

Management Messages



Message from our Chairman

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



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

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

From an environmental standpoint, our dedication remains in reducing greenhouse gas emissions, increasing our utilization of renewable energy, and improving our energy efficiency. Significant Initiatives and transformations have been implemented across our operations, encompassing the curtailment of energy usage, establishment of a renewable energy program, waste reduction, and adoption of sustainable practices. Given the substantial challenge posed by climate change, our focus has centered on reducing our carbon footprint through investment in various business sectors, transition to alternative energy sources, and adoption of innovative technologies. The effectiveness of these innovations is increased when embraced by every member of our workforce, thus we have maintained our efforts to engage and enlighten our employees on the significance of sustainability.

Almarai maintains a strong commitment to social responsibility, both internally among our employees and through active engagement with our local communities. Our objective is to offer assistance to those requiring support, strive to generate a positive influence, and communicate our efforts transparently. I take great pride in the exemplary efforts of our operations teams,

who have surpassed expectations to effect meaningful change within their respective communities. Among various initiatives, we have extended food donations, advocated for community health and wellbeing, and facilitated training and development opportunities for our staff and partners. Moreover, we are dedicated to fostering diversity and inclusion within our workplace, fostering an environment where everyone can flourish.

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

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

Message from our CEO

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



Abdullah Albader
CEO

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

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

In 2023, we intensified our efforts to integrate sustainability considerations into our daily decision-making processes. Our team

remains dedicated to upholding a healthy environment, a core principle of our 'Protecting the planet' strategy and implemented initiatives to enhance resource efficiencies across various fronts including energy, water, waste, refrigerants, and transport. Committed to reducing our environmental footprint, we have implemented a suite of measures to minimize energy consumption, such as deploying energy-efficient lighting, embracing renewable energy sources, and promoting efficient resource utilization.

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

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

About this report

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



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

Scope

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

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

Reporting frameworks

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

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

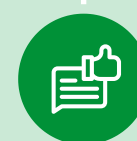
Cautionary statement

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



Reporting period

This report covers the period from 1 January 2023 to 31 December 2023, unless otherwise indicated.



Feedback

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

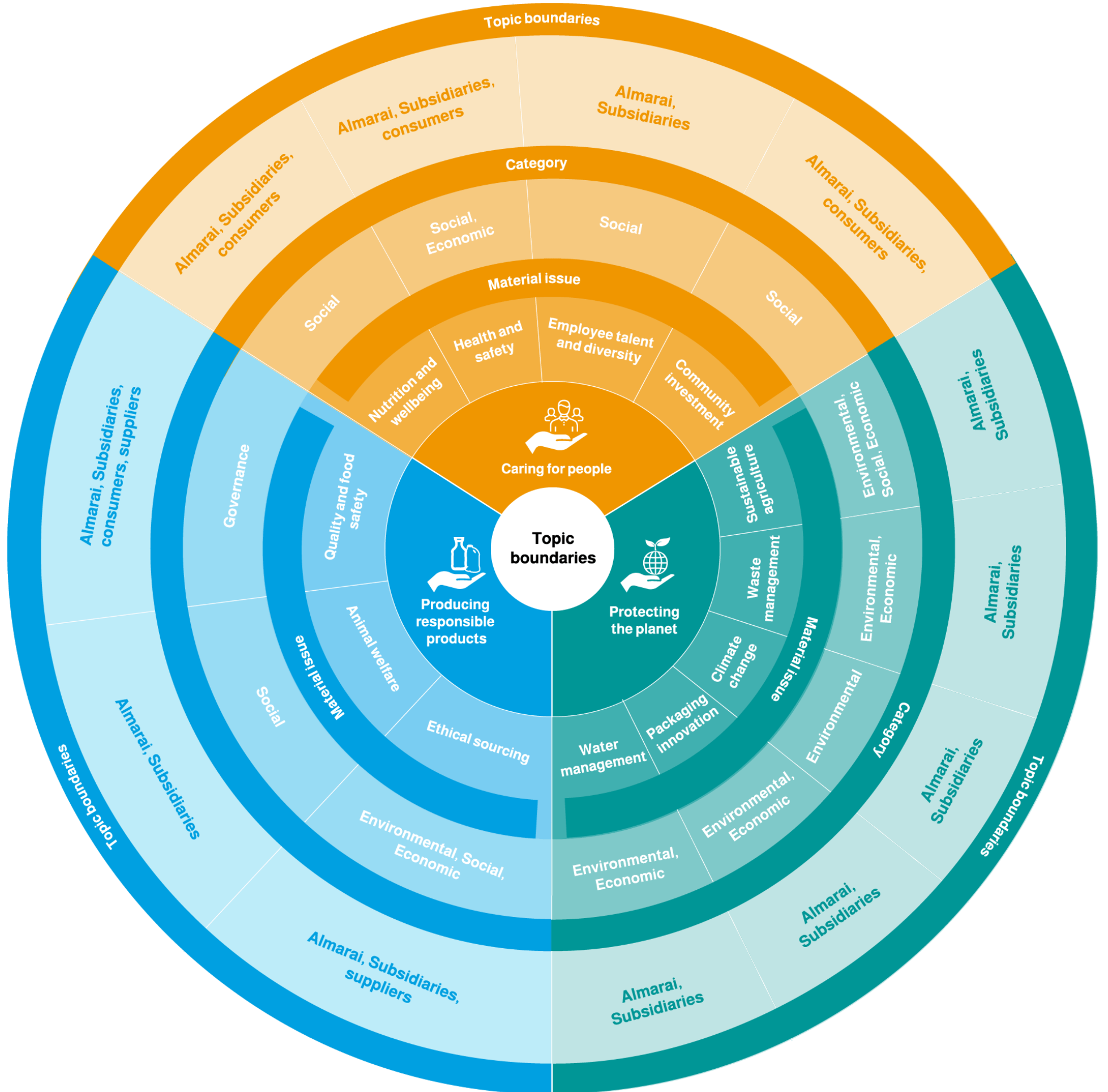
sustainability@almarai.com



Report Assurance

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

Topic boundaries



About Almarai®

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



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

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

Our value chain - Quality you can trust

Procurement

Percentage of locally based suppliers across our countries of operation:

63% total

50% GCC

56% USA

100% Argentina



Quality

Almarai conducts more than

39,000 quality tests

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



Manufacturing

Almarai produces

3.5 billion kilograms

of products annually.

Across several key areas:



Read more about our [Brands](#).

Sales, distribution & logistics

Almarai has  **10,000** vehicles on the roads at any given time.


From our manufacturing facilities, our products are transported to

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



Consumers

Almarai products reaching more than

220,000  Points-of-sale (POS) located in

7 countries.



Our people

All our achievements are made possible by the commitment of our

46,233* employees across our global operations.



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

*Based on the reporting boundary.