المراعي
Almarai®

Better
every **day**

Sustainability Report 2018

About this **report**

Welcome to our second annual sustainability report. This Sustainability Report represents 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 2018.

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') and our operations (where majority shareholder or wholly owned) in Egypt, Jordan, Argentina and USA (defined for the purposes of this report as the 'Subsidiaries'). The management approaches and activities presented on pages 14-53 represent examples relating to Almarai including reference to 'we,' 'our,' and such similar expression, unless otherwise indicated. Performance data relates to both Almarai and the Subsidiaries, unless otherwise indicated. To the extent possible, considering data limitations, and the boundaries outlined above, this report covers our main operational areas: Dairy, Juice and Bakery, Poultry, Infant Nutrition, Farming, Sales, Distribution and Logistics, and all corporate functions.

Reporting guidelines

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. For further information and the GRI Content Index, please see Appendices A-D.

Where relevant, we also show our contribution to the National Transformation Program (NTP) of Saudi Arabia's Vision 2030 in Appendix F.

Reporting period

This report covers the period from 1 January 2018 to 31 December 2018, unless otherwise indicated.

Feedback

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

Cautionary statement

This report contains certain forward-looking statements that express the way in which Almarai intends 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 assumes no obligation to publicly update any statements made in this report. Almarai relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

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Message from **the Chairman**

On behalf of the Board of Directors, I am pleased to introduce our second Sustainability Report covering our environmental, social and economic impacts for the year ended 31 December 2018.

Almarai believes the world can be a better place if we are all committed to doing better every day. This is an important belief for our business and for everyone who works in it and with us. By consciously thinking about our every day approach, we can make positive changes that support and contribute to our sustainability ambitions. We can use our learnings to build on the firm foundations we have put in place for sustainability management and continue to drive for tangible and impactful change.

As we develop our sustainability strategy, we continue to align our plans with national sustainable development objectives set out in the Saudi National Vision 2030 and the National Transformation Program. These provide a clear roadmap for our country's future, helping to guide economic, social and environmental development over the coming decade. They offer a useful framework for us, helping us to chart our future course as a business in line with the national interest.

Our company has undergone many changes since it was founded in 1977. We have proved resilient in adapting to such changes, particularly in the last year while Saudi Arabia and the MENA region's economy faced a challenging year. Quality has been the bedrock of our resilience and our constantly-held promise to all stakeholders to deliver "Quality you can trust." We are committed to providing products that are manufactured to the highest food safety standards and that contribute to a nutritious and balanced diet. Whether dealing with investors and business partners or developing professional skills among employees, rigorous quality control is crucial to all aspects of Almarai's operations. Our sustainability approach has added further weight to our resilience, by recognizing and responding to the environmental, social and economic factors that impact our business.

Our unwavering dedication to quality is one of the factors behind how we have become the largest food and beverage manufacturer in the Middle East. The scale of our operations is now taking us into areas far beyond the original founding concept, which sought to transform traditional dairy farming in Saudi Arabia to meet the needs of a growing domestic market. Through our resilient mindset, we are using sustainable thinking to drive future competitiveness. For example, we have been investing and will continue to do so in 2019 to grow our renewable energy portfolio through solar power, as a means to meet our energy needs sustainably in the future. Such initiatives will not only make our business more resilient to external shocks, but also contribute to much wider social and economic goals, such as energy transformation and economic diversification.

Action on sustainability therefore not only helps us to drive better practices in our own operations, it also strengthens our relationships with stakeholders, whether they be local, national, regional or global. And it is of particular importance to the millions of people who consume our products every day.

This report offers our stakeholders a window into our mission, vision and values, giving an insight into how we are using sustainable thinking to challenge and improve our practices every day. One of our most important audiences is our own employees. It is through their ability to think with a sustainable mindset that we will deliver on the commitments we are making and generate the social, environmental and economic value, which is vital to our long-term success and to the continuing health of our country, region and the wider world.

Sultan bin Mohammed bin Saud Al Kabeer
Chairman of the Board

Message from **the Chief Executive Officer**

At Almarai, we have always been proud of our willingness and readiness to drive change and embrace new ways of thinking.

The development of our sustainability strategy and first Sustainability Report in 2017 was the first step in adopting a more formal sustainability mindset. In 2018, we continue to embed sustainability by expanding our reporting to cover overseas subsidiaries for the first time. We are keen to see how this commitment to sustainability will drive improvements to our wider group business in the years ahead.

The report provides a comprehensive overview of our approach to sustainability, the issues that are of most importance and the efforts we are making to embed sustainability management throughout our business. We recognize that everyone who works for us and with us has a part to play in helping improve our environmental, social and economic performance and contribute to our belief that we can do better every day.

The theme of our Annual Report for 2018 – 'resilience through quality' – recognizes the macroeconomic climate that has provided headwinds for the business over the last year. By thinking sustainably about our actions every day, we can better recognize and anticipate environmental, social and economic factors, that can only serve to strengthen our long-term business resilience.

While we recognize that building sustainable thinking is key to long term success, this needs to be underpinned by solid action on the ground. We are involved in many practical projects that you will hear more about in this report. For example, in our Sales, Distribution and Logistics operation in Dubai, we have found a solution with a third-party provider to take our food and dairy returns, from which our packaging is recycled, and the water is removed for treatment and reuse. We are currently looking to drive further value from this initiative by increasing the scope to seek to convert fats to biofuels and proteins into

animal feed. Projects such as these, that close loops and reduce waste, make sound social, environmental and economic sense.

By acting in accordance with our sustainability principles, we are looking to develop a deeper level of engagement with all our stakeholders. We want to build on the trust our stakeholders already have in us; by actively managing sustainability, we can better identify and address the issues that are of most importance to them. Sustainability reporting improves transparency and helps us to meet our stakeholders' expectations. It is through engagement with you, by working in partnership and by making sure we are addressing the most material topics in a coherent and cohesive way, that we can all contribute to a truly sustainable future.

While this will be the last Sustainability Report I will oversee as Chief Executive Officer, I am proud of the approach we have put in place so far. However, there is always more to be done and I look forward to seeing how our sustainable approach continues to develop and add even more social, environmental and economic shared value for all our stakeholders in the coming years.

Georges P. Schorderet
Chief Executive Officer

2018
at a **glance**

Beyond profitable growth, Almarai wants to ensure it makes a positive contribution to society and minimize its impact on the environment. In 2018, we continued to make progress every day towards becoming a more sustainable company.

Total production volume
2.419M
metric tons

997
students in Almarai technical, vocational, and educational training programs

2.4 GWh
of electricity generated from renewable sources

41.5M
**Community investment support
(2.1% of net profit)**

947
**schools provided
with snacks for
students**

Almarai Infant Nutrition
**achieves Food Safety System
Certification (FSSC) 22000**

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 covers the GCC states, Egypt and Jordan. In addition to our farming operations in Saudi Arabia and Jordan, we also have arable farms 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.

Vision

To be the consumers' preferred choice by leading in chosen markets with superior food and beverage products.

Mission

To provide quality and nutritious food and beverages that enrich consumers' lives every day.

Values

Adaptable **S**haring **P**assionate **I**nnovative **R**espect **E**xcellence

Dairy

Our Dairy segment is the founding cornerstone of Almarai, including Fresh Dairy, Long Life Dairy and Dairy Foods. We have earned the trust of our consumers over the last 40 years and are the regional market leader in fresh milk, laban, flavored milk, cream, yoghurt, natural and processed cheeses, butter and ghee. We are also one of the market leaders in the packaged dairy industry in both Jordan and Egypt via IDJ, our joint venture with PepsiCo.

Juice

Almarai is the GCC market leader in fresh juice, offering consumers a wide range of juices, nectars and drinks, as well as specific products for children. At the end of 2017, Almarai entered the Long Life Juice segment under the Joosy Life brand, with carton packs and cans. Our most recent launch was a premium range of not-from-concentrate juices under the Almarai Super Fruit sub-brand, with pomegranate as the leading product. This innovation stream has continued in Egypt and Jordan via multiple flavor offerings in both long-life and fresh juice.

Bakery

We deliver a wide range of bakery products to consumers across the GCC, marketed under the L'usine and 7DAYS brands. From bread and snacks to cakes, providing consumers with exciting and innovative baked products. In 2018, we launched our Bake Rolls range of snacks, available in flavors including chili, zaatar, pizza and salt. Small loaf bread and muffins were among other new products launched in 2018.

Poultry

ALYOUM has come to be regarded by the market as synonymous with quality and innovation – that is why it is the brand of choice for over 40% of the Kingdom of Saudi Arabia's fresh poultry consumers. Our product range includes a comprehensive selection of whole, part and value-added products. Both ALYOUM and the newly launched Albashayer value brand are free from antibiotics.

Infant Nutrition

Our Infant Nutrition products are available to mothers and children across the Kingdom of Saudi Arabia. Almarai's brands include Nuralac and Nuralac Plus, Nurababy cereal and the Nuraplus Suregrow supplement for children. Since 2017, we have produced a new and innovative ready-to-drink formula, which is preservative-free.

Our **Value Chain**

Farming

157.3+ million
chickens were raised on our farms in Saudi Arabia.

190,444 cows
are cared for on our farms in Saudi Arabia and Jordan.

32,154 hectares
of land under production in Argentina and USA to grow feed for our cows.

50%
of our suppliers in Saudi Arabia,

81% in Egypt, and
91% in Jordan
are locally based.

Procurement

12 manufacturing facilities
in total across Saudi Arabia, Jordan and Egypt produce and package our wide range of dairy, juice, bakery, poultry and infant nutrition products.

Manufacturing

Sales, Distribution & Logistics

Almarai has

1,400 vehicles

on the roads at any given time. From our manufacturing facilities, our products are transported to

83 depots in

5 countries across the GCC.

Consumers

Almarai has

650+ products

which are sold to over 58,000 customers in 5 countries across the GCC.

All our achievements are made possible by the commitment of our

42,971 employees

across our global operations.

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.

Through the integrated management of our economic, environmental and social performance, we aim to maximize the shared value we create for our stakeholders, now and in the future. We continue to implement industry-leading practices to protect the well-being of our consumers and employees, ensure the health of our farm animals, protect the natural environment and generate significant economic value.

Almarai's sustainability framework
Almarai's sustainability framework summarizes what sustainability means for Almarai, by identifying the key areas that need to be managed and balanced to build a more inclusive, resilient and successful company. The framework captures all of Almarai's material issues and forms the foundation of our approach to sustainability and the structure of this report.

Generate significant economic value

Promote responsible consumption

Nurture and reward colleagues

Ensure ethical and sustainable sourcing

Reduce natural resource use and waste

Prioritize quality and safety

Almarai

Quality you can trust

Prioritizing the issues that matter

For each pillar of our sustainability framework, Almarai has compiled a comprehensive list of material sustainability issues. In total we have identified 20 material topics.

Promote responsible consumption
- Food waste reduction
- Responsible marketing
- Consumer health and choice awareness

Reduce natural resource use and waste
- Climate change mitigation and adaptation
- Energy and fuel efficiency
- Water protection
- Packaging and waste reduction

Ensure ethical and sustainable sourcing
- Sustainable procurement
- Sustainable land use and biodiversity protection
- Animal welfare

Nurture and reward colleagues
- Local leadership development
- Employee satisfaction and equal opportunity
- Training, development, and retention

Prioritize quality and safety
- Food safety and quality
- Product nutrition and health
- Workforce health and safety

Generate significant economic value
- Product innovation and new market access
- Efficient and profitable business
- Productive capacity expansion
- Community investment

After this process of identification, we surveyed each of our key stakeholder groups to understand the importance of each of the identified material issues. By identifying and prioritizing its most material sustainability issues, Almarai can achieve a better understanding of where it should focus its efforts to ensure that it is meeting the needs and expectations of its stakeholders.

Our most recent materiality analysis was carried out in 2018. The analysis identified our most important issues as:

- Food safety and quality
- Product nutrition and health
- Consumer health and choice awareness
- Workforce health and safety

For more detailed information about our materiality analysis process, please see Appendix A.

Stakeholder engagement

At Almarai, we understand that balancing the needs and expectations of our stakeholders is essential to delivering on our commitments and maximizing shared value creation. We engage in regular dialogue with our stakeholders (our consumers, investors, employees, government regulatory bodies, civil society organizations and ESG rating agencies[1]), through various communication channels to ensure we consider and respond to their needs and expectations, on the issues that matter to each of our key stakeholder groups.

