated	0	396,387	780,788	1,019,234
Total financial value (SAR million)	0.39	0.53	1.50	5.96
<b>Support for vulnerable groups - GCC only</b>				
Number of lower income couples provided with weddings	0	0	0	0
Number of children at orphanages and charities provided with Iftars	0	0	40	54
Charity, orphanage and other association event sponsorships (Number of beneficiaries)	45	0	0	40
Total financial value (SAR million)	0.01	0.52	0.012	0.02
<b>Support for learning and technical, vocational and education training (TVET) - GCC only</b>				
Number of TVET beneficiaries (Dairy & Food Polytechnic)	425	288	450	525
University student groups sponsored (Number of beneficiaries)	95	188	950	0
Braille booklets (Number of books donated)	0	0	0	0
Dental students grad program in Princess Noura Uni. (Number of students supported)	0*	50*	60	78
Dental student's graduate program in King Saud Uni (Number of students supported)	NIA	78*	60	80
Dental care campaign (Number of schools attended)	0	4	10	54
Almarai site visit program (Number of visitors)	23,089	0	15,655	33,605
Sponsorship of Food Loss and Waste Index and awareness campaign (value in SAR).	0	5,380,815	0	0
Sponsorship of Qaderoon documentary (value in SAR)	135000	0	0	0
Total financial value (SAR million)	31.85	37.1	36	36
<b>Sponsorship of awards - GCC only</b>				
Number of award winners (Veterinarian Award, Scientific Award, Best Mother Award, GCC General Education Award, and Sheikha Latifa)	0	18	10	16
Total financial Value (SAR million)	0.00	3.40	3.40	8.40



## Protecting the Planet

### Our sustainability performance

	2020	2021	2022	2023
<b>Water management</b>				
<b>Water withdrawal (m3)</b>	12,159,498	11,049,898	12,981,506	12,913,791
GCC	12,159,498	11,049,898	12,981,506	12,913,791
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Water recycling and reuse (m3)</b>	3,363,978	2,319,571	2,832,210	2,735,613
GCC	3,363,978	2,319,571	2,832,210	2,735,613
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of water recycled and/or reused (%)</b>	27.7%	21.0%	21.8%	21.2%
GCC	27.7%	21.0%	21.8%	21.2%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Total water consumption (m3)</b>	8,239,288	4,693,366	6,082,047	6,381,364
GCC	8,239,288	4,693,366	6,082,047	6,381,364
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Water discharge (m3)</b>	7,284,188	8,676,103	9,731,669	9,268,040
GCC	7,284,188	8,676,103	9,731,669	9,268,040
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Manufacturing water intensity (m3/metric ton of finished product)</b>				
GCC	5.5	2.3*	3.1*	3.2

	2020	2021	2022	2023
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A

Packaging innovation +				
<b>Percentage of card board coming from recycled materials used as an input material (%)</b>				
GCC	65%	67%	70%	67%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Plastics removed from packaging (tons)</b>				
GCC	440	174	713*	164
GCC	440	174	713	164.00
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Paper removed from packaging (tons)</b>				
GCC	484	312.2	74*	628
GCC	484	312	74	627.50
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Total packaging removed from the consumer waste stream (tons)</b>				
GCC	924	486	788	791.5
GCC	924	486	788	791.50
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A

Climate Change +				
<b>Direct stationary energy usage (in thousands kWh)</b>				
	716,451	669,148	617,619	769,391
GCC	716,450	669,107	617,304	766,784
USA	0	0	0	0
Argentina	1	41	314	2,607.16
<b>Indirect stationary energy usage (in thousands kWh)</b>				
	1,089,202	1,194,497	1,152,349	1,244,020
GCC	1,003,241	1,106,941	1,062,164	1,152,993

	2020	2021	2022	2023
USA	71,268	71,149	77,910	73,524
Argentina	14,693	16,407	12,275	17,503
<b>Total stationary energy usage (direct and indirect, in thousands kWh)</b>	<b>1,805,653</b>	<b>1,863,645</b>	<b>1,769,968</b>	<b>2,013,411</b>
GCC*(excludes transport fuel)	1,719,691	1,776,047	1,679,468	1,919,777
USA	71,268	71,149	77,910	73,524
Argentina	14,694	16,448	12,589	20,110
<b>Total solar energy usage (in thousand kWh)</b>	<b>31,317</b>	<b>40,980</b>	<b>59,949*</b>	<b>76,726</b>
GCC	31,317	40,980	59,949*	76,726
USA	0	0	0*	0*
Argentina	0	0	0*	0
<b>Percentage of electricity consumption from solar (%)</b>				
GCC	2.5%	2.3%	3.7%	4.0%
USA	0%	0%	0%	0%
Argentina	0%	0%	0%	0%
<b>Almarai owned refrigerators in stores (in thousands kWh)</b>	<b>982,890</b>	<b>991,540</b>	<b>1,004,403</b>	<b>1,040,653</b>
GCC	982,890	991,541	1,004,403	1,040,653
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Manufacturing energy intensity (kWh/metric ton of finished product)</b>				
GCC	523.8	560.3	563.8	622.7
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Total vehicle fuel consumption (thousands of liters)</b>	<b>268,207</b>	<b>259,780</b>	<b>290,643*</b>	<b>292,871</b>
GCC	262,306	253,896	286,095*	289,927
USA	4,594	4,546	2,952*	1,819
Argentina	1,306	1,338	640	1,124
<b>Scope 1 (direct) emissions (metric tons CO2e)</b>	<b>788,324</b>	<b>794,241</b>	<b>938,126</b>	<b>967,266</b>

	2020	2021	2022	2023
GCC	780,057	778,938	925,847	958,899
USA	6,550	11,756	7,898	4,668
Argentina	1,718	3,548	4,381	3,699
<b>Scope 2 (indirect) emissions (metric tons CO2e)</b>	<b>810,400</b>	<b>984,406</b>	<b>836,020</b>	<b>895,549</b>
GCC	774,107	947,343	801,084	859,750
USA	30,533	30,633	29,067	27,430
Argentina	5,759	6,431	5,869	8,369
<b>Scope 3 emissions from Almarai refrigerators in stores (metric tons CO2e)</b>	<b>846,008</b>	<b>853,454</b>	<b>864,525</b>	<b>895,727</b>
GCC	846,008	853,454	864,525	895,727
USA	NIA	NIA	NIA	NIA
Argentina	NIA	NIA	NIA	NIA
<b>Total emissions (metric tons CO2e)</b>	<b>2,444,732</b>	<b>2,632,101</b>	<b>2,638,671</b>	<b>2,758,542</b>
GCC	2,400,173	2,579,735	2,591,456	2,714,376
USA	37,083	42,389	36,965	32,098
Argentina	7,476	9,978	10,250	12,068
<b>Manufacturing emissions intensity (metric tons CO2e/metric ton of finished product)</b>				
GCC	0.78*	0.85*	0.90*	0.94*
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Emissions from refrigerant leakage and replacement (metric tons CO2e)</b>	<b>225,443</b>	<b>216,795</b>	<b>137,159*</b>	<b>296,177</b>
GCC	225,346	216,795	137,159*	296,177
USA	NIA	NIA	NIA	NIA
Argentina	97	0	0	0

