

Doing better every day

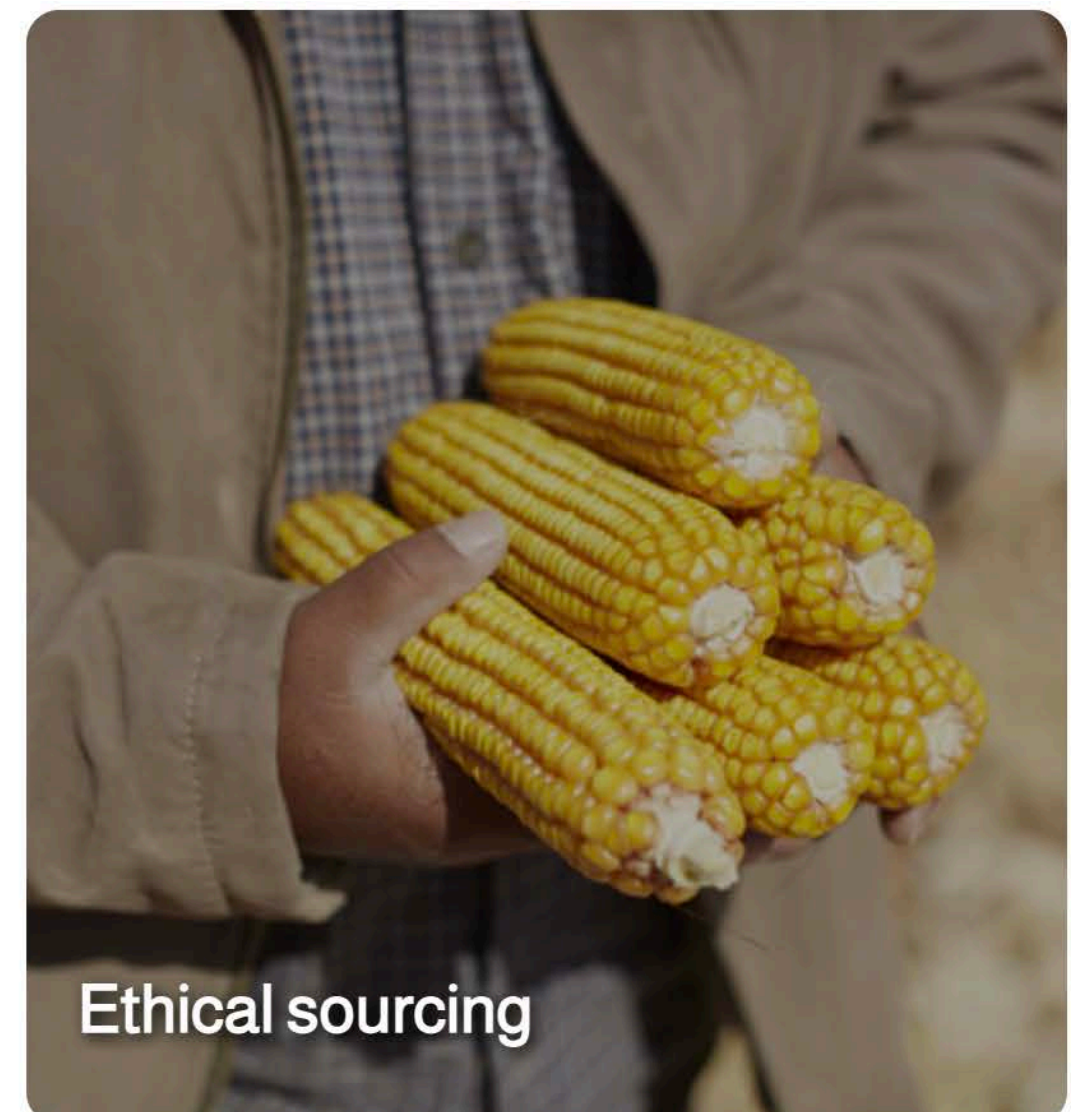
Sustainability Report 2023

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.

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	

- 
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.