We regularly open some of our manufacturing facilities to the public. Tours of our facilities offer an important opportunity to engage directly with our consumers and educate them about our company and our production processes. We invite schools, families and interested individuals to visit our factories, and we even offer free bus services, as well as lunch to our guests. In 2018, we hosted more than 73,000 visitors, nearly 25,000 more than 2017.

For more information about our stakeholder engagement, please see Appendix B.

[1]Environmental, Social, and Governance (ESG) rating agencies assess company operations for criteria that socially conscious investors use to screen potential investments. Environmental criteria look at how a company performs as a steward of the natural environment. Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls and shareholder rights.

Alignment and contribution to national frameworks

Saudi Arabia's Vision 2030 and National Transformation Program (NTP) provide a clear roadmap for Saudi Arabia's future, guiding economic, social and environmental development over the coming decade. Based on our sustainability framework, we have mapped out areas of alignment with national sustainable development objectives. Appendix F identifies NTP targets aligned with our sustainability framework.

01

Promote **responsible consumption**

At Almarai, promoting responsible consumption means building consumer awareness about healthy choices and reducing food waste.

We are committed to helping consumers make **better informed choices.**

Material issues	Ambitions
Food waste reduction	To be an industry leader in forecasting production and consumer demand, and to develop novel applications to eliminate food waste in our value chain.
Responsible marketing	To always market our products to consumers following transparent, honest marketing practices and stringent ethical standards.
Consumer health and choice awareness	To educate our consumers with the knowledge they need to make more informed dietary decisions.

Food waste reduction

At Almarai, we are committed to protecting vital food resources by reducing waste. One of the most effective ways of reducing food waste is prevention. To this end, we are working hard to ensure that our demand forecasting is highly accurate, so we produce only what our consumers can actually consume, avoiding food waste generation and unnecessary cost to the business and the environment by producing food that is not consumed. Introduced in 2018, for example, our half loaf bread was developed in part to curb food wastage.

We have been conscious of understanding where our waste goes and reviewing this against the waste hierarchy. In the GCC we have been working on a number of initiatives that look to, where possible, keep waste in the more favored prevention category on the waste hierarchy, treating it as food surplus and avoiding disposal to landfill. As part of our sustainable thinking in this area, we have several initiatives under way pioneered through our Sales, Distribution and Logistics (SDL) team. Some examples of our work are set out below.

We are always exploring new options to redistribute unused food surplus for human consumption. We collaborate with local food regulatory bodies in Oman, Bahrain and the UAE, like the Dubai Municipality, for example. We redistribute food, juice and dairy products still in date to local charities and food banks. In 2018,

we redistributed 427 tons of food surplus to these good causes ensuring we minimize environmental impact and distribute it to those people and families most in need. We continue to look at ways to work locally across the GCC to move the redirection of waste up the waste hierarchy to human consumption.

In the UAE, when we are not able to redistribute the food surplus to humans, we redirect surplus to animal feed, so it has a more useful purpose. In total in 2018, more than 11,000 tons of bakery and poultry waste has been sent to various organizations for animal feed purposes.

Finally, in another project in Dubai, we are working with a third-party provider who currently takes food and dairy waste and recycles the packaging and removes water for reuse through reverse osmosis. We are now working to extract further value from the food waste by exploring the possibility with them of converting fats into biofuels and protein into animal feed. Increasing the amount of value to be gained from waste products.

Our SDL team at Almarai are taking the learnings from the above project in the UAE and looking at how we replicate this in Saudi Arabia. We are looking at how we can redirect a significant element of surplus products to ensure the plastic is recycled, the water recovered, fats are converted into biofuels and proteins into animal feed.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Food returns (metric tons)	90,371	NIA	4,242	**94,613**
Food returns sent to landfill (metric tons)	78,801	NIA	4,242	**83,043**
Percentage of food returns resold for animal feed (%)	13%	NIA	0%	**12%**
Rendered poultry by-product resold for animal feed (metric tons)	19,599	N/A	N/A	**19,599**

Note: NIA stands for no information available, N/A stands for not applicable.

Responsible marketing

As a large company in the food and beverage industry, we strongly believe that our marketing and communication efforts should be governed by the highest ethics and responsibility.

Responsible marketing practices are important to us at Almarai. We believe that it is important to be transparent with our consumers. To this end, we strive to provide credible and clear communications and labeling to empower consumer purchasing decisions. As per Saudi law, all our products are labeled with nutritional information, including information on sodium and safe storage.

We are committed to ensuring that our marketing practices, promote our products responsibly. We adopt responsible practices, seeking to market and communicate not only the taste of a product or brand, but also the nutritional value, quality and safety.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Number of incidents of non-compliance concerning product information and labeling	0	1	0	**1**
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%**

Almarai remains committed to breastfeeding

Almarai supports breast milk as the unique and best nutrition for babies, by promoting exclusive breastfeeding during the first year of life. Breast milk is the gold standard and the only milk that provides babies with the most complete nutrition. It also strengthens the bond between mother and child with numerous benefits for both.

At Almarai, all commercial practices are guided and fully in compliance with the World Health Organization code, as well as regulated by the rules of the Saudi Breastfeeding Law. Promoting healthy habits and best nutrition for moms and babies, including breastfeeding, is at the core of Almarai Infant Nutrition principles.

Consumer health and choice awareness

Empowering our consumers to make better-informed choices regarding the nutritional value of our products is a priority for Almarai. We have multiple communication platforms that include nutritional education. Health-related messages are displayed on digital media channels. See our list of awareness campaigns for public education in the box below.

Our work on supporting education does not stop simply at consumer campaigns and messaging, we have also worked closely with the Saudi Society of Paediatric Gastroenterology Hepatology and Nutrition (SASPGHAN). We have supported SASPGHAN to facilitate education for frontline health workers by sponsoring the Saudi Digestive Forum conference, education programs to front line health workers under the patronage of SASPGHAN, and international continuing education events for frontline health workers.

Almarai remains committed to public education for consumers and healthcare professionals

In collaboration with the Saudi Society of Paediatric Gastroenterology Hepatology and Nutrition (SASPGHAN), Almarai has conducted health awareness campaigns on important regional health topics in Saudi Arabia. In 2018, we have provided awareness on the following topics:

- Nutrition and obesity during infancy
- Nutrition and burden on vital organs during infancy
- Gut discomfort during infancy
- Vitamin D deficiency in childhood
- Nutrition and mental development in infancy
- Breastfeeding
- Osteoporosis
- Breastfeeding and breast cancer

02

Ensure **ethical** and **sustainable** sourcing

At Almarai, ensuring ethical and sustainable sourcing means promoting responsible practices across our value chain.

Almarai wants to work with our suppliers to ensure they **behave ethically and responsibly**.

Material issues	Ambitions
Sustainable procurement	To ensure our supply chain is free from unethical, illegal or irresponsible practices that harm people and the environment.
Sustainable land use and biodiversity protection	To protect the natural environment in areas where we operate.
Animal welfare	To set and maintain a high welfare standard for animals in our care.

Sustainable procurement

Employing sustainable procurement practices is not only the right thing to do, but it also stimulates sustainability performance improvements for the entire company and supply chain. Responsible sourcing is key to ensuring a sustainable future for our business, and we believe that we have a duty to our consumers to ensure that the materials and services we use are ethically and responsibly sourced.

Consumers and stakeholders have increasing concerns about their personal health, not only with regards to their consumption of products, but also to the impact that the products may have on the factors of production, including workers and resources.

As a market leader in the food and beverage industry in the region, and the world's largest vertically integrated dairy company, we understand that our suppliers need to behave in a socially, environmentally and ethically responsible manner. To this end, Almarai has a Code of Conduct applicable to suppliers. We will continue to explore appropriate parameters to gain more visibility in the future.

Suppliers play an integral role in our ability to deliver on our commitments to sustainability. At Almarai, we believe that to become a more sustainable company, we must work with our suppliers to ensure they act ethically and responsibly.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Percentage of locally based suppliers engaged (%)	50%	81%	91%	**62%**
Percentage of spending on locally based suppliers (%)	45%	40%	57%	**NIA**

Note: NIA stands for no information available.

Sustainable land use and biodiversity protection

We strive to ensure that our product ingredients and other inputs are sourced to the highest ethical, environmental and social standards. This includes reducing our impact on land resources and biodiversity from our farming and manufacturing operations. In 2018, Almarai moved all of its arable farming operations overseas and currently cultivates over 32,000 hectares of land in the United States and Argentina.

We utilize best land-use practices to ensure land productivity on our arable farms. In California, we participate in a land conservation program, where around 15% of the land lays fallow at any given time to support soil regeneration. In Argentina, environmental impact assessments are conducted on a regular basis on alfalfa farms. We carefully monitor the application of fertilizer and pesticides in line with local regulations and maintain ongoing dialogue with local environmental regulatory bodies in both countries.

2018	Our performance summary	GCC	Egypt	Jordan	USA	Argentina	Total
Number of incidents of non-compliance with environmental laws and regulations	0	1	0	0	0	1
Arable farming land under production at the end of 2018 (hectares)	0	N/A	N/A	7,840	24,314	32,154

Note: N/A stands for not applicable.

Animal welfare

We are committed to safeguarding the health and wellbeing of all animals within our care, as this impacts not only the animal's quality of life, but also the quality and safety of the food we produce. We ensure that the animals we raise to produce our products are properly and humanely treated throughout their lifecycle. We follow the World Organization for Animal Health (OIE) guiding principles on animal welfare, as well as the universally recognized 'Five Freedoms' for animals under human control.

Almarai's farms look after our livestock to an exceptionally high standard, ensuring maximum yields and quality. Our Holstein dairy herds have 24-hour support from professional veterinary teams, year-round shaded housing, and air cooling and showering. Cows are fed a healthy diet that is specifically formulated for their needs.

We go to great lengths to ensure the right ration of feed is fed by using high quality ingredients sourced from well managed farms. Poultry flocks receive best-in-class care, ensuring that health consistently exceeds global standards. Such standards are achieved by focusing on high levels of husbandry and nutrition for our birds. For example, we have a unique air filtration system in our broiler farms. Broilers are housed in climate-controlled barns and are provided with a healthy diet. Almarai also does not use cages on any of our poultry farms.

We also only use antibiotics to treat our cows and chickens when absolutely necessary. During treatment, cows are removed from production until treatment has been completed and they test negative for antibiotics in their bodies; chickens are randomly tested to ensure no residues are present in our final products.

We had more than

190,400

cows in our herd in Saudi Arabia and Jordan...

...and raised more than

157.3 million

chickens in 2018.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Number of cows	188,071	N/A	2,373	190,444
Number of chickens processed	157,372,110	N/A	N/A	157,372,110
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	N/A	0	0
Percentage of cows in enclosed housing with resting areas (%)	100%	N/A	100%	100%
Percentage of chickens in enclosed cage free housing (%)	100%	N/A	N/A	100%

Note: N/A stands for not applicable.

03

Prioritize **quality** and **safety**

At Almarai, quality and safety means we are committed to delivering quality products you can trust based on a safe and healthy environment.

Our promise to all stakeholders is to deliver **"Quality you can trust."** Every day.

Material issues	Ambitions
Food safety and quality	To deliver quality you can trust, always.
Product nutrition and health	To set the standard for high quality and improve the nutritional content of our products.
Workforce health and safety	To ensure that our employees return home from work safely, every day.

Food safety and quality

Our promise to all stakeholders is to deliver "Quality you can trust." Since 1977, we have been committed to providing products that are manufactured to global best practice standards in food safety and quality.

Almarai has direct influence over its supply chain, from feed production to manufacturing, packaging, and distribution. This enables all stages of the product life cycle to be subjected to rigorous testing to ensure compliance to all quality and food safety requirements.

We continue to implement, develop and continually improve our standards across all sectors by applying integrated Management Systems in alignment with International Organization for Standardization (ISO) 9001 and FSSC 22000 principles. These principles include customer focus, engagement of people, leadership and a spirit of continuous improvement.

Our commitment to maintain our certification in these areas underpins our belief that food safety and quality are the cornerstones for sustainable growth.

In 2018, we continued to invest in our people with tailored training, engaging with international experts such as AIB International on Good Manufacturing Practices (GMP), and Campden BRI (UK) for cross functional Hazard Analysis Critical Control Points (HACCP). As a result of this we are currently in the process of utilizing software to develop a common approach to enhance the management of our food safety risks across the business.