<b>Waste Management</b> <span style="float: right;">+</span>				
<b>Food waste resold for animal feed (Store returns and operational) (metric tons)</b>	<b>41,081</b>	<b>47,937</b>	<b>51,721</b>	<b>74,848</b>
GCC	41,081	47,937	51,721	74,848

	2020	2021	2022	2023
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Recycled waste (metric tons)</b>	<b>28,777</b>	<b>27,147</b>	<b>52,942</b>	<b>77,853</b>
GCC	28,499	26,894	52,660	77,103
USA	188	212	157	723
Argentina	90	41	125	27
<b>Total waste generated (metric tons)</b>	<b>172,738</b>	<b>157,780</b>	<b>166,091*</b>	<b>232,799</b>
GCC	171,484	157,078	165,177	231,766
USA	1,254	650	760*	987
Argentina	NIA	52	154*	46
<b>Waste sent to landfill (metric tons)</b>	<b>102,970</b>	<b>83,397</b>	<b>81,608</b>	<b>128,232</b>
GCC	101,904	82,948	81,100	127,949
USA	1,066	438	479	264
Argentina	NIA	11	29	19
<b>Percentage of waste sent to landfill (%)</b>	<b>60%</b>	<b>53%</b>	<b>49%</b>	<b>55%</b>
GCC	59%	53%	49%	55%
USA	85%*	67%	63%*	27%
Argentina	NIA	21%	19%*	42%

<b>Sustainable agriculture</b> <span style="float: right;">+</span>				
<b>Number of incidents of non-compliance with environmental laws and regulations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
USA	0	0	0	0
Argentina	0	0	0	1
<b>Arable farming land under production (hectares)</b>	<b>26,810</b>	<b>55,168</b>	<b>25,313</b>	<b>26,263</b>
USA	8,301	36,958	7,690	8,348.62
Argentina	18,509	18,210	17,623	17,914.00





## Producing Responsible Products

### Our sustainability performance

	2020	2021	2022	2023
<b>Quality and food safety</b> <span style="float: right;">+</span>				
<b>Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)</b>				
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services</b>	0	0	0	0
GCC	0	0	0	0
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of recalls</b>	0	0	0	0
GCC	0	0	0	0
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)</b>	100%	100%	100%	100%
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of products which health and safety impacts are assessed for improvement (%)</b>	100%	100%	100%	100%
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Total number of manufacturing plants</b>	11	12	12	14

	2020	2021	2022	2023
GCC	11	12	12	14
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of Food Safety System Certification (FSSC) 22000 certified plants</b>	<b>2</b>	<b>3</b>	<b>12</b>	<b>12</b>
GCC	2	3	12	12
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of Global Food Safety Initiative (GFSI) certified plants</b>	<b>2</b>	<b>12</b>	<b>12</b>	<b>12</b>
GCC	2	12	12	12
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of plants that are GFSI certified (%)</b>	<b>18%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
GCC	18%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of food safety and quality assurance employees</b>	<b>497</b>	<b>519</b>	<b>539</b>	<b>550</b>
GCC	497	519	539	550
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A

<b>Animal welfare</b> <span style="float: right;">+</span>				
<b>Number of cows</b>	<b>171,983</b>	<b>172,012</b>	<b>174,962</b>	<b>167,771</b>
GCC	171,983	172,012	174,962	167,771
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Number of chickens processed</b>	<b>195,846,876</b>	<b>198,001,451</b>	<b>185,873,965</b>	<b>255,164,434</b>
GCC	195,846,876	198,001,451	185,873,965	255,164,434
USA	N/A	N/A	N/A	N/A

	2020	2021	2022	2023
Argentina	N/A	N/A	N/A	N/A
<b>Number of incidents of non-compliance with laws regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic mammals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GCC	0	0	0	0
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of cows in enclosed housing with resting areas (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A
<b>Percentage of chickens in enclosed cage free housing (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
GCC	100%	100%	100%	100%
USA	N/A	N/A	N/A	N/A
Argentina	N/A	N/A	N/A	N/A

<b>Ethical Sourcing</b> <span style="float: right;">+</span>				
<b>Percentage of locally based suppliers engaged (%)</b>	<b>62%</b>	<b>62%</b>	<b>64%</b>	<b>63%</b>
GCC	50%	49%	51%	50%
USA	73%	57%	62%	56%
Argentina	98%	95%	100%k	100%k
<b>Percentage of spending on locally based suppliers (%)</b>				
GCC	38%	40%	35%	44%
USA	87%	76%	76%	84%
Argentina	85%	0%	100%	100%
<b>Total number of suppliers engaged</b>	<b>2,320</b>	<b>2,848</b>	<b>2,704</b>	<b>2,896</b>
GCC	1,645	1,664*	1,768	1,910
USA	183	484	236	286
Argentina	492	700	700*	700
<b>Total number of local suppliers engaged</b>	<b>1,431</b>	<b>1,762</b>	<b>1,742</b>	<b>1,810</b>

	2020	2021	2022	2023
GCC	815	821	895	949
USA	134	276	147	161
Argentina	482	665	700	700
<b>Percentage of purchased volume from suppliers compliant with company's sourcing policy</b>				
GCC	100%	100%	100%	100%
USA	100%	100%	100%	100%
Argentina	NIA	N/A	100%	100%
<b>Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards</b>				
GCC	100%	100%	56%	100%
USA	100%	100%	100%	100%
Argentina	NIA	N/A	10%	10%
<b>New suppliers that were screened using social and/or environmental criteria</b>	<b>42</b>	<b>173</b>	<b>36</b>	<b>38</b>
GCC	0	0	0	15
USA	42	173	36	23
Argentina	NIA	0	0	0
<b>Number of negative social and/or environmental impacts in the supply chain and actions taken</b>	<b>NIA</b>	<b>0</b>	<b>0</b>	<b>0</b>
GCC	NIA	0	0	0
USA	NIA	0	0	0
Argentina	NIA	0	0	0