Producing Responsible Products

Animal welfare



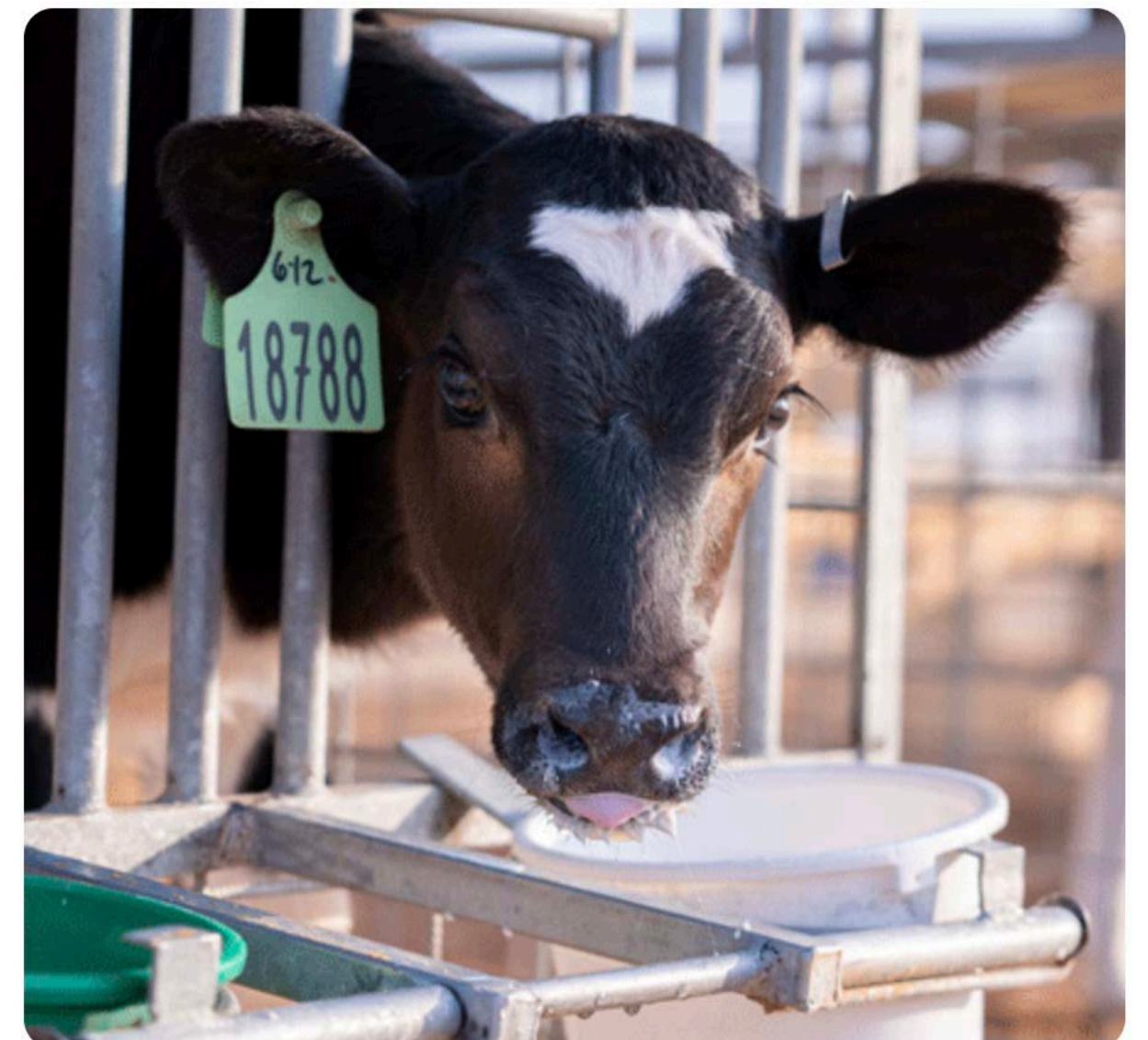
“ We are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day. ”

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

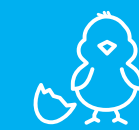
Goal/Target	Progress
Achieve global animal welfare certification for our dairy and poultry farming operations by 2025	●



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.



1st 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.