We recognize that enhancing our quality culture forms an important part of our efforts to maintain our strong food quality and safety performance record. In 2018, we conducted a survey to better understand our current culture in our Poultry manufacturing plant (Hail, Saudi Arabia) and to identify opportunities for improvement. Over 1,450 people from that division took part. Pleasingly, it confirmed that our employees recognized food safety and quality as being embedded in everything we do, and that the company vision was communicated clearly within the business. There are many learnings from the survey which we are now using to take forward with our continuous improvement approach.

Finally, to keep our company values, ASPIRE, at the forefront of our people's thoughts, we held a month of activities centered on the theme of "Quality" in support of "World Quality Day." This was a successful business-wide engagement project and utilized different interventions from simple quizzes to a video communication from the CEO to reinforce the message that our company values align with the principles of quality management.

In 2019, we plan to roll-out the cultural survey across more areas of the business and to upgrade our Quality and Food Safety Management Systems to ISO 9001:2015 and ISO 22000:2018 requirements. In addition, we will continue our journey towards FSSC 22000 certification in our manufacturing facilities.

Almarai Infant Nutrition achieves Global Food Safety Initiative (GFSI) certification

The Global Food Safety Initiative (GFSI) brings together key factors to drive continuous improvement in food safety management systems around the world. Our shared belief in continuous improvement has been a driver in our interest to seek what is the world's most prominent food safety management accreditation.

In 2018, our Infant Nutrition division was the first within Almarai to achieve this distinction, and over the next two years we will be actively pursuing FSSC 22000 certification for our Dairy, Bakery and Poultry divisions.

Zero

food recalls in 2018

100%

of our production volume is manufactured in sites certified by independent third parties according to internationally recognized food safety management system standards

2018	Our performance summary	GCC	Egypt	Jordan	Total
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**

Product nutrition and health

As part of our mission of providing quality and nutritious food and beverages that enrich consumers' lives every day, we have been supportive of growing consumers demands for more healthful products. We are constantly investing in and developing new technologies and competencies to improve the nutritional profile of our products, and we are incorporating health specific criteria into product innovation and development.

Our internal Nutrition Policy is our roadmap for achieving aims on a wide range of health and wellbeing issues, from product reformulation, including sugar, and salt to fortification.

In 2019, we will focus on continued reformulation work on our product range including reducing sugar in juices and salt in baked goods and foods.

Almarai products contain no artificial colors.

Workforce health and safety

Our greatest asset is our employees, their health and safety are extremely important to us at Almarai. We protect our employees by applying international occupational health and safety standards, introducing policies to stimulate employee engagement, and encouraging communication between employees at all levels.

We have a two-level health and safety policy. Level one operates at the corporate level, from which individual divisions and business units develop their own distinct level two policies, tailored to reflect their particular hazard profile and management structure.

The corporate level one policy includes the Almarai "Safe Person and Safe Place Strategies" which define our approach to the safe management of assets and people. This strategy seeks to drive 1. safety performance, 2. leadership visibility and accountability, 3. continuous safety culture improvement and 4. ensure resources are in place for all sites to improve safety performance. Taking our commitment one step

further, we have a group Health, Safety, and Security (HSS) forum which drives our focus on HSS across the business and who's role is to develop HSS strategy, performance, standards and guidelines.

Employee engagement is also key to maintaining focus on HSS. Monthly campaigns with different focus areas are ran business wide. In 2018, we ran monthly campaigns focused on our top five corporate hazards. This campaign helped to really ensure management teams and employees worked together in local areas for improvement through workshop forums to identify top down and bottom up actions for their sites, promote visible safety leadership and engage employees at all levels in making safety and health part of their day to day activities. In 2019, we will introduce the Safe and Sound campaign that works on three core values 1. Management Leadership, 2. Employee Participation and 3. Find and Fix Hazards.

In 2018, our Sales, Distribution and Logistics and Farming divisions achieved Occupational Health and Safety Management System ISO 45001:2018 certification, and ten of our senior HSS team members took the Lead Auditors Course.

In 2019, we plan to achieve ISO 45001:2018 compliance for all other divisions across the business. We will also commence the roll out of a Mobile Occupational Health Awareness Service, to screen our employees for signs of ill health. Initially our focus will be on our manufacturing sites as we look to proactively encourage our employees to live a healthier lifestyle. The service will additionally provide our employees with general health awareness and educational advice.

Saudi Arabian Ministry of Labor and Social Development Safety Pioneer award winner 2018 for our strategic approach to the health, safety and wellbeing of our employees and contractors.

2018 | Our performance summary

2018	Our performance summary	GCC	Egypt	Jordan	Total
Number of employee lost-time injuries	256	4	23	283
Employee lost-time injury rate (per 1 million man-hours)	1.72	2.16	9.48	NIA
Hours of employee health and safety training	155,320	9,603	507	165,430
Average hours of employee health and safety training per employee	4.0	3.0	0.6	3.9
Employee absenteeism rate (%)	6.50%	1.70%	Less than 1%	NIA

Note: NIA stands for no information available.

04

Reduce **natural resource use** and **waste**

At Almarai, reducing natural resource use and waste means focusing on leaner production and distribution methods and decreasing our dependence on fossil fuels.

Our aim is to **reduce our impact on the environment** by lowering our greenhouse gas emissions, energy use, water consumption and waste generation throughout our value chain.

Material issues	Ambitions
Climate change mitigation and adaptation	To work towards becoming a net-zero impact company, dedicated to producing innovative solutions to emerging sustainability challenges.
Energy and fuel efficiency	To implement technologies, systems and processes to increase the proportion of energy and fuel consumption from sustainable sources.
Water protection	To champion commercial water stewardship across GCC.
Packaging and waste reduction	To work towards becoming a zero to landfill company.

Climate change mitigation and adaptation

We continually work on reducing the environmental footprint of our business, in part, because we are conscious of the inherent risks to our business from climate change. Climate change potentially creates risks for agricultural production including drought, pest and disease issues. These can pose challenges to maintaining and increasing production levels over the long term. We are continually looking at adapting our practices in order to enable us to meet our production needs now and in the future.

Our cold chain distribution system relies upon refrigeration at all stages, from farm to shelf. We are constantly improving efficiencies in this area. We are aware that the use of certain refrigerants such as R22 contribute to climate change. We have accelerated the replacement of R22 refrigerants with CFC (Chlorofluorocarbons) free alternatives such as 134a and R404A, which not only perform better, but also reduce atmospheric emissions that contribute to global warming. For example, in our farming operations, all farm industrial refrigeration for the chilling of our milk are ammonia units.

Work across the business continues, however. In our Sales, Distribution and Logistics division in 2018, more than 10 Cold Store Refrigerant Plant upgrades have been carried out in order to replace R22 with alternative freons. In 2019, an additional 11 plant upgrades are planned. This has had a positive impact in the reduction of R22 and we will continue this journey moving forward.

In 2018, we reduced R22 consumption by

7%

in total.

In our Sales, Distribution and Logistics division, we reduced R22 consumption by

37%

Note: Excludes Egypt, Jordan, Argentina, and the United States

2018	Our performance summary	GCC	Egypt	Jordan	USA	Argentina	Total
Scope 1 (direct) emissions (metric tons CO_2e)	819,534	22,572	3,608	14,159	1,616	**861,489**
Scope 2 (indirect) emissions (metric tons CO_2e)	779,848	23,188	847	22,726	3,919	**830,528**
Scope 3 emissions from Almarai refrigerators in stores (metric tons CO_2e)	780,088	NIA	NIA	N/A	N/A	**780,088**
Total emissions (metric tons CO_2e)	2,379,470	45,760	4,455	36,885	5,535	**2,472,105**
Manufacturing emissions intensity (metric tons CO_2e/ metric ton of finished product)	N/A	N/A	N/A	N/A	N/A	**0.26**
Emissions from refrigerant leakage and replacement (metric tons CO_2e)	134,887	0*	20*	N/A	N/A	**134,907**

Note: NIA stands for no information available, N/A stands for not applicable; emissions cover energy, SDL transport and refrigerants only; emissions intensity is reported at Almarai Company level only. *No information available for Sales, Distribution and Logistics.

Energy and fuel efficiency

Rising fuel costs and the greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on our financial bottom line.

Almarai's Energy Team has developed an "Energy Roadmap," outlining how Almarai will improve its energy performance through efficient energy consumption and generation from sustainable sources. Our energy strategy focuses on solar power generation and battery storage, LED lighting retrofitting, enhanced energy monitoring, and improving Almarai's energy culture through awareness. In total, 36MW of solar power generation capacity is scheduled to be commissioned by 2020 that could

represent 7% of our total electricity consumption being derived from renewables, and we are looking at moving towards Energy Management System ISO 50001.

In 2018, we commissioned solar panels at our Dubai and Riyadh East sales depots, now approximately 30% and 40% of total electricity consumption respectively is coming from renewable sources at these locations. We also began construction of a 15MW solar project at our main manufacturing site, and this is scheduled to be commissioned by the end of 2019.

2018 saw huge progress made in our LED roll out program. This has been focused on converting our three main

buildings at head office in Riyadh, our main manufacturing site and five more depots to LED lighting. Once all are 100% operational in 2019, we believe this will have over 10 million kWh reduction in our energy demand.

As part of our fuel efficiency initiatives, we were able to roll out nearly 300 of the planned 400 biofuel vehicles in the UAE by the end of 2018. Moreover, by the end of 2019, we are scheduled to increase the number of dual temperature vehicles which have helped to reduce the number of delivery trips from 7% to around 25% of our Sales fleet.

Energy awareness is an important element of our overall energy management strategy and we are in the process of developing an energy communication plan to engage stakeholders, both internal and external.

Since 2014, we have been able to increase fuel efficiency in our Distribution and Logistics fleet by

11%

We have also been able to increase mileage per liter in our SDL fleet as a result of the engine idling program that was implemented in 2017.

Key achievements in 2018

2.4 GWh
of electricity

generated from renewable sources

7.1+
GWh of electricity

avoided by LEDs

2,682
tons CO$_2$

equivalent avoided, or 6,209 less barrels of oil consumed

2018 | Our performance summary

	GCC	Egypt	Jordan	USA	Argentina	Total
Direct energy usage (in thousands kWh)	5,721,718	125,120	15,210	82,330	9,479	**5,953,857**
Indirect energy usage (in thousands kWh)*	917,930	53,079**	1,089	55,359	9,999	**1,037,456**
Total energy usage (direct and indirect, in thousands kWh)	6,639,648	178,199	16,299	137,689	19,478	**6,991,313**
Almarai owned refrigerators in stores (in thousands kWh)	906,305	NIA	NIA	N/A	N/A	**906,305**
Manufacturing energy intensity (kWh/metric ton of finished product)	N/A	N/A	N/A	N/A	N/A	**686.27**

Note: NIA stands for no information available, N/A stands for not applicable. Manufacturing energy intensity is reported at Almarai Company level only.

*For operations and accommodation.

**No information for administrative head office.

Water protection

In line with Saudi Arabia's Vision 2030, and considering Saudi Arabia's current and impending water challenges, water conservation and stewardship are at the forefront of our environmental goals. We continue to be successful in reducing our impact on the environment through water protection, a key achievement being that in 2018 we moved all arable farming operations outside of Saudi Arabia.

Our arable farming operations based in the United States and Argentina, utilize irrigation methods most suitable for the environment. For example, our farms in Arizona use a combination of highly efficient subsurface drip and pivot irrigation. In Argentina, environmental impact assessments are conducted on a regular basis on alfalfa farms. In our United States and Argentina operations, we monitor water use in line with local regulations and maintain ongoing dialogue with local bodies governing water management.

In addition, our approach to dairy farming is focused on maximizing milk yield per cow. Such an approach reduces the number of cattle required to meet our market demand. This focus on yield efficiency reduces the animal feed output required to feed our cattle. Therefore, less water input is required overall to grow feed on our arable farms.

In our manufacturing operations, we continually seek opportunities to reduce water consumption and/or use water more efficiently. Most recently, we have extended a water re-use project in our Dairy and Juice Manufacturing plants.

As part of our commitment to water protection, we joined the Alliance for Water Stewardship (AWS) in 2018, a global membership collaboration comprising businesses, NGOs and the public sector working to achieve good water stewardship practices. We will be using this network to build knowledge and our strategic approach over the coming years.