# Doing better every day

Sustainability Report 2022

| GRI content index



# GRI content index

## GRI Standard

Statement of use	Almarai Company has reported in accordance with the GRI Standards for the period 1st January 2023 to 31st December 2023
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021	
GRI Disclosure	Location and Notes
2-1 Organizational details	<a href="#">About this report</a>
2-2 Entities included in the organization’s sustainability reporting	<a href="#">About this report</a>
2-3 Reporting period, frequency and contact point	<a href="#">About this report</a>
2-4 Restatements of information	<a href="#">Health and safety</a> , <a href="#">Employee talent and diversity</a> , <a href="#">Community investment</a> , <a href="#">Water management</a> , <a href="#">Packaging innovation</a> , <a href="#">Climate change</a> , <a href="#">Waste management</a> , <a href="#">Ethical sourcing</a>
2-5 External assurance	<a href="#">About this report</a>
2-6 Activities, value chain and other business relationships	<a href="#">About this report</a> Annual Report 2023, 86-87
2-7 Employees	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-8 Workers who are not employees	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-9 Governance structure and composition	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-10 Nomination and selection of the highest governance body	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-11 Chair of the highest governance body	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">Sustainability governance</a> , <a href="#">Managing sustainability at Almarai data</a> Annual Report 2023, 78-84

2-13 Delegation of responsibility for managing impacts	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-14 Role of the highest governance body in sustainability reporting	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-15 Conflicts of interest	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a>
2-16 Communication of critical concerns	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 123
2-17 Collective knowledge of the highest governance body	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 78-84
2-18 Evaluation of the performance of the highest governance body	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a>
2-19 Remuneration policies	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 114-115
2-20 Process to determine remuneration	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 114-115
2-21 Annual total compensation ratio	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 133-137
2-22 Statement on sustainable development strategy	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 72
2-23 Policy commitments	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 72,74,94,123
2-24 Embedding policy commitments	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a>
2-25 Processes to remediate negative impacts	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 58-62
2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 123
2-27 Compliance with laws and regulations	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a> Annual Report 2023, 58-62
2-28 Membership associations	<a href="#">Sustainability governance, Managing sustainability at Almarai data</a>
2-29 Approach to stakeholder engagement	<a href="#">Stakeholder engagement Sustainability governance</a> Annual Report 2023, 64-67 and 99
2-30 Collective bargaining agreements	KSA Labour Law presently contains no provisions on collective bargaining

### GRI 3: Material Topics 2021 +

#### GRI Disclosure

#### Location and Notes

3-1 Process to determine material topics

[Stakeholder engagement](#),  
[Alignment to national and international development frameworks](#),  
[Defining and prioritizing the issues that matter the most](#),  
Annual Report 2023, 72

3-2 List of material topics	<a href="#">Defining and prioritizing the issues that matter the most</a> <a href="#">Our sustainability strategy</a> , Annual Report 2023, 72-73
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**GRI 417: Marketing and Labeling 2016**

GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Nutrition and wellbeing</a>
417-1 Requirements for product and service information and labeling	<a href="#">Nutrition and wellbeing</a> , <a href="#">Nutrition and wellbeing data</a>
417-2 Incidents of non-compliance concerning product and service information and labeling	<a href="#">Nutrition and wellbeing</a> , <a href="#">Nutrition and wellbeing data</a>
417-3 Incidents of non-compliance concerning marketing communications	<a href="#">Nutrition and wellbeing</a> , <a href="#">Nutrition and wellbeing data</a>

**GRI 403: Occupational Health and Safety 2018**

GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Health and safety</a>
403-1 Occupational health and safety management system	<a href="#">Health and safety</a>
403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">Health and safety</a>
403-3 Occupational health services	<a href="#">Health and safety</a>
403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">Health and safety</a>
403-5 Worker training on occupational health and safety	<a href="#">Health and safety</a> , <a href="#">Health and safety data</a>
403-6 Promotion of worker health	<a href="#">Health and safety</a>
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Health and safety</a>
403-8 Workers covered by an occupational health and safety management system	<a href="#">Health and safety</a>
403-9 Work-related injuries	<a href="#">Health and safety</a> , <a href="#">Health and safety data</a>
403-10 Work-related ill health	<a href="#">Health and safety</a> , <a href="#">Health and safety data</a>

**GRI 401: Employment 2016**

GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Employee talent and diversity</a>
401-1 New employee hires and employee turnover	<a href="#">Employee talent and diversity</a> , <a href="#">Employee talent and diversity data</a>
401-2 Benefits provided to full-time employees that are not provided to temporary or	<a href="#">Employee talent and diversity</a>



part-time employees	
401-3 Parental leave	<a href="#">Employee talent and diversity data</a>

### GRI 404: Training and Education 2016



GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Employee talent and diversity data</a>
404-1 Average hours of training per year per employee	<a href="#">Employee talent and diversity data</a>
404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Employee talent and diversity data</a>
404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">Employee talent and diversity data</a>

### GRI 405: Diversity and Equal Opportunity 2016



GRI Disclosure	Location and Notes
405-1 Diversity of governance bodies and employees	<a href="#">Employee talent and diversity</a> , Annual report 2023 78-81
405-2 Ratio of basic salary and remuneration of women to men	<a href="#">Employee talent and diversity data</a>

### GRI 406: Non-discrimination 2016



GRI Disclosure	Location and Notes
406-1 Incidents of discrimination and corrective actions taken	<a href="#">Employee talent and diversity</a>

### GRI 413: Local Communities 2016



GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Community investment</a>
413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Community investment</a> , <a href="#">Community investment data</a>
413-2 Operations with significant actual and potential negative impacts on local communities	<a href="#">Community investment</a>

### GRI 303: Water and Effluents 2018



GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Water management</a>
303-1 Interactions with water as a shared resource	<a href="#">Water management</a> , <a href="#">Water management data</a>
303-2 Management of water discharge-related impacts	<a href="#">Water management</a> , <a href="#">Water management data</a>

303-3 Water withdrawal	<a href="#">Water management, Water management data</a>
303-4 Water discharge	<a href="#">Water management, Water management data</a>
303-5 Water consumption	<a href="#">Water management, Water management data</a>

### GRI 301: Materials 2016



GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Packaging innovation</a>
301-1 Materials used by weight or volume	<a href="#">Packaging innovation, Packaging innovation data</a>
301-2 Recycled input materials used	<a href="#">Packaging innovation, Packaging innovation data</a>
301-3 Reclaimed products and their packaging materials	<a href="#">Packaging innovation, Packaging innovation data</a>

### GRI 302: Energy 2016



GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Climate change</a>
302-1 Energy consumption within the organization	<a href="#">Climate change, Climate change data</a>
302-2 Energy consumption outside of the organization	<a href="#">Climate change, Climate change data</a>
302-3 Energy intensity	<a href="#">Climate change, Climate change data</a>
302-4 Reduction of energy consumption	<a href="#">Climate change, Climate change data</a>
302-5 Reductions in energy requirements of products and services	<a href="#">Climate change, Climate change data</a>

### GRI 305: Emissions 2016



GRI Disclosure	Location and Notes	Reason for omission
305-1 Direct (Scope 1) GHG emissions	<a href="#">Climate change, Climate change data</a>	
305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">Climate change, Climate change data</a>	
305-3 Other indirect (Scope 3) GHG emissions	<a href="#">Climate change, Climate change data</a>	
305-4 GHG emissions intensity	<a href="#">Climate change, Climate change data</a>	
305-5 Reduction of GHG emissions	<a href="#">Climate change, Climate change data</a>	
305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable	Not relevant to the industry
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable	Not relevant to the industry