2018 | Our performance summary	GCC	Egypt	Jordan	Total
Water consumption (m^3)	11,117,633	1,117,040*	185,372**	12,420,045
Water recycling and reuse (m^3)	1,294,892	739*	49,618*	1,345,249
Percentage of water recycled and/or reused (%)	12%	Less than 1%*	27%*	11%
Water discharge (m^3)	8,140,809***	657,706*	118,177*	8,916,692
Manufacturing water intensity (m^3/metric ton of finished product)	N/A	N/A	N/A	4.5

Note: Water data excludes poultry, dairy, and arable farming. N/A stands for not applicable. Manufacturing water intensity is reported at Almarai Company level only.

*No information available for administrative head office and Sales, Distribution and Logistics.

**No information available for Sales, Distribution and Logistics.

***No information available for administrative head office.

Packaging and waste reduction

Where possible, we seek to recycle as much packaging and process waste as we can from both our manufacturing and distribution facilities. We now recycle waste cardboard and shrink wrap from our sales depots. This is collected by a waste management company and recycled into various other materials, diverting it from landfill.

Packaging weight reduction remained a key focus in 2018 with a further 283 metric tons of plastic removed through the light-weighting of our juice bottles and optimization of films used on our bakery products. 128 metric tons of paper was removed from our outer boxes and by optimizing multipacks for our 7-Days bakery products. We have also recently changed the specification of some of our packaging outer boxes which has resulted in 284 metric tons of material moving from virgin to recycled paperboard.

Packaging innovation also contributes to supply chain efficiency. Through the optimization of our incoming packaging materials on two of our product ranges, such change has resulted in 325 fewer delivery journeys to our manufacturing facilities.

We are constantly evaluating how well our packaging protects our products in the supply chain. We are continuously improving our packaging technology to maintain the best possible freshness and taste.

Over the coming two years, we will be heavily focused on weight reduction with an additional 2,500 metric

ton reduction in plastic consumption targeted. We will continue to work up and down the supply chain to identify and implement opportunities to improve pallet and load efficiencies to reduce the impact of transporting materials around the region.

Studies are already underway to determine the feasibility and environmental benefit of moving from single use to returnable/reusable packs within our bakery and poultry business. We will be implementing this at the first available opportunity.

In 2018, the combined weight of paper and plastic packaging reduced amounted to over 400 metric tons which is about the same weight as almost

700
Holstein cows.

Note: Excludes Egypt, Jordan, Argentina, and the United States

In 2018, we continued to increase the amount of packaging material recycled in our Sales, Distribution and Logistics division by 15% to reach nearly 160 metric tons or around

275
Holstein cows.

Note: Excludes Egypt, Jordan, Argentina, and the United States

2018 | Our performance summary

	GCC	Egypt	Jordan	USA	Argentina	Total
Operational waste sent to landfill (metric tons)	11,410*	9,200**	NIA	NIA	NIA	20,610
Operational waste recycled (metric tons)	21,929***	15,040	NIA	183	40	37,192
Percentage of card board coming from recycled materials used as an input material (%)	65%	57%	NIA	N/A	N/A	NIA

Note: NIA stands for no information available, N/A stands for not applicable.

*No information available for Sales, Distribution and Logistics.

**No information available for administrative head office and Sales, Distribution and Logistics.

*** No information available for administrative head office, and includes returned packaging recycled.

05

Nurture and **reward** colleagues

At Almarai, nurturing and rewarding colleagues means attracting, developing, and retaining a motivated and diverse work force.

At Almarai, we cherish our **long-term relationships** with our most valuable asset - **our employees.**

Material issues	Ambitions
Local leadership development	To attract, develop, and retain talented locals, strengthening our workforce in line with Vision 2030 and our strategic objectives.
Employee satisfaction and equal opportunity	To achieve top quartile employee satisfaction and balanced workforce in line with local legislation, customs, and attitudes.
Training, development and retention	To train, develop, and retain top talent.

Workforce overview | 2018

Number of employees

GCC **38,416**

Egypt **3,181**

Jordan **837**

USA **366**

Argentina **171**
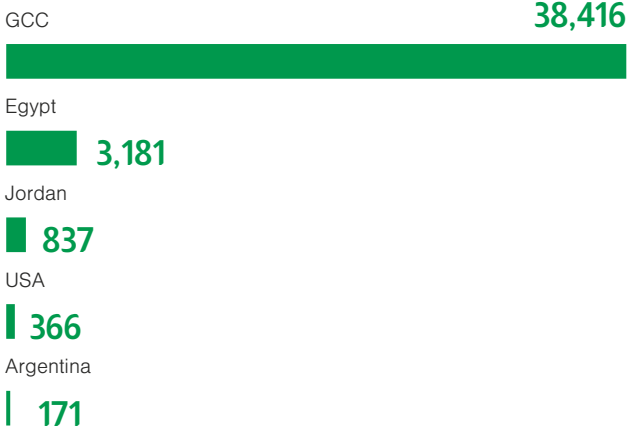
42,971
Total employees

26%
Saudization rate in 2018

Local leadership development

At Almarai, we are committed to prioritizing the development of local leadership. We are proud of our status of Platinum level for Saudization in the Nitaqat Program, which aims to Saudize jobs in the Saudi private sector, with 26% of our Saudi Arabia employees being Saudi nationals. In middle management roles, Saudization has gone up 7% in 2018.

Our dedication to our local employees does not end with their employment. We run several leadership and professional development initiatives for Saudi employees, including the Almarai Future Leaders program, the Graduate Professional Trainee program and the Dairy & Food Polytechnic (please see page 52 for D&FP overview).

In the broader sense, our commitment to local leadership development focuses on supporting education and excellence through initiatives such as the Almarai Award for Scientific Innovation, the Almarai Education Excellence Award for Arab students in the GCC, and the Almarai Award for Veterinary Excellence.

2018 | Our performance summary

	2018
Number of Saudi employees	8,766
Number of female Saudi employees	645
Percentage Saudization among total workforce (%)	26%
Percentage Saudization of middle management (%)	25%
Percentage Saudization of senior management (%)	16%
Number of Saudi Almarai Academy participants	291
Number of Graduate Professional Trainee participants	22
Number of Almarai Future Leaders participants	21
Number of Dairy & Food Polytechnic participants	584
Number of Saudi Almarai Driving School participants	126
Total number of Saudi nationals in professional development programs	**1,044**

Employee satisfaction and equal opportunity

Ensuring employee satisfaction and opportunity for all, especially for female employees is a priority for Almarai. We seek to provide career opportunities in the markets where we operate, and to increase the number of women in our workforce. In 2018, the number of women in middle management increased substantially from 2 to 45, although total female employment remained at 2%.

Almarai's aim to provide an inclusive work environment extends to those with disabilities. To this end, Almarai was the first company in Saudi Arabia to obtain a "Moaamah" certificate, which certifies that we have met the infrastructure requirement standards to accommodate

people with disabilities in the work environment. In 2018, we have increased the hiring of employees with a disability by nearly 50%, based on our previous year's figures.

Almarai has several initiatives in place to keep employees engaged, motivated, and satisfied. In addition to initiatives highlighted below, all employees are entitled to benefits, such as medical insurance (life assurance is provided for senior management), annual leave, and full-time employees receive housing or a housing allowance and transportation.

Almarai provides a wide range of employee engagement activities, including:

- Recognition and rewards, such as the Annual Service award

- Special day celebrations, such as National Day

- Social outings and trips

- Health and wellbeing opportunities though discounted gym membership and other in-house events, such as yoga classes

- Training and e-learning opportunities

- Leadership opportunities, such as our Future Leaders program

- Employee satisfaction and engagement surveys

- E-connect, a mobile app to receive company news updates and special employee discounts and offers

- Opportunities to support society through blood donation events and micro home-based business in collaboration with the Saudi Human Resources Development Fund

- Recreational facilities e.g. facilities for sport and relaxation at our plants

All these activities ultimately seek to create a flexible work culture that encourages productive, healthy work/life balance, employee retention, and personal and professional growth opportunities.

#61

on Forbes "Global 2000: World's Best Employers"

Creating an open, feedback culture

Almarai has an ambition to be 'the' employer of choice in the local region. While we deliver many initiatives to increase employee satisfaction, we wanted to reach out to a wide pool of employees and seek anonymous feedback on how satisfied, engaged and connected they were with the business. At the end of 2018, our first companywide employee engagement survey was completed.

The survey was made available to all employees across all job functions (corporate, manufacturing, sales, logistics and farming), genders and nationalities. It covered the following geographic locations - Saudi Arabia, Oman, Kuwait, Bahrain and UAE. We were pleased that over 3,500 employees took part and used the opportunity to provide the business with feedback.

Four key areas were looked at and the findings can be summarized as follows:

- **Overall satisfaction** – 8 out of 10 Almarai employees confirmed they are satisfied when asked about their total work experience at the business
- **Advocacy** – 82% were positive advocates when asked if they would recommend Almarai as an employer to work for to their friends and family
- **Optimism** – 76% were optimistic about their future with Almarai
- **Pride** – 9 out of 10 employees are proud of working for Almarai, and this was seen consistently across KSA, UAE and Oman, and amongst Saudi and Non-Saudi employees

While the results are pleasing and provide a baseline for future consultation, we know there is still much work to be done. Over the course of 2019, we will use the new data to analyze and drive further employee engagement interventions to build positively on the feedback provided, and continue on our journey to be 'the' employer of choice in the region.

2018	Our performance summary	GCC	Egypt	Jordan	USA	Argentina	Total
Female employment rate (%)	2.0%	1.4%	2.5%	7.9%	24.6%	2.1%
Number of women in senior management	2	6	2	NIA	NIA	10
Percentage of women in senior management (%)	0.8%	27.3%	9.1%	NIA	NIA	3.5%
Number of women in middle management	45	18	8	NIA	NIA	71
Percentage of women in middle management (%)	3.5%	13.2%	8.1%	NIA	NIA	4.7%
Number of women in non-managerial positions	703	19	11	NIA	NIA	733
Percentage of women in non-managerial positions (%)	1.9%	0.6%	1.5%	NIA	NIA	1.8%
Number of board seats occupied by women	0	0	0	NIA	NIA	0
Percentage of board seats occupied by women (%)	0%	0%	0%	NIA	NIA	0%
Number of employees with a disability	468	55	17	NIA	NIA	540
Number of formal incidents of discrimination reported	0	0	0	NIA	NIA	0
Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)	0	0	Less than 1%	NIA	NIA	Less than 1%

Note: NIA stands for no information available.

Training, development, and retention

At Almarai, we recognize that we are only as strong as our employees, and we are committed to attracting, developing, and retaining a motivated and diverse workforce.

To ensure our employees have the required knowledge and skills to perform their roles effectively, Almarai has a comprehensive training policy that covers all aspects of training. Our Training Policy addresses all key elements in an annual training cycle, including training needs assessment, training plan, training delivery, training evaluation, and new employee induction. It also addresses education assistance for employees, study leave, summer and co-op trainee programs.

Established in 2014, the Almarai Academy focuses on leadership development for all management levels (520 Saudi and non-Saudi managers trained in 2018). Almarai Academy collaborates with local and global providers to deliver the best in class leadership development programs for its employees.

Our comprehensive Talent Management Process (Project Horizon), enables Almarai to understand its talent portfolio, and build a pool of successors for our future business opportunities and challenges. Using leadership potential psychometrics assessments, Talking Talents discussions and calibration sessions, Almarai can target specific and tailored training needs for its people talent.

We have also been working to increase our e-learning offering and are aiming to increase the number of employees using this approach by 20%. Through the implementation of e-learning we have significantly increased the number of hours of training our employees received by 30% from 2017 to 2018.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Number of new employee hires	6,693	563	14	**7,270**
Voluntary turnover	4,360	684	177	**5,221**
Voluntary turnover (%)	11.3%	21.5%	21.1%	**12.5%**
Total hours of training provided	375,258	28,701	1,600	**405,559**
Average hours of training per employee	9.8	9.0	1.9	**9.6**
Number of Almarai Academy participants (National and non-national)	520	N/A	N/A	**520**
Number of Almarai Driving School participants (National and non-national)	413	N/A	N/A	**413**

Note: N/A stands for not applicable.

06

Generate **significant economic value**

At Almarai, generating significant economic value means operating a growing and profitable business that consciously contributes to the communities around us.

We continuously work to **add real economic value** through our business activities, **every day**.

Material issues ☰	Ambitions ◎
Product innovation and new market access	To grow our business by meeting changing consumer needs.
Efficient and profitable business	To deliver sustainable value to all stakeholders and to become an internationally recognized food and beverage company.
Productive capacity expansion	To increase our sales to maximize use of production capacity.
Community investment	To enhance our reputation as a responsible company.