GRI 306: Waste 2020	
GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Waste management</a>
306-1 Waste generation and significant waste-related impacts	<a href="#">Waste management</a> , <a href="#">Waste management data</a>
306-2 Management of significant waste-related impacts	<a href="#">Waste management</a>
306-3 Waste generated	<a href="#">Waste management</a> , <a href="#">Waste management data</a>
306-4 Waste diverted from disposal	<a href="#">Waste management</a> , <a href="#">Waste management data</a>
306-5 Waste directed to disposal	<a href="#">Waste management</a> , <a href="#">Waste management data</a>

GRI 416: Customer Health and Safety 2016	
GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Quality and food safety</a>
416-1 Assessment of the health and safety impacts of product and service categories	<a href="#">Quality and food safety</a> , <a href="#">Quality and food safety data</a>
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Quality and food safety</a> , <a href="#">Quality and food safety data</a>

GRI 204: Procurement Practices 2016	
GRI Disclosure	Location and Notes
3-3 Management of material topics	<a href="#">Ethical sourcing</a>
204-1 Proportion of spending on local suppliers	<a href="#">Ethical sourcing</a> , <a href="#">Ethical sourcing data</a>

GRI 308: Supplier Environmental Assessment 2016	
GRI Disclosure	Location and Notes
308-1 New suppliers that were screened using environmental criteria	<a href="#">Ethical sourcing</a> , <a href="#">Ethical sourcing data</a>
308-2 Negative environmental impacts in the supply chain and actions taken	<a href="#">Ethical sourcing</a> , <a href="#">Ethical sourcing data</a>

GRI 414: Supplier Social Assessment 2016	
GRI Disclosure	Location and Notes
414-1 New suppliers that were screened using social criteria	<a href="#">Ethical sourcing</a> , <a href="#">Ethical sourcing data</a>
414-2 Negative social impacts in the supply chain and actions taken	<a href="#">Ethical sourcing</a> , <a href="#">Ethical sourcing data</a>

GRI 304: Biodiversity 2016 <span style="float: right;">+</span>		
GRI Disclosure	Location and Notes	Reason for omission
3-3 Management of material topics	<a href="#">Community investment</a>	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information unavailable	Our sites are not adjacent to protected areas and areas of high biodiversity value outside protected areas.
304-2 Significant impacts of activities, products and services on biodiversity	Information unavailable	Our sites are not adjacent to protected areas and areas of high biodiversity value outside protected areas.
304-3 Habitats protected or restored	<a href="#">Community investment</a>	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable	Our sites are not adjacent to protected areas and areas of high biodiversity value outside protected areas.

#### Topics in the applicable GRI Sector Standards determined as not material

GRI 408 and 409 <span style="float: right;">+</span>	
GRI Disclosure	Location and Notes
Child labour and forced or compulsory labour	<a href="#">Human right policy</a>

#### We also report on topics that are not covered by the GRI Standards.

GRI 3: Material Topics 2021 <span style="float: right;">+</span>	
GRI Disclosure	Location and Notes
Sustainable agriculture	<a href="#">Sustainable agriculture, sustainable agriculture data</a>

GRI 3: Material Topics 2021 <span style="float: right;">+</span>	
GRI Disclosure	Location and Notes
Animal welfare	<a href="#">Animal welfare, animal welfare data</a>

# Doing better every day

Sustainability Report 2022

| Our Subsidiaries

## Our Subsidiaries





## Our Subsidiaries

# Beyti

“ Beyti, a subsidiary under Almarai Company, stands as one of Egypt's major producers of milk, juice, and yogurt. Holding a prominent position in the Egyptian market, Beyti is steadfast in its commitment to sustainability, having instituted a comprehensive environmental and sustainability function oversee these initiatives across the company. ”



This document describes Beyti's strategy towards sustainability and highlights its accomplishments in 2023, including notable increase in hours of employee and contractor health and safety training, heightened reliance on renewable energy sources and reducing waste generation. Looking forward, Beyti remains devoted to advancing its sustainability endeavors in the upcoming year, aspiring to further enhance its standing as a sustainable business.

### Environmental performance

At Beyti, our firm commitment lies in reducing our environmental impact. Recognizing our responsibility in addressing global issues like climate change, we are committed to take proactive measures. To ensure transparency regarding our initiatives, we have implemented an environmental policy outlining our dedication to the support and preservation of the environment. This policy encompasses various initiatives, including environmental management systems, compliance measures, carbon and energy management, water conservation, operational and food waste management, and the oversight of supplier and contractor environmental performance. Our ongoing efforts are reflected in our pride at continually improving our ISO14001 Environmental Management certification, which demonstrates our commitment to sustainability.

Beyti remains steadfast in its commitment to sustainability, actively investing in initiatives aimed at reducing its environmental impact. The company has installed and commissioned of a 20 MWp solar array, which is anticipated to supply 19% of its overall electricity needs from renewable sources. Furthermore, Beyti has effectively transitioned from diesel to natural gas boilers, resulting in a decrease in the carbon footprint of its manufacturing facilities.

Beyti has undertaken significant changes in its plastic and paper packaging to guarantee top-notch product quality while mitigating environmental impact. In the year 2023, the company accomplished an impressive 72% utilization of recycled materials in its cardboard packaging, contributing to a reduction in the environmental footprint of its products and a step towards a circular economy. Beyti remains dedicated to exploring novel and innovative approaches to further diminish its environmental impact, solidifying its position as an industry leader in corporate sustainability.



## Employee development



Teeba prioritizes the investment in its employees' training, growth, and welfare, aiming to cultivate a work environment conducive to their development. In 2023, Teeba offered a number of initiatives to support its staff, including the promotion of ongoing training and career advancement opportunities. A total of 18,627 hours of training were provided with increase of 33% as compared to the previous year and all employees underwent employment development reviews. Moreover, Teeba fostered a strong and positive workplace culture, evident in the absence of discrimination or misconduct incidents throughout the year. Teeba further enhances employee benefits by offering flexible work arrangements and health & wellbeing programs. The company remains committed to continuously investing in its employees, ensuring they are equipped with the necessary skills and resources to thrive in their roles.

## Health and safety



Teeba fosters a culture prioritizing health and safety, and in 2023, the company celebrated notable achievements in this regard. With 23 lost-time injuries for employees and no lost time injuries for contractors Teeba's robust health and safety protocols were clearly effective. To instill a sense of responsibility for health and safety, 2,495 hours of training were provided for employees and 144 hours for contractors, ensuring their active involvement in maintaining a safe work environment.