Almarai[2] is the largest food and beverage manufacturer and distributor in the Middle East with unique regional coverage, reaching a market capitalization of SAR 48 billion in 2018. Our goal is to generate significant economic value for all our stakeholders by recognizing the need to improve value generation across our supply chain.

Our strategy, Almarai 2025, defines a clear set of goals to be reached by 2025:

- Leading market share (value)
- Grow faster than market
- Significant growth from new business
- Maintain strong return on assets
- Top quartile employee satisfaction
- Preferred consumer brand

#173

on Forbes "Global 2000: The World's Best Regarded Companies"

We measure our economic value creation through the evolution of our Free Cash Flow (FCF), defined as the Net Cash generated from the operating activities minus the Net Cash used in the financing activities. For a second year in a row, we generated a positive FCF, for 2018 FCF amounted to SAR 1,217 million, which was SAR 86 million below 2017 level.

[2] The entirety of this section refers to Almarai Company, unless otherwise indicated.

Product innovation and new market access

Our ability to innovate has always been the cornerstone of our success. Two new important launches were introduced in 2018. The first was our standalone Foodservice business, the introduction of which began in 2017. 'Almarai Pro' has been purpose-built to meet the requirements of the Middle East's growing Hotel, Restaurant and Catering (HoReCa) market, as well as other wholesale customers such as schools and hospitals, and we have introduced a number of products to service this segment. The Foodservice business has already shown strong growth, and we regard it as a high-potential category for the future. Meanwhile, we introduced a new value range, Albashayer, to the market, for consumers prioritizing lower price-range products. A number of new Poultry and Dairy products have been launched under the Albashayer value brand, with more to come in 2019.

In 2018, 35 new product innovations were introduced. Our proven ability to create new, innovative products has made us one of the world's most innovative companies and has propelled us into our strong leadership position, further fueling our drive to create compelling value for our consumers and our shareholders by meeting changing market demands.

Our investment in people likewise underlines our belief in innovation. Almarai has always sought the best technical experts in the food and beverage industry from around the world. It is through our skilled team that we have been able to develop innovative new products and relationships enabling our successful expansion into new markets.

Efficient and profitable business

The Consolidated Net Income for 2018 was SAR 2,009 million, as compared with SAR 2,182 million in 2017, with Net Revenues decreasing by -1.5% to reach SAR 13,723 million. With ongoing and successful cost optimization programs in place, we have maintained profitability and robust market share across core categories.

Among the most important achievements of the year was the delivery of a turnaround for our Infant Nutrition and Poultry businesses. The former achieved net profitability for the first time since its establishment, breaking even at the EBIT (Earnings Before Interest and Taxes) level last year. This segment grows and develops towards a profitable future. But the main achievement for 2018 was the Poultry performance, where considerable efforts have been made through increased operating efficiencies and the exploration of new sales channels. The Net Profit for this segment reached SAR 183 million for 2018, after a Net Loss of SAR 29 million in 2017 and a Net Loss of SAR 294 million in 2016. Optimization initiatives for both businesses have borne fruit, and as we seek to occupy a more powerful market share, we look forward to further success.

Our profitability has enabled us to create shared economic value for our shareholders and other stakeholders in the countries where we operate, through national tax contributions, payments to suppliers of goods and services, and employee wages and benefits.

Cash flow generation and returns to shareholders
In 2018 our Cash flow generated from operating activities fell by 22.9% to SAR 3,558 million, however, we maintained the ability to propose a dividend payment to shareholders of SAR 850 million in 2018, a 13.3% increase from 2017, with dividends per share at SAR 0.85.

For more information on our financial and operational performance see our Annual Report 2018.

Our performance summary	2017	2018
Market capitalization (SAR billion)	53.7	48
Net sales (SAR million)	13,936	13,723
Operating costs (SAR million)	6,601	6,316
Profit for the year (SAR million)	2,182	2,009
Dividends to shareholders (SAR million)	750	850
Dividend per share (SAR)	0.75	0.85
Employee wages and benefits (SAR million)	2,832	2,925
Interest payments made to providers of loans (SAR million)	468	421
Payments to government (SAR million)	394.9	639.4
Cash flow generated from operating activities (SAR million)	4,614	3,558
Free Cash Flow (FCF) (SAR million)	1,303	1,217
Capital expenditure (SAR million)	2,744	1,959
Total capitalization		
Total equity (SAR million)	14,881	14,516
Total liabilities (SAR million)	17,015	17,802

Productive capacity expansion

As our company grows, we aim to maximize the use of our facilities. We do this by upgrading and increasingly automating our manufacturing facilities and distribution centers to increase efficiency, capacity and to lower costs. When feasible, we also construct new facilities to position us to meet future market demand.

We have invested heavily in our Poultry processing, Dairy, and Infant Nutrition plants, which are some of the largest and most advanced in the world. These investments have positioned us to adequately absorb increased production. Likewise, our capacity continues to grow, as reflected by the increase in the size of the herd of our cows and the number of chickens we process.

Our overseas farms managed more than 40,000 hectares of arable land for alfalfa, corn and soya bean production. This feedstock is shipped to Saudi Arabia to our dairy and poultry farms. Our Almarai cattle yards provide shaded housing, air cooling, and showers for Almarai's herd of 190,444 Holstein cows. Each cow produces more than 40 liters of milk daily, totaling over a billion liters annually. Our poultry farms operate to the same exceptionally high standards. Our poultry processing plant has production capacity of 200 million birds per annum.

In our Almarai Sales, Distribution and Logistics division, more than 21,000 employees look after transport, warehousing, maintenance, planning, and 83 sales depots. They supply fresh dairy, juice, bakery, and poultry products to over 58,000 customers – achieving 99 percent on-time delivery. At any given time, there are 1,400 Almarai trucks on Middle East roads.

2018	Our performance summary	GCC	Egypt	Jordan	Total
Total production volume (million metric tons)	N/A	N/A	N/A	**2.419**
Number of manufacturing plants	10	1	1	**12**

Note: N/A stands for not applicable. Total production volume is reported at Almarai Company level only.

Community investment

Almarai is committed to supporting the communities where we operate. Through education, training and development, charitable donation, and other programs, we provide a greater positive impact for society.

We support robust technical and vocational educational training (TVET) programs, such as the Dairy and Food Polytechnic (DFP). This is a joint project between Almarai and the Technical and Vocational Training Corporation which commenced in 2011. DFP was established with the aim of developing young Saudi Nationals skills with a focus on the dairy and food Industry. As one of the major industries in Saudi Arabia, the project takes high school graduates and provides training to meet business demand for technically qualified people with dairy and food industry specific skills.

As a socially responsible business, we support a number of awards in partnership with other organizations to reward achievement in society. These include:

- Almarai Scientific Innovation Award - The award was launched in 2001 in collaboration with the King Abdulaziz City for Science and Technology, and aims to strengthen scientific capability through supporting scientists and researchers in the fields of fundamental science, applied and developmental sciences, and innovation in Saudi Arabia

- Almarai Academic Excellence Award – Launched in 2006, it provides support to students who are enrolled in the public education system in GCC countries. The award aims to encourage outstanding students, developing their abilities and talent, and supporting their achievements

- Almarai Veterinarian Award – Launched in 2010, the award supports the veterinary profession and aims at reinforcing the importance of the veterinarian's role in protecting the general health of the GCC's livestock which is so crucial to supporting food security. We work in collaboration with the Saudi Veterinary Medical Society and King Faisal University

- Almarai Award for Ideal Mother - Almarai launched this award in 2018 in partnership with the Disabled Children's Association. It aims to honour mothers who support their children with disabilities in the process of treatment, education and rehabilitation. In its first year, five women won the award

- Moments Award – Launched in 2013, partnering with National Geographic Abu Dhabi, this award encourages Arab photographic talent to expand their creative capabilities. Since launch more than 160,000 participants have engaged in the competition

We also run a large food distribution program for schools in Saudi Arabia, providing 947 schools with nutritious snacks for children. We continue to support lower income families through our food basket donation program and reached nearly 600 families this past year. We also support a group wedding event for those that cannot afford to get married so that they can reach this important milestone. In 2018 we enabled 1,200 couples to get married.

Our operations in Egypt, Jordan, and the United States are also active in supporting local community needs through in-kind donations to schools and families, and by providing internships to high school and college students. For example, 30 university interns were hosted and 156 distribution start-ups were created in rural areas through its "Kaseeb" program in Egypt in 2018. In Jordan, financial support was provided to a local university and mosque.

In the United States a program called the "4H Club" to help stimulate an interest in agriculture among young people is supported and approximately 25 interns are hosted on an annual basis.

We will continue to work to develop new and innovative programs to strategically address issues that align with our core CSR purpose, driving education, training and development in communities where we operate.

2018	Our performance summary	2018
Total CSR spending as a percentage of net profit (%)	2.1%
Programs to support vulnerable groups	
Number of schools provided with student snacks	947
Number of food baskets provided to lower income groups	600
Number of lower income couples provided with weddings	1,200
Total financial value (SAR million)	1.9
Programs to support educational, technical and vocational (TVET) development	
Number of TVET beneficiaries (Almarai Driving School and Dairy & Food Polytechnic)	997
Total financial value (SAR million)	36.7
Almarai award programs	
Number of award winners (Veterinarian Award, Scientific Award, and Best Mother Award)	19
Total financial value (SAR millions)	2.9

Note: Figures above exclude Jordan, Egypt, Argentina and the United States.

Appendices

Appendix A.
Defining the issues that matter the most

To ensure we focused our efforts on the sustainability issues that matter most to our business and our stakeholders, we conducted a materiality analysis to identify and prioritize the economic, social, environmental and governance issues relevant to our business.

In line with the materiality assessment process set forth in the GRI Standards, we compiled a comprehensive list of relevant sustainability issues based on a detailed review of international guidelines and standards, such as the GRI Standards, the GRI G4 Food Processing Sector Supplement and the Sustainability Accounting Standards Board (SASB), national and international sustainable development frameworks, and peer companies in the food and beverage industry.

We surveyed stakeholders to rate the importance of each issue and prioritized them accordingly. Company management conducted a final review of our materiality matrix to ensure that the range of issues included provided a complete representation of the organization's significant sustainability impacts.

The materiality analysis below shows the results of the materiality analysis.

Importance for Stakeholders

Importance for Almarai
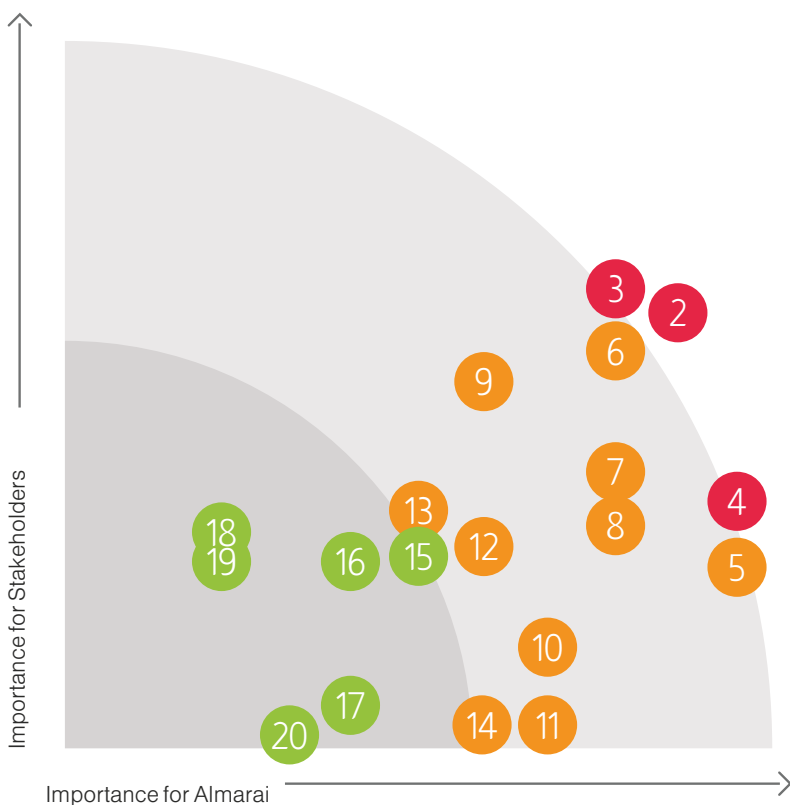
Material Topic	Rank
Food safety and quality	1
Product nutrition and health	2
Consumer health and choice awareness	3
Workforce health and safety	4
Efficient and profitable business	5
Water protection	6
Energy and fuel efficiency	7
Product innovation and new market access	8
Packaging and waste reduction	9
Training, development and retention	10
Employee satisfaction & equal opportunity	11
Sustainable procurement	12
Responsible marketing	13
Local leadership development	14
Food waste reduction	15
Animal welfare	16
Productive capacity expansion	17
Climate change mitigation and adaptation	18
Sustainable land use and biodiversity protection	19
Community investment	20