## Quality and food safety



Teeba is dedicated to ensuring a safe and healthy environment for both its customers and employees, exemplified by its diligent efforts in attaining the FSSC 22000 Food Safety Certificate. This commitment was underscored during a recent AIB inspection, where Teeba received a commendable evaluation. Teeba has consistently achieved high scores on an international scale through these inspections, which are thorough and encompass various aspects of food safety, including pre-manufacturing prerequisites and best practices. These inspections involve physical examinations of facilities, manufacturing processes, personal hygiene practices, preventative maintenance programs to uphold product safety, as well as cleaning, sanitization, and pest control measures. Furthermore, AIB evaluates internal systems and documentation, establishing itself as a leader in food safety inspection and training. Teeba takes pride in its outstanding performance and remains dedicated to excellence, continuing to provide customers with top-quality products and exceptional service.

## Responsible marketing and communications



In 2023, Teeba also implemented measures to ensure their products adhered to the regulations set by the Jordan Food and Drug Administration (JFDA). To enhance product promotion, they initiated specific marketing strategies, including forming cause marketing partnerships, launching influencer campaigns, and collaborating with nutritionists. Additionally, they offered online and digital assistance for both their existing products and the development of new ones. Teeba is dedicated to complying with responsible marketing and communication standards, ensuring consumers receive accurate information regarding the health and nutritional advantages of their products. As a result, Teeba experienced no non-compliance with regulations or voluntary codes in 2023, with all products undergoing evaluation to meet required standards. This commitment to quality and safety showcases Teeba's dedication to offering consumers the utmost care and reliability.





## Managing Sustainability at Beyti

### Our sustainability performance

	2020	2021	2022	2023
Number of incidents of non-compliance with environmental laws and regulations	0	0	0	0

\*Figures are restated, following the improvements to the data collection systems and analysis



## Caring for People

### Our sustainability performance

	2020	2021	2022	2023
<b>Nutrition and wellbeing</b>				
Number of incidents of non-compliance concerning product information and labeling	74	0	0	0
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	0	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%	100%	100%
<b>Health and safety</b>				
Number of employee lost time injuries	4	0	8	25
Contractor lost-time injuries	0	0	1	4
Employee lost-time injury rate (per 1 mln man-hours)	2	0*	0.6*	1.6
Contractor lost-time injury rate (per 1 mln man-hours)	0	0	0.30*	1.47
Hours of employee health and safety training	11,259	13,739	16,012	39,043
Hours of contractor health and safety training	725	3,377	1,656	7,740
Average hours of health and safety training per employee	4	5	5	12
Average hours of health and safety training per contractor	1	2.7	1.3	6.2
Employee absenteeism rate (%)	1.80%	1.75%	1.45%	0.99%
<b>Employee talent and diversity</b>				
Number of employees	2,800	2,957	3,162	3,174

	2020	2021	2022	2023
Male employees	2,760	2,842	3,090	3052
Female employees	40	49	72	95
Full time, male employees	2,760	2,908	3,090	3052
Full time, female employees	40	49	72	95
Part time, male employees	0	0	0	0
Part time, female employees	0	0	0	0
Senior management employees	18	41	43	50
Middle management employees	150	175	197	271
Non-management employees	2,632	2,741	2,965	2826
New employee hires	404	573	608	432
New employee hires, age 18-30	218	369	410	294
	54.0%	64.4%	67.4%	68.1%
New employee hires, age 31-50	184	201	198	135
	45.5%	35.1%	32.6%	31.3%
New employee hires, age 51+	2	3	0	3
	0.5%	0.5%	0.0%	0.7%
New employee hires, male	395	557	581	398
	97.8%	97.2%	95.6%	92.1%
New employee hires, female	9	16	27	34
	2.2%	2.8%	4.4%	7.9%
Voluntary employee turnover	707	300	205	196
	25.3%	10.1%	6.6%	6.2%
Voluntary employee turnover, age 18-30	229	165	117	113
	32.4%	55.0%	57.1%	57.7%
Voluntary employee turnover, age 31-50	447	131	87	83
	63.2%	43.7%	42.4%	42.3%
Voluntary employee turnover, age 51+	31	4	1	0

	2020	2021	2022	2023
	4.4%	1.3%	0.5%	0.0%
Voluntary employee turnover, male	697	294	202	187
	98.6%	98.0%	98.5%	95.4%
Voluntary employee turnover, female	10	6	3	9
	1.4%	2.0%	1.5%	4.6%
Female employment rate (%)	1.4%	1.7%	2.3%	3.0%
Women in senior management	6	6	9	11
	33.3%	14.6%	20.9%	22.0%
Women in middle management	16	16	24	36
	10.7%	9.1%	12.2%	13.3%
Women in non-management positions	18	27	39	48
	0.7%	1.0%	1.3%	1.7%
Board seats occupied by women	0	0	0	0
	0%	0%	0%	0%
Number of employees with a disability	57	57	95	96
Number of formal incidents of discrimination reported	0	0	0	0
Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)	0	0	0	0
Number of female employees entitled to maternity leave	2	2	1	4
Number of female employees that took parental leave	1	2	1	3
Number of female employees that returned to work in the reporting period after parental leave ended	1	1	1	3
Number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	1	1	3
Female employee return to work rate of employees that took parental leave (%)	100%	50%	100%	100%
Female employee retention rate of employees that took parental leave (%)	0%	50%	100%	100%
Total hours of training provided	45,114	18,872	22,300	45,233
Average hours of training per employee	16.1	6.4	7.1	14.3
Percentage of employees receiving regular performance and career development reviews (%)	100%	100%	100%	100%

### Community Investment



	2020	2021	2022	2023
Total CSR Spending (SAR)	963,000	200,000	175,000	504,000
Number of school and university visitors hosted	N/A	27	85	400
School bag donations (Number of bags donated to students)	N/A	N/A	N/A	N/A
Hours of employee volunteering	N/A	N/A	N/A	N/A

\*Figures are restated, following the improvements to the data collection systems and analysis



## Protecting the Planet

### Our sustainability performance

	2020	2021	2022	2023
<b>Water management</b>				
Water withdrawal (m3)	1,620,992	1,603,872	1,846,224	1,916,762
Water recycling and reuse (m3)	0	0	216,000	2,10,000
Percentage of water recycled and/or reused (%)	0.0%	0.0%	11.7%	11.0%
Total water consumption (m3)	1,620,992	1,603,872	2,062,224	2,126,762
Water discharge (m3)	1,012,525	697,966	952,000	952,000
Manufacturing water intensity (m3/metric ton of finished product)	4.6	3.7	3.3	3.5
<b>Packaging innovation</b>				
Percentage of card board coming from recycled materials used as an input material (%)	70%	72%*	73%*	72%
Plastics removed from packaging (tons)	NIA	N/A	N/A	N/A
Paper removed from packaging (tons)	NIA	N/A	N/A	N/A
Total packaging removed from the consumer waste stream (tons)	NIA	N/A	N/A	N/A
<b>Climate Change</b>				
Direct stationary energy usage (in thousands kWh)	46,881	46,579	74,853	75,529
Indirect stationary energy usage (in thousands kWh)	65,711	67,147	68,570	71,266
Total stationary energy usage (direct and indirect, in thousands kWh)	112,593	113,726	143,423	146,794
Total solar energy usage (in thousand kWh)	0	8,071	12,137	12,340
Percentage of electricity consumption from solar (%)	0	7%	8%	8%
Almarai owned refrigerators in stores (in thousands kWh)	NIA	N/A	N/A	N/A
Manufacturing energy intensity (kWh/metric ton of finished product)	309.6	256.2*	256.8	264.8

	2020	2021	2022	2023
Total vehicle fuel consumption (thousands of liters)	2,683	1,374	2,710	3,082
Scope 1 (direct) emissions (metric tons CO <sub>2</sub> e)	5,337	25,880	27,771	37,073
Scope 2 (indirect) emissions (metric tons CO <sub>2</sub> e)	28,706	29,333	27,397	31,132
Scope 3 emissions from Almarai refrigerators in stores (metric tons CO <sub>2</sub> e)	NIA	NIA	N/A	N/A
Total emissions (metric tons CO <sub>2</sub> e)	34,043	55,213	55,168	68,206
Manufacturing emissions intensity (metric tons CO <sub>2</sub> e/metric ton of finished product)	0.08	0.13	0.08	0.22
Emissions from refrigerant leakage and replacement (metric tons CO <sub>2</sub> e)	824	1,166*	1,627	1,635

### Waste Management +

Food waste resold for animal feed (Store returns and operational) (metric tons)	0	0	0	0
Recycled waste (metric tons)	3,000	9,042	4,250	3,826
Total waste generated (metric tons)	8,880	19,395	22,702	21,940
Waste sent to landfill (metric tons)	5,880	10,353	11,295	11,100
Percentage of waste sent to landfill (%)	66%	53%	53%	51%

\*Figures are restated, following the improvements to the data collection systems and analysis



## Producing Responsible Products

### Our sustainability performance

	2020	2021	2022	2023
<b>Quality and food safety <span style="float: right;">+</span></b>				
Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)	100%	100%	100%	100%
Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	0	0
Number of recalls	0	0	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%	100%	100%
Percentage of products which health and safety impacts are assessed for improvement (%)	100%	100%	100%	100%
Total number of manufacturing plants	2	2	2	2
Number of Food Safety System Certification (FSSC) 22000 certified plants	2	2	2	2
Number of Global Food Safety Initiative (GFSI) certified plants	2	2	2	2

	2020	2021	2022	2023
Percentage of plants that are GFSI certified (%)	100%	100%	100%	100%
Number of food safety and quality assurance employees	60	72	94	93

### Animal welfare +

Number of cows	N/A	N/A	N/A	N/A
Number of chickens processed	N/A	N/A	N/A	N/A
Number of incidents of non-compliance with laws regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic mammals	N/A	N/A	N/A	N/A
Percentage of cows in enclosed housing with resting areas (%)	N/A	N/A	N/A	N/A
Percentage of chickens in enclosed cage free housing (%)	N/A	N/A	N/A	N/A

### Ethical Sourcing +

Percentage of locally based suppliers engaged (%)	71%	59%	41%*	44%
Percentage of spending on locally based suppliers (%)	72%	71%	68%	69%
Total number of suppliers engaged	260	75	374*	392
Total number of local suppliers engaged	185	44	154*	172
Percentage of purchased volume from suppliers compliant with company's sourcing policy	100%	99%	100%	100%
Percentage of purchased volume, which is verified as being in accordance with credible, internationally recognized responsible production standards	100%	100%	100%	100%
New suppliers that were screened using social and/or environmental criteria	0	3	0	0
Number of negative social and/or environmental impacts in the supply chain and actions taken	NIA	0	0	0

\*Figures are restated, following the improvements to the data collection systems and analysis



## Our Subsidiaries

# Teeba

“ Established in 2004, Teeba, a subsidiary of Almarai company, is the leading dairy production company in Jordan. ”



Teeba is dedicated to integrating sustainability into its operations and is actively striving to ensure that sustainability is managed in a coordinated and decentralized manner.

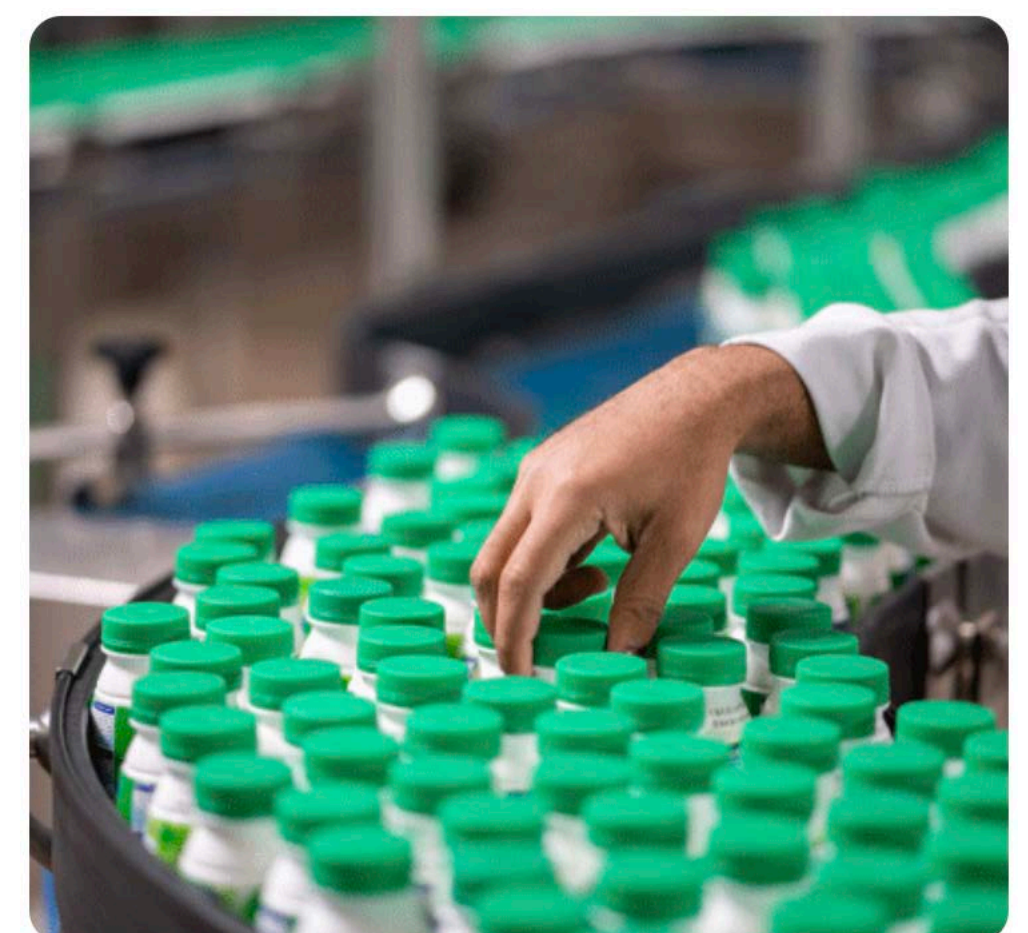
The Quality and Regulatory Department is tasked with coordinating Teeba's sustainability management efforts. In 2023, Teeba made significant progress in its sustainability initiatives. The company implemented various initiatives aimed at reducing its environmental impact, such as increasing the utilization of renewable energy sources and cutting down on water usage. Teeba also focused on minimizing waste generation by introducing an extensive recycling program. Moreover, the company invested in employee training and development to ensure they possess the necessary skills and knowledge to operate sustainably. Teeba collaborated closely with its suppliers to align with the company's sustainability objectives. This commitment to sustainability has positioned Teeba as a leading entity in the Jordanian market and a major contributor to the joint venture, IDJ, within the Almarai Company.