Sustainability framework pillar	Material issue	Concerned stakeholders
Promote responsible consumption	Food waste reduction	Almarai employees, Government, Civil society, Consumers
	Responsible marketing	Almarai employees, Civil society, Consumers
	Consumer health and choice awareness	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
Ensure ethical and sustainable sourcing	Sustainable procurement	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
	Sustainable land use and biodiversity protection	ESG rating agencies, Investors, Government, Consumers
	Animal welfare	ESG rating agencies, Investors, Government, Civil society, Consumers
Prioritize quality and safety	Food safety and quality	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
	Product nutrition and health	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
	Workforce health and safety	Investors, Almarai employees, Government, Consumers
Reduce natural resource use and waste	Climate change mitigation and adaptation	ESG rating agencies, Investors, Government, Civil society, Consumers
	Energy and fuel efficiency	ESG rating agencies, Investors, Almarai employees, Government, Consumers
	Water protection	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
	Packaging and waste reduction	ESG rating agencies, Investors, Almarai employees, Government, Civil society, Consumers
Nurture and reward colleagues	Local leadership development	Almarai employees, Government
	Employee satisfaction and equal opportunity	Investors, Almarai employees
	Training, development and retention	Almarai employees, Government, Civil society
Generate significant economic value	Product innovation and new market access	ESG rating agencies, Investors, Almarai employees, Civil society, Consumers
	Efficient and profitable business	ESG rating agencies, Investors, Almarai employees, Civil society
	Productive capacity expansion	ESG rating agencies
	Community investment	Civil society

Stakeholder		Respondents
ESG rating agencies	(orange)	1 respondent
Investors	(green)	10 respondents
Almarai / Almarai employees	(light blue)	222 respondents
Government regulatory bodies	(purple)	10 respondents
Civil society organizations	(red)	2 respondents
Consumers	(dark blue)	430 respondents

Appendix B.
Stakeholder mapping

As part of our materiality analysis, we conducted several internal workshops to identify our most important stakeholders. Below is an output of the workshops, identifying the importance of each stakeholder group to Almarai, their needs and expectations, channels for engagement with each group, along with specific measures in place to respond to our stakeholders.

Stakeholders	Importance	Needs and expectations	Almarai engagement channels	How Almarai is responding
Investors	Our shareholders 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 investors in a growing range of diversified product lines.	• Financial performance, efficient production and growth • Dividends • Contribution to economic development • Share price • Data disclosure and credibility • Customer satisfaction • Market share	• Board of Directors meetings • Public reports • Shareholders' Rights Policy • Investor Relations	• Annual Report, Corporate Governance Code, Financial reports, Earnings presentations, etc. • Net income growth
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.	• Product and ingredients quality, freshness and safety • Product nutritional value and health implications • Product price • Brand reputation • Environmentally sound production practices • Animal welfare • Fair and ethical marketing • International recognition and certificates • Direct communication channels	• Social media channels • Visitor tours • Website • Call center • Electronic mail	• Direct dialogue with consumers on social media, including Facebook, Twitter, YouTube, Instagram and more • Monthly consumer surveys • Consumer hotline • Email newsletter
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.	• Fair payment and benefits • Equal opportunity • Engagement and motivation • Transparent hierarchies • Job security • Training and career development • Safe work environment • Grievance mechanisms	• HR Policy • Training and development program • Training needs analysis • Employee grievance mechanism • Employee satisfaction surveys (on an ad hoc basis)	• Housing allowance and transport • Life/Medical insurance • Annual service award • Gym and leisure areas • Outings and sporting events • Talent assessments • E-learning and training program • Management courses • Almarai Academy • Graduate Professional Trainee Program

Stakeholders	Importance	Needs and expectations	Almarai engagement channels	How Almarai is responding
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.	• Compliance with national legislation & regulation • Contribution to economic development • Environmentally sound production practices • GHG emissions and impact on climate • International recognition and certificates	• Internal audit • Stakeholder meetings and open dialogue • Public reporting • Working closely with regulators to develop improved standards	• Corporate Governance Code • Annual Report • Sustainability Report • Regulatory team meet regularly with government bodies representatives • Corporate affairs team meetings • Government forums
ESG rating agencies	As we are committed to improving our Environmental, Social Governance, or ESG, performance. ESG rating agencies play an important role in determining whether we are heading in the right direction, by identifying crucial areas for improvement.	• Publicly disclosed data about our ESG performance, including strategies, targets and goal, methods for evaluation, policies, and procedures	• Investor Relations • Public reporting	• Corporate Governance Code • Annual Report • Sustainability Report
Civil society organizations	As a people centric business, we believe that contributing to community development in the countries of our operations is important to building trust and bonds with consumers. We are committed to ensuring that access to quality and healthy food is not only a luxury, but a right.	• Corporate Social Responsibility and engagement • Funds and financial support • GHG emissions and impact on climate • Data disclosure and credibility • Animal welfare • Environmentally sound production practices • Contribution to economic development	• CSR activities • Student learning opportunities • Food donations	• Food support for lower income and vulnerable groups • Educational awards • Dairy and Food Polytechnic • Almarai Driving School

Engagement in associations

As part of our engagement with stakeholders, we are members of strategic external associations.

Almarai is an active member in the following associations:

- National Dairy Committee under the Council of Saudi Chamber
- National Bakery Committee under the Council of Saudi Chamber
- National Poultry Committee under the Council of Saudi Chamber
- National Transportation Committee under the Council of Saudi Chamber
- National Labor Market Committee under the Council of Saudi Chamber
- Agricultural Committee under the Riyadh Chamber of Commerce
- Human Resources and Labor Market Committee under the Riyadh Chamber of Commerce
- Saudi CODEX Committee
- Food and Beverage Association, Dubai
- Alliance for Water Stewardship

Appendix C.
Topic boundaries

Material issue	Category	Topic boundaries
Food waste reduction	Economic, Social, Environmental	Almarai, subsidiaries
Responsible marketing	Social, Governance	Almarai, subsidiaries, consumers
Consumer health and choice awareness	Social, Governance	Almarai, subsidiaries, consumers
Sustainable procurement	All	Almarai, subsidiaries, suppliers
Sustainable land use and biodiversity protection	Environmental	Almarai, subsidiaries
Animal welfare	Social	Almarai, subsidaries
Food safety and quality	Governance	Almarai, subsidiaries, consumers
Product nutrition and health	Social	Almarai, subsidiaries, consumers
Workforce health and safety	Social, Economic	Almarai, subsidiaries
Climate change mitigation and adaptation	Environmental	Almarai, subsidiaries
Energy and fuel efficiency	Environmental, Economic	Almarai, subsidiaries
Water protection	Environmental, Economic	Almarai, subsidiaries
Packaging and waste reduction	Environmental, Economic	Almarai, subsidiaries
Local leadership development	Social	Almarai, subsidiaries
Employee satisfaction and equal opportunity	Social	Almarai, subsidiaries
Training, development and retention	Social	Almarai, subsidiaries
Product innovation and new market access	Economic	Almarai, subsidiaries
Efficient and profitable business	Economic	Almarai, subsidiaries
Productive capacity expansion	Economic	Almarai, subsidiaries
Community investment	Social	Almarai, subsidiaries

Appendix D: GRI content index

GRI Standard	Disclosure	Page number(s)
GRI 101: Foundation 2016		
General Disclosures		
	Organizational profile	
	102-1 Name of the organization	Almarai Company
	102-2 Activities, brands, products, and services	11
	102-3 Location of headquarters	Riyadh, Saudi Arabia
	102-4 Location of operations	Saudi Arabia, Oman, UAE, Bahrain, Kuwait, Jordan, Egypt, USA, Argentina
	102-5 Ownership and legal form	10
	102-6 Markets served	Saudi Arabia, Oman, UAE, Bahrain, Kuwait, Jordan, Egypt
	102-7 Scale of the organization	Annual Report 2018 pg. 24; 11-13 of this report
	102-8 Information on employees and other workers	79
	102-9 Supply chain	12 - 13
	102-10 Significant changes to the organization and its supply chain	Annual Report 2018 pg. 64 – 65; 24 of this report
GRI 102: General Disclosures 2016	102-11 Precautionary Principle or approach	14-17, 33
	102-12 External initiatives	GRI, World Health Organization, World Organization for Animal Health, Alliance for Water Stewardship
	102-13 Membership of associations	59
	Strategy	
	102-14 Statement from senior decision-maker	4 - 7
	102-15 Key impacts, risks, and opportunities	4 – 7, 14 - 17
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	10
	Governance	
	102-18 Governance structure	Annual Report 2018 pg. 55 and 73
	102-19 Delegating authority	Annual Report 2018 pg. 74 - 75
	102-22 Composition of the highest governance body and its committees	Annual Report 2018 pg. 76 and 84 - 85
	102-23 Chair of the highest governance body	Chair is a non-executive member.

GRI Standard	Disclosure	Page number(s)
	102-24 Nominating and selecting the highest governance body	Annual Report 2018 pg. 74 - 75
	102-26 Role of highest governance body in setting purpose, values, and strategy	Annual Report 2018 pg. 74 - 75
	102-30 Effectiveness of risk management processes	Annual Report 2018 pg. 44 - 45
	102-35 Remuneration policies	Annual Report 2018 pg. 80 - 83
	Stakeholder engagement	
	102-40 List of stakeholder groups	58 - 59
	102-41 Collective bargaining agreements	Trade unions are not allowed in the GCC. Employees in Argentina are represented by trade unions. Employees in the USA, Jordan and Egypt are not members of trade unions.
	102-42 Identifying and selecting stakeholders	56, 58
	102-43 Approach to stakeholder engagement	17, 58 - 59
	102-44 Key topics and concerns raised	57 - 59
GRI 102: General Disclosures 2016	**Reporting practice**	
	102-45 Entities included in the consolidated financial statements	Annual Report 2018 pg. 117-121
	102-46 Defining report content and topic Boundaries	2, 56, 58, 60
	102-47 List of material topics	16
	102-48 Restatements of information	No restatements.
	102-49 Changes in reporting	Coverage of operations in Egypt, Jordan, USA and Argentina has been included.
	102-50 Reporting period	2
	102-51 Date of most recent report	2017
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	2
	102-54 Claims of reporting in accordance with the GRI Standards	2
	102-55 GRI content index	61 - 73
	102-56 External assurance	This report has not been assured by a third party.