### Environmental performance

Over the past years, Teeba has introduced various measures aimed at enhancing the efficiency of water consumption through adjustments to processes and equipment. These efforts have proven effective, resulting in a reduction of annual water withdrawal by 15,984 m<sup>3</sup> and overall stationary water usage, while also reducing total waste generated by 2,565 Metrics tons. Furthermore, Teeba has maintained a flawless record of compliance with environmental laws and regulations. These outcomes underscore Teeba's dedication to sustainability and environmental responsibility. Moving forward, Teeba remains committed to further enhancing water efficiency, reducing vehicle fuel consumption, and minimizing waste generation.

### Community engagement

Teeba is dedicated to creating a positive impact within the local community and beyond. In 2023, we contributed nearly 550,000 product servings to schools, governmental entities, and various charitable organizations in Jordan, while also providing support to engagement and educational campaigns. We initiated the rollout and execution of the Corporate Social Responsibility (CSR) activity plan created in 2021. This plan marks a significant advancement in formalizing our community investment approach, with identified sectors to focus our efforts on. We are committed to creating a positive impact in the lives of those around us and eagerly anticipate the effects of our CSR initiatives in the years ahead.



## Employee development



Teeba prioritizes the investment in its employees' training, growth, and welfare, aiming to cultivate a work environment conducive to their development. In 2023, Teeba offered a number of initiatives to support its staff, including the promotion of ongoing training and career advancement opportunities. A total of 18,627 hours of training were provided with increase of 33% as compared to the previous year and all employees underwent employment development reviews. Moreover, Teeba fostered a strong and positive workplace culture, evident in the absence of discrimination or misconduct incidents throughout the year. Teeba further enhances employee benefits by offering flexible work arrangements and health & wellbeing programs. The company remains committed to continuously investing in its employees, ensuring they are equipped with the necessary skills and resources to thrive in their roles.

## Health and safety



Teeba fosters a culture prioritizing health and safety, and in 2023, the company celebrated notable achievements in this regard. With 23 lost-time injuries for employees and no lost time injuries for contractors Teeba's robust health and safety protocols were clearly effective. To instill a sense of responsibility for health and safety, 2,495 hours of training were provided for employees and 144 hours for contractors, ensuring their active involvement in maintaining a safe work environment.

## Quality and food safety



Teeba is dedicated to ensuring a safe and healthy environment for both its customers and employees, exemplified by its diligent efforts in attaining the FSSC 22000 Food Safety Certificate. This commitment was underscored during a recent AIB inspection, where Teeba received a commendable evaluation. Teeba has consistently achieved high scores on an international scale through these inspections, which are thorough and encompass various aspects of food safety, including pre-manufacturing prerequisites and best practices. These inspections involve physical examinations of facilities, manufacturing processes, personal hygiene practices, preventative maintenance programs to uphold product safety, as well as cleaning, sanitization, and pest control measures. Furthermore, AIB evaluates internal systems and documentation, establishing itself as a leader in food safety inspection and training. Teeba takes pride in its outstanding performance and remains dedicated to excellence, continuing to provide customers with top-quality products and exceptional service.

## Responsible marketing and communications



In 2023, Teeba also implemented measures to ensure their products adhered to the regulations set by the Jordan Food and Drug Administration (JFDA). To enhance product promotion, they initiated specific marketing strategies, including forming cause marketing partnerships, launching influencer campaigns, and collaborating with nutritionists. Additionally, they offered online and digital assistance for both their existing products and the development of new ones. Teeba is dedicated to complying with responsible marketing and communication standards, ensuring consumers receive accurate information regarding the health and nutritional advantages of their products. As a result, Teeba experienced no non-compliance with regulations or voluntary codes in 2023, with all products undergoing evaluation to meet required standards. This commitment to quality and safety showcases Teeba's dedication to offering consumers the utmost care and reliability.





## Managing Sustainability at Teeba

### Our sustainability performance

	2020	2021	2022	2023
Number of incidents of non-compliance with environmental laws and regulations	0	0	0	0



## Caring for People

### Our sustainability performance

	2020	2021	2022	2023
<b>Nutrition and wellbeing</b>				<b>+</b>
Number of incidents of non-compliance concerning product information and labeling	0	0	0	0
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	0	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%	100%	100%
<b>Health and safety</b>				<b>+</b>
Number of employee lost time injuries	32	8	4	23
Contractor lost-time injuries	0	0	0	0
Employee lost-time injury rate (per 1 mln man-hours)	12.55	7.7	3.71	7.28
Contractor lost-time injury rate (per 1 mln man-hours)	0	0	0	0
Hours of employee health and safety training	318	391	421	2495
Hours of contractor health and safety training	57	0	231	144
Average hours of health and safety training per employee	0.4	0.37	0.35	2.00
Average hours of health and safety training per contractor	0.3	0.0	0.53*	3.3
Employee absenteeism rate (%)	0.3	1%	1%	1%
<b>Employee talent and diversity</b>				<b>+</b>
Number of employees	877	1,065	1,188	1,246
Male employees	854	1,039	1,160	1,211

	2020	2021	2022	2023
Female employees	23	26	28	35
Full time, male employees	854	962	1,160	1,211
Full time, female employees	23	26	28	35
Part time, male employees	0	0	178	0
Part time, female employees	0	0	26	0
Senior management employees	15	16	9	10
Middle management employees	28	28	32	32
Non-management employees	834	944	1,147	1,190
New employee hires	27	252	371	266
New employee hires, age 18-30	21	188	269	180
	77.8%	74.6%	72.5%	67.7%
New employee hires, age 31-50	6	64	100	85
	22.2%	25.4%	27.0%	32.0%
New employee hires, age 51+	0	0	2	1
	0%	0%	1%	0%
New employee hires, male	26	314	362	251
	96.3%	124.6%	97.6%	94.4%
New employee hires, female	1	3	9	15
	4%	1%	2%	6%
Voluntary employee turnover	3	92*	266*	97
	0.3%	8.6%*	22.4%*	7.8%
Voluntary employee turnover, age 18-30	3	79*	172*	70
	100.0%	85.9%*	64.7%*	72.2%
Voluntary employee turnover, age 31-50	0	8*	89*	27
	0.0%	8.7%*	33.5%*	27.8%
Voluntary employee turnover, age 51+	0	5*	5*	0
	0.0%	5.4%*	1.9%*	0.0%

	2020	2021	2022	2023
Voluntary employee turnover, male	2	84*	259*	92
	66.7%	91.3%*	97.4%*	94.8%
Voluntary employee turnover, female	1	2*	7*	5
	33.3%	2.2%*	2.6%*	5.2%
Female employment rate (%)	2.7%	2.7%	2.4%	2.9%
Women in senior management	1	0	2	2
	6.7%	0.0%	22.2%	20.0%
Women in middle management	7	6	8	5
	25.0%	21.4%	25.0%	15.6%
Women in non-management positions	15	17	20	28
	1.8%	1.8%	1.7%	2.4%
Board seats occupied by women	2	2	1	1
	25.0%	25.0%	12.5%	12.5%
Number of employees with a disability	15	15	15	15
Number of formal incidents of discrimination reported	0	0	0	0
Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)	0	0	0	0
Number of female employees entitled to maternity leave	15	10	16	11
Number of female employees that took parental leave	0	0	1*	2
Number of female employees that returned to work in the reporting period after parental leave ended	0	0	1*	2
Number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	0	1	2
Female employee return to work rate of employees that took parental leave (%)	0%	0%	100%*	100%
Female employee retention rate of employees that took parental leave (%)	0%	0%	0%	100%
Total hours of training provided	306,325	9,584	12,439	18,627
Average hours of training per employee	349.29	9.00	10.47	14.95
Percentage of employees receiving regular performance and career development reviews (%)	100%	100%	100%	100%

### Community Investment



	2020	2021	2022	2023
Total CSR spending (SAR)	279,635	691,298	827,751	1,095,961
Number of school and university visitors hosted	0	0	726	847
Product donations (Number of servings)	NIA	174,405	199,385	548,670



## Protecting the Planet

### Our sustainability performance

	2020	2021	2022	2023
<b>Water management</b>				
Water withdrawal (m3)	201,897	372,250	267,540	251,556
Water recycling and reuse (m3)	154,171	178,191	159,597	213,131
Percentage of water recycled and/or reused (%)	76%	48%	60%	85%
Total water consumption (m3)	356,068	387,070	427,137	464,687
Water discharge (m3)	167,594	184,515	170,797	237,285
Manufacturing water intensity (m3/metric ton of finished product)	6	9	6	5

<b>Packaging innovation</b>				
Percentage of card board coming from recycled materials used as an input material (%)	NIA	N/A	N/A	N/A
Plastics removed from packaging (tons)	NIA	N/A	N/A	N/A
Paper removed from packaging (tons)	NIA	N/A	N/A	N/A
Total packaging removed from the consumer waste stream (tons)	NIA	N/A	N/A	N/A

<b>Climate Change</b>				
Direct stationary energy usage (in thousands kWh)	9,564	12,331	3,853	11,498
Indirect stationary energy usage (in thousands kWh)	10,120	12,985	10,002	13,075
Total stationary energy usage (direct and indirect, in thousands kWh)	19,684	25,316	13,855	24,573
Total solar energy usage (in thousand kWh)	735	167	600	408
Percentage of electricity consumption from solar (%)	0	1%	4%	2%
Almarai owned refrigerators in stores (in thousands kWh)	NIA	N/A	N/A	N/A

	2020	2021	2022	2023
Manufacturing energy intensity (kWh/metric ton of finished product)	486	456	415	413
Total vehicle fuel consumption (thousands of liters)	3,081	950	3,520	6,890
Scope 1 (direct) emissions (metric tons CO <sub>2</sub> e)	6,862	5,949	5,608	20,981
Scope 2 (indirect) emissions (metric tons CO <sub>2</sub> e)	7,874	10,102	11,542	10,172
Scope 3 emissions from Almarai refrigerators in stores (metric tons CO <sub>2</sub> e)	NIA	NIA	N/A	N/A
Total emissions (metric tons CO <sub>2</sub> e)	14,736	16,051	17,150	31,153
Manufacturing emissions intensity (metric tons CO <sub>2</sub> e/metric ton of finished product)	0.23	0.37	0.20	0.20
Emissions from refrigerant leakage and replacement (metric tons CO <sub>2</sub> e)	NIA	NIA	N/A	N/A

### Waste Management +

Food waste resold for animal feed (Store returns and operational) (metric tons)	0	0	0	0
Recycled waste (metric tons)	0	0	274	285
Total waste generated (metric tons)	4,214	250	51,830*	49,265
Waste sent to landfill (metric tons)	4,214	250	51,556*	48,980
Percentage of waste sent to landfill (%)	100%	100%	99%*	99%



## Producing Responsible Products

### Our sustainability performance

	2020	2021	2022	2023
<b>Quality and food safety <span style="float: right;">+</span></b>				
Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)	100%	100%	100%	100%
Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	0	0
Number of recalls	0	0	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%	100%	100%
Percentage of products which health and safety impacts are assessed for improvement (%)	100%	100%	100%	100%
Total number of manufacturing plants	1	1	1	1

	2020	2021	2022	2023
Number of Food Safety System Certification (FSSC) 22000 certified plants	0	1	1*	1
Number of Global Food Safety Initiative (GFSI) certified plants	0	1	1	1
Percentage of plants that are GFSI certified (%)	0%	100%	100%	100%
Number of food safety and quality assurance employees	3	5*	3	5

### Animal welfare +

Number of cows	3,050	3,200	3,596	3,694
Number of chickens processed	N/A	N/A	N/A	N/A
Number of incidents of non-compliance with laws regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic mammals	0	0	0	0
Percentage of cows in enclosed housing with resting areas (%)	100%*	100%*	100%*	100%
Percentage of chickens in enclosed cage free housing (%)	N/A	N/A	N/A	N/A

### Ethical Sourcing +

Percentage of locally based suppliers engaged (%)	95%	93%	100%	100%
Percentage of spending on locally based suppliers (%)	86%	90%	90%	82%
Total number of suppliers engaged	351	700	719	445
Total number of local suppliers engaged	334	650	719	445
Percentage of purchased volume from suppliers compliant with company's sourcing policy	100%	100%	100%	98%
Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards	NIA	100%	25%	90%
New suppliers that were screened using social and/or environmental criteria	0	3	3	0
Number of negative social and/or environmental impacts in the supply chain and actions taken	NIA	0	3	0



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