GRI Standard	Disclosure	Page number(s)
Material Topics		
GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	48 – 53, 60
	103-2 The management approach and its components	48 - 53
	103-3 Evaluation of the management approach	48 - 53
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	84 - 85
	201-2 Financial implications and other risks and opportunities due to climate change	33
	201-3 Defined benefit plan obligations and other retirement plans	44
	201-4 Financial assistance received from government	SAR 495.9 million total: SAR 438.7 million from government subsidies for feed stock and SAR 57.2 million from the Human Resource Development Fund.
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 – 44, 60
	103-2 The management approach and its components	43 - 44
	103-3 Evaluation of the management approach	43 - 44
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	80
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 47, 52 – 53, 60
	103-2 The management approach and its components	42 – 47, 52 - 53
	103-3 Evaluation of the management approach	42 – 47, 52 - 53
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Zero
	203-2 Significant indirect economic impacts	80, 84 - 85

GRI Standard	Disclosure	Page number(s)
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	22 - 23
	103-3 Evaluation of the management approach	22 – 23, 74 - 75
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	75
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Annual Report 2018 pg. 42 – 47; 60 of this report
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	None of our operations have formally been assessed for risks of corruption; however, there are mechanisms in place to prevent incidents of corruption.
	205-2 Communication and training about anti-corruption policies and procedures	No information available.
Anti-competitive Behavior		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Annual Report 2018 pg. 42 – 47; 60 of this report
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero

GRI Standard	Disclosure	Page number(s)
GRI 300 Environmental Standards Series		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32 – 33, 39, 60
	103-2 The management approach and its components	32 – 33, 39
	103-3 Evaluation of the management approach	32 – 33, 39, 78 – 79
	301-1 Materials used by weight or volume	78 – 79
	301-2 Recycled input materials used	78
	301-3 Reclaimed products and their packaging materials	No reclaimed products are used to produce our products.
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32 – 35, 60
	103-2 The management approach and its components	32 – 35
	103-3 Evaluation of the management approach	32 – 37
GRI 302: Energy 2016	302-1 Energy consumption within the organization	77 – 78
	302-2 Energy consumption outside of the organization	77 – 78
	302-3 Energy intensity	78
	302-4 Reduction of energy consumption	34 - 35
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32 – 33, 38, 60
	103-2 The management approach and its components	32 – 33, 38
	103-3 Evaluation of the management approach	32 – 33, 38
GRI 303: Water 2016	303-1 Water withdrawal by source	78
	303-2 Water sources significantly affected by withdrawal of water	Our operations do not have a material effect on the sustainability of surface or ground water sources in the locations of our operations.
	303-3 Water recycled and reused	78

GRI Standard	Disclosure	Page number(s)
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 - 25, 32 – 39, 60
	103-2 The management approach and its components	22 - 25, 32 – 39
	103-3 Evaluation of the management approach	22 – 25, 32 – 41
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Zero
	304-2 Significant impacts of activities, products, and services on biodiversity	Zero
	304-3 Habitats protected or restored	Zero
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Zero
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32 – 35, 60
	103-2 The management approach and its components	32 – 35
	103-3 Evaluation of the management approach	32 – 35
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	77
	305-2 Energy indirect (Scope 2) GHG emissions	77
	305-3 Other indirect (Scope 3) GHG emissions	77
	305-4 GHG emissions intensity	77
	305-6 Emissions of ozone-depleting substances (ODS)	77
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32 – 33, 38 – 39, 60
	103-2 The management approach and its components	32 – 33, 38 - 39
	103-3 Evaluation of the management approach	32 – 33, 38 - 41

GRI Standard	Disclosure	Page number(s)
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	78
	306-2 Waste by type and disposal method	78
	306-3 Significant spills	Zero
	306-4 Transport of hazardous waste	We do not transport hazardous waste.
	306-5 Water bodies affected by water discharges and/or runoff	Zero
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Annual Report 2018 pg. 42 – 47; 22 – 25 and 60 of this report
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47; 22 – 25 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47; 22 – 25 of this report
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	One incident in Egypt where the capacity of the water treatment unit exceeded the regulatory limit. No fines were applicable, and a permit to operate the water treatment plant at higher volumes was provided until the new water treatment plant is commissioned.
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23, 60
	103-2 The management approach and its components	22 – 23
	103-3 Evaluation of the management approach	22 – 23
GRI 400 Social Standards Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 47, 60
	103-2 The management approach and its components	42 – 47
	103-3 Evaluation of the management approach	42 – 47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	82 – 84
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44
	401-3 Parental leave	81 – 82

GRI Standard	Disclosure	Page number(s)
Labor/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 47, 60
	103-2 The management approach and its components	42 – 47
	103-3 Evaluation of the management approach	42 – 47
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	We do not have a minimum notice period by which we must communicate operational changes ahead of time.
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26 – 27, 29, 60
	103-2 The management approach and its components	26 – 27, 29
	103-3 Evaluation of the management approach	26 – 27, 29 – 31
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	29
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	76
	403-4 Health and safety topics covered in formal agreements with trade unions	Zero
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 47, 60
	103-2 The management approach and its components	42 – 47
	103-3 Evaluation of the management approach	42 – 47
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	84
	404-2 Programs for upgrading employee skills and transition assistance programs	We do not currently have any transition assistance programs. Common practice within our GCC operations is to train and redeploy workers within the business.
	404-3 Percentage of employees receiving regular performance and career development reviews	No information available.

GRI Standard	Disclosure	Page number(s)
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 46, 60
	103-2 The management approach and its components	42 – 46
	103-3 Evaluation of the management approach	42 – 46
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	80 – 81
Non-discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 – 46, 60
	103-2 The management approach and its components	42 – 46
	103-3 Evaluation of the management approach	42 – 46
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	81
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47; 22 – 23 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47; 22 – 23 of this report
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Trade unions are not allowed in the GCC. Employees in Argentina are represented by trade unions. Employees in the USA, Jordan and Egypt are not members of trade unions. No information is available for suppliers.
Child Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47; 22 - 23 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47; 22 - 23 of this report
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Our operations face no significant risk for incidents of forced or compulsory labor. No information is available for suppliers.

GRI Standard	Disclosure	Page number(s)
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47; 22 - 23 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47; 22 - 23 of this report
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our operations face no significant risk for incidents of forced or compulsory labor. No information is available for suppliers.
Security Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	27, 47, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42-47; 27, 47 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42-47; 27, 47 of this report
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	All security guards in our GCC operations receive our standard manned guarding course.
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 24, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47; 22 - 24 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47; 22 - 24 of this report
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Zero
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 -23, 60
	103-2 The management approach and its components	Annual Report 2018 pg. 42-47; 22 – 23 of this report
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42-47; 22 – 23 of this report
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Zero
	412-2 Employee training on human rights policies or procedures	Zero
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Zero

GRI Standard	Disclosure	Page number(s)
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 – 53, 60
	103-2 The management approach and its components	52 – 53
	103-3 Evaluation of the management approach	52 – 53
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	52 – 53
	413-2 Operations with significant actual and potential negative impacts on local communities	Throughout our operations, we recognize that these operations could pose a potential negative impact on surrounding communities.
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	22 – 23
	103-3 Evaluation of the management approach	22 – 23
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26 – 29, 60
	103-2 The management approach and its components	26 – 29
	103-3 Evaluation of the management approach	26 – 29, 75 – 76
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	76
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18 – 21, 60
	103-2 The management approach and its components	18 – 21
	103-3 Evaluation of the management approach	18 – 21

GRI Standard	Disclosure	Page number(s)
GRI 417: **Marketing and** **Labeling 2016**	417-1 Requirements for product and service information and labeling	74
	417-2 Incidents of non-compliance concerning product and service information and labeling	One incident in Egypt where a term was misspelled in Arabic. No fines were applicable. A warning letter was issued, and the misspelling was corrected.
	417-3 Incidents of non-compliance concerning marketing communications	74
Customer Privacy		
PRI 103: **Management** **Approach 2016**	103-1 Explanation of the material topic and its Boundary	Annual Report 2018 pg. 42 – 47; 60 of this report
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47
GRI 418: **Customer** **Privacy 2016**	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero
Socioeconomic Compliance		
GRI 103: **Management** **Approach 2016**	103-1 Explanation of the material topic and its Boundary	Annual Report 2018 pg. 42 – 47; 60 of this report
	103-2 The management approach and its components	Annual Report 2018 pg. 42 – 47
	103-3 Evaluation of the management approach	Annual Report 2018 pg. 42 – 47
GRI 419: **Socioeconomic** **Compliance 2016**	419-1 Non-compliance with laws and regulations in the social and economic area	Zero
Sector Specific Disclosures – Food Processing		
Procurement/Sourcing Practices		
GRI 103: **Management** **Approach 2016**	103-1 Explanation of the material topic and its Boundary	22 – 23, 60
	103-2 The management approach and its components	22 – 23
	103-3 Evaluation of the management approach	22 – 23, 74 – 75
Labor/Management Relation		
GRI 103: **Management** **Approach 2016**	103-1 Explanation of the material topic and its Boundary	42 – 47, 60
	103-2 The management approach and its components	42 - 47
	103-3 Evaluation of the management approach	42 - 47

GRI Standard	Disclosure	Page number(s)
Labor/ Management Relation	FP3 Percentage of working time lost due to industrial disputes, strikes and/or lock-outs	Less than 1% in Jordan.
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26 – 29, 60
	103-2 The management approach and its components	22 - 23
	103-3 Evaluation of the management approach	22 – 23, 75 – 76
Customer Health and Safety	FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	75
Animal Welfare		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22 – 23, 25, 60
	103-2 The management approach and its components	22 – 23, 25
	103-3 Evaluation of the management approach	22 – 23, 25
Animal Welfare	FP9 Percentage and total of animals raised and/or processed, by breed type	75
	FP10 Percentage and total animals raised and/or processed, per housing type	75
	FP 12 Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	75
	FP 13 Total number of incidents of significant non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	75

Appendix E:
Sustainability in numbers

	Our sustainability performance	2018
Promote responsible consumption	**Food returns (metric tons)**	**94,613**
	GCC	90,371
	Egypt	NIA
	Jordan	4,242
	Food returns sent to landfill (metric tons)	**83,043**
	GCC	78,801
	Egypt	NIA
	Jordan	4,242
	Percentage of food returns resold for animal feed (%)	**12%**
	GCC	13%
	Egypt	NIA
	Jordan	0%
	Rendered poultry by-product resold for animal feed (metric tons)	**19,599**
	GCC	19,599
	Egypt	N/A
	Jordan	N/A
	Number of incidents of non-compliance concerning product information and labeling	**1**
	GCC	0
	Egypt	1
	Jordan	0
	Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	**0**
	GCC	0
	Egypt	0
	Jordan	0
	Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	**100%**
	GCC	100%
	Egypt	100%
	Jordan	100%
Ensure ethical and sustainable sourcing	**Number of suppliers engaged**	**2,654**
	GCC	1,717
	Egypt	588
	Jordan	349
	Number of locally based suppliers engaged	**1,655**
	GCC	858
	Egypt	478
	Jordan	319
	Percentage of locally based suppliers engaged (%)	**62%**
	GCC	50%
	Egypt	81%

	Our sustainability performance	2018
	Jordan	91%
	Percentage of spending on locally based suppliers (%)	
	GCC	45%
	Egypt	40%
	Jordan	57%
	Number of incidents of non-compliance with environmental laws and regulations	**1**
	GCC	0
	Egypt	1
	Jordan	0
	Arable farming land under production at the end of 2018 (hectares)	**32,154**
	GCC	0
	Egypt	N/A
	Jordan	N/A
	United States	7,840
	Argentina	24,314
	Number of cows	**190,444**
	GCC	188,071
	Egypt	N/A
	Jordan	2,373
	Number of chickens processed	**157,372,110**
	GCC	157,372,110
	Egypt	N/A
	Jordan	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**
	GCC	0
	Egypt	N/A
	Jordan	0
	Percentage of cows in enclosed housing with resting areas (%)	
	GCC	100%
	Egypt	N/A
	Jordan	100%
	Percentage of chickens in enclosed cage free housing (%)	
	GCC	100%
	Egypt	N/A
	Jordan	N/A
Prioritize quality and safety	**Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)**	**100%**
	GCC	100%
	Egypt	100%
	Jordan	100%
	Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	**0**
	GCC	0
	Egypt	0

Our sustainability performance	2018
Jordan	0
Number of recalls	**0**
GCC	0
Egypt	0
Jordan	0
Percentage of products which health and safety impacts are assessed for improvement	**100%**
GCC	100%
Egypt	100%
Jordan	100%
Number of Food Safety System Certification (FSSC) 22000 certified plants	**2**
GCC	1
Egypt	1
Jordan	0
Number of Global Food Safety Initiative (GFSI) certified plants	**2**
GCC	1
Egypt	1
Jordan	0
Percentage of plants that are GFSI certified (%)	**17%**
GCC	10%
Egypt	100%
Jordan	0%
Number of food safety and quality assurance employees	**659**
GCC	585
Egypt	72
Jordan	2
Employee lost-time injuries	**283**
GCC	256
Egypt	4
Jordan	23
Employee lost-time injury rate (per 1 million man-hours)	
GCC	1.72
Egypt	2.16
Jordan	9.48
Hours of employee health and safety training	**165,430**
GCC	155,320
Egypt	9,603
Jordan	507
Average hours of employee health and safety training per employee	**3.9**
GCC	4
Egypt	3
Jordan	0.6
Employee absenteeism rate (%)	
GCC	6.50%
Egypt	1.70%
Jordan	Less than 1%

	Our sustainability performance	2018
Reduce natural resource use and waste	**Scope 1 (direct) emissions (metric tons CO$_2$e)**	**861,489**
	GCC	819,534
	Egypt	22,572
	Jordan	3,608
	USA	14,159
	Argentina	1,616
	Scope 2 (indirect) emissions (metric tons CO$_2$e)	**830,528**
	GCC	779,848
	Egypt	23,188
	Jordan	847
	USA	22,726
	Argentina	3,919
	Scope 3 emissions from Almarai refrigerators in stores (metric tons CO$_2$e)	**780,088**
	GCC	780,088
	Egypt	NIA
	Jordan	NIA
	USA	N/A
	Argentina	N/A
	Total emissions (metric tons CO$_2$e)	**2,472,105**
	GCC	2,379,470
	Egypt	45,760
	Jordan	4,455
	USA	36,885
	Argentina	5,535
	Manufacturing emissions intensity (metric tons CO$_2$e/metric ton of finished product)	**0.26**
	Emissions from refrigerant leakage and replacement (metric tons CO$_2$e)	**134,907**
	GCC	134,887
	Egypt*	0
	Jordan*	20
	USA	N/A
	Argentina	N/A
	Energy usage – direct and indirect (in thousands kWh)	**6,991,313**
	Direct (in thousands kWh)	**5,953,857**
	GCC	5,721,718
	Egypt	125,120
	Jordan	15,210
	USA	82,330
	Argentina	9,479
	Indirect-operations and accommodation (in thousands kWh)	**1,037,456**
	GCC	917,930
	Egypt**	53,079
	Jordan	1,089
	USA	55,359
	Argentina	9,999
	Almarai owned refrigerators in stores (in thousands kWh)	**906,305**

Our sustainability performance	2018
GCC	906,305
Egypt	NIA
Jordan	NIA
USA	N/A
Argentina	N/A
Manufacturing energy intensity (kWh/metric ton of finished product)	**686.27**
Water consumption (m^3)	**12,420,045**
GCC	11,117,633
Egypt***	1,117,040
Jordan*	185,372
Water recycling and reuse (m^3)	**1,345,249**
GCC	1,294,892
Egypt***	739
Jordan***	49,618
Percentage of water recycled and/or reused (%)	**11%**
GCC	12%
Egypt***	Less than 1%
Jordan***	27%
Water discharge (m^3)	**8,916,692**
GCC**	8,140,809
Egypt***	657,706
Jordan***	118,177
Manufacturing water intensity (m^3/metric ton of finished product)	**4.5**
Operational waste sent to landfill (metric tons)	**20,610**
GCC*	11,410
Egypt***	9,200
Jordan	NIA
USA	NIA
Argentina	NIA
Operational waste recycled (metric tons)	**37,192**
GCC****	21,929
Egypt	15,040
Jordan	NIA
USA	183
Argentina	40
Percentage of card board coming from recycled materials used as an input material (%)	
GCC	65%
Egypt	57%
Jordan	NIA
USA	N/A
Argentina	N/A
Packaging inputs (metric tons)	**128,712**
GCC	122,372
Egypt	5,176
Jordan	1,164

	Our sustainability performance	2018
	Ingredient inputs (metric tons)	**233,341**
	GCC	233,341
	Egypt	NIA
	Jordan	NIA
Nurture and reward colleagues	**Number of employees**	**42,971**
	GCC	38,416
	Egypt	3,181
	Jordan	837
	USA	366
	Argentina	171
	Male employees	**42,086**
	GCC	37,666
	Egypt	3,138
	Jordan	816
	Argentina	142
	USA	324
	Female employees	**885**
	GCC	750
	Egypt	43
	Jordan	21
	Argentina	29
	USA	42
	Full time, male employees	**42,064**
	GCC	37,662
	Egypt	3,138
	Jordan	816
	USA	306
	Argentina	142
	Full time, female employees	**885**
	GCC	750
	Egypt	43
	Jordan	21
	USA	42
	Argentina	29
	Part time, male employees	**22**
	GCC	4
	Egypt	0
	Jordan	0
	USA	18
	Argentina	0
	Part time, female employees	**0**
	GCC	0
	Egypt	0
	Jordan	0
	USA	0

Our sustainability performance	2018
Argentina	0
Senior management employees	**287**
GCC	243
Egypt	22
Jordan	22
Middle management employees	**1,507**
GCC	1,272
Egypt	136
Jordan	99
Non-management employees	**40,576**
GCC	36,901
Egypt	2,959
Jordan	716
Number of Saudi employees	**8,766**
Number of female Saudi employees	**645**
Percentage Saudization among total workforce (%)	**26%**
Percentage Saudization of middle management (%)	**25%**
Percentage Saudization of senior management (%)	**16%**
Total number of Saudi nationals in professional development programs	**1,044**
Number of Saudi Almarai Academy participants	**291**
Number of Graduate Professional Trainee participants	**22**
Number of Almarai Future Leaders participants	**21**
Number of Dairy & Food Polytechnic participants	**584**
Number of Saudi Almarai Driving School participants	**126**
Female employment rate (%)	**2.10%**
GCC	2.00%
Egypt	1.40%
Jordan	2.50%
USA	7.90%
Argentina	24.60%
Women in senior management	**10**
	3.50%
GCC	2
	0.80%
Egypt	6
	27.30%
Jordan	2
	9.10%
Women in middle management	**71**
	4.70%
GCC	45
	3.50%
Egypt	18
	13.20%

Our sustainability performance	2018
Jordan	8
	8.10%
Women in non-management	**733**
	1.80%
GCC	703
	1.90%
Egypt	19
	0.60%
Jordan	11
	1.50%
Board seats occupied by women	**0**
	0%
GCC	0
	0%
Egypt	0
	0%
Jordan	0
	0%
Number of employees with a disability	**540**
GCC	468
Egypt	55
Jordan	17
Number of formal incidents of discrimination reported	**0**
GCC	0
Egypt	0
Jordan	0
Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)	
GCC	0
Egypt	0
Jordan	Less than 1%
Number of female employees entitled to maternity leave	**344**
GCC	327
Egypt	2
Jordan	15
Number of female employees that took maternity leave	**48**
GCC	44
Egypt	2
Jordan	2
Number of female employees that returned to work in the reporting period after maternity leave ended	**42**
GCC	39
Egypt	1
Jordan	2
Number of female employees that returned to work after maternity leave that were still employed 12 months after their return	**41**

Our sustainability performance	2018
GCC	39
Egypt	0
Jordan	2
Female employee return to work rate of employees that took maternity leave	**88%**
GCC	89%
Egypt	50%
Jordan	100%
Female employee retention rate of employees that took maternity leave	**85%**
GCC	89%
Egypt	0%
Jordan	100%
New employee hires	**7,270**
GCC	6,693
Egypt	563
Jordan	14
New employee hires, age 18-30	**5,029**
	69.20%
GCC	4,677
	69.90%
Egypt	343
	60.90%
Jordan	9
	64.30%
New employee hires, age 31-50	**2,228**
	30.60%
GCC	2,003
	29.90%
Egypt	220
	39.10%
Jordan	5
	35.70%
New employee hires, age 51+	**13**
	0.20%
GCC	13
	0.20%
Egypt	0
	0%
Jordan	0
	0%
New employee hires, male	**7,110**
	97.80%
GCC	6,542
	97.70%
Egypt	554
	98.40%

Our sustainability performance	2018
Jordan	14
	100%
New employee hires, female	**160**
	2.20%
GCC	151
	2.30%
Egypt	9
	1.60%
Jordan	0
	0%
Voluntary employee turnover	**5,221**
	12.50%
GCC	4,360
	11.30%
Egypt	684
	21.50%
Jordan	177
	21.10%
Voluntary employee turnover, age 18-30	**2,321**
	44.50%
GCC	1,890
	43.30%
Egypt	297
	43.40%
Jordan	134
	75.70%
Voluntary employee turnover, age 31-50	**2,728**
	52.30%
GCC	2,326
	53.30%
Egypt	362
	52.90%
Jordan	40
	22.60%
Voluntary employee turnover, age 51+	**345**
	6.60%
GCC	144
	3.30%
Egypt	25
	4.40%
Jordan	176
	99.40%
Voluntary employee turnover, male	**5,120**
	98.10%

	Our sustainability performance	2018
	GCC	4,270
		97.90%
	Egypt	674
		98.50%
	Jordan	176
		99.40%
	Voluntary employee turnover, female	**101**
		1.90%
	GCC	90
		2.10%
	Egypt	10
		1.50%
	Jordan	1
		0.60%
	Total hours of training provided	**405,559**
	GCC	375,258
	Egypt	28,701
	Jordan	1,600
	Average hours of training per employee	**9.6**
	GCC	9.8
	Egypt	9
	Jordan	1.9
	Number of Almarai Academy participants (National and non-national)	**520**
	Number of Almarai Driving School participants (National and non-national)	**413**
Generate significant economic value	**Total production volume (million metric tons)**	**2.419**
	Number of manufacturing plants	**12**
	GCC	10
	Egypt	1
	Jordan	1
	Market capitalization (SAR billion)	**48**
	Net sales (SAR million)	**13,723**
	Operating costs (SAR million)	**6,316**
	Profit for the year (SAR million)	**2,009**
	Dividends to shareholders (SAR million)	**850**
	Dividend per share (SAR)	**0.85**
	Employee wages and benefits (SAR million)	**2,925**
	Interest payments made to providers of loans (SAR million)	**421**
	Payments to government (SAR million)	**639.4**
	Cash flow generated from operating activities (SAR million)	**3,558**
	Free Cash Flow (FCF) (SAR million)	**1,217**
	Capital expenditure (SAR million)	**1,959**
	Total Capitalization	
	Total equity (SAR million)	14,516
	Total liabilities (SAR million)	17,802
	Total CSR spending as a percentage of net profit (%)	**2.1%**

Our sustainability performance	2018
Programs to support vulnerable groups	
Number of schools provided with student snacks	947
Number of food baskets provided to lower income groups	600
Number of lower income couples provided with weddings	1,200
Total financial value (SAR million)	1.9
Programs to support educational, technical and vocational (TVET) development	
Number of TVET beneficiaries (Almarai Driving School and Dairy & Food Polytechnic)	997
Total financial value (SAR million)	36.7
Almarai award programs	
Number of award winners (Veterinarian Award, Scientific Award, and Best Mother Award)	19
Total financial value (SAR millions)	2.9

Note: NIA stands for no information available; N/A stands for not applicable; Water data excludes dairy, poultry and arable farming.
*No information available for Sales, Distribution and Logistics.
**No information for administrative head office.
***No information available for administrative head office and Sales, Distribution and Logistics.
****No information available for administrative head office and includes returned packaging recycled.

Appendix F: Alignment to NTP

Pillar	Material Issue	Through our own initiatives and ambitions, we seek to contribute to the NTP targets:
Ensure ethical and sustainable sourcing	Sustainable land use and biodiversity protection	• Improve the Kingdom's global ranking in the Yale University Environmental Performance Index from 68.63 (Rank: 95) (2016) to 77.28 (Rank: 53) • Improve the Kingdom's global ranking in the Yale University Biodiversity and Habitats Index from 81.7 (Rank: 82) to 87.0 (Rank: 70) • Increase the area of rehabilitated natural vegetation from 18 thousand hectares (2017) to 80 thousand hectares
Prioritize quality and safety	Food safety and quality	• Improve the Kingdom's ranking on World Bank Global Food Security Index (GFSI) from 71.1 (Rank: 32) (2016) to 72.0 (Rank: 29)
	Workforce health and safety	• Decrease the number of traffic accident fatalities per 100 thousand population from 28 (2016) to 23 • Decrease the number of traffic accident injuries per 100 thousand population from 74 (2016) to 66
Reduce natural resource use and waste	Water protection	• Increase the reuse rate of treated wastewater from 13.6% (2015) to 35.0% • Increase the proportion of renewable water consumption in the agricultural sector from 16% (2016) to 35%
Nurture and reward colleagues	Employee satisfaction and equal opportunity	• Improve the Kingdom's ranking among the best countries for expatriates from 61 (2016) to 50 • Improve the Kingdom's ranking in the Expatriate Working Abroad Index from 50 of 65 (2017) to 35 of 65 • Increase women's share in the labor market (from the overall Saudi labor force) from 21.2% (2017) to 24% • Increase the economic participation rate of Saudi females (over the age of 15) from 17% (2017) to 25% • Increase the percentage of workers among all people with disabilities who can work from 7.70% (2017) to 12.4% • Improve the Kingdom's global ranking in the International Competitiveness Index to attract talent on the four axes (Empowerment, Attraction, Growth, Retention) from 39 of 119 (2017) to 37 of 119
Generate significant economic value	Efficient and profitable business	• Increase direct investment inflows to Saudi Arabia as a percentage of GDP from 1.3% (2016) to 1.46% • Increase the value of retail sector's participation in GDP from 156 billion (2017) to 175 billion
	Community investment	• Increase the number of volunteers in the Kingdom from 22,924 volunteers (2015) to 300,000 volunteers • Increase the economic value of volunteering in KSA per capita from SAR 0.6 (2015) to SAR 15