

# Doing Better Every Day

Sustainability Report 2024



Sustainability Management at Almarai®



## Producing Responsible Products



# Producing Responsible Products

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



Quality and Food Safety



Animal Welfare



Ethical Sourcing

## Sustainable Development Goals (SDGs) achieved through Producing Responsible Products





## Quality and Food Safety

**At Almarai, we are committed to the highest standards of quality and food safety, ensuring that every product we deliver is a testament to our dedication to excellence and the health of our consumers.**

### Our Approach

As customer preferences evolve, there is a growing emphasis on the importance of safety and quality in consumer products. Almarai, as a market leader, is well-positioned to meet these evolving needs, due to our commitment to good manufacturing practices and the integration of technological innovations. Recognizing this critical role, we adhere to the highest standards of food safety and quality control at every stage of our production process. From the careful selection of raw materials to the processes of production, packaging and distribution, we ensure that every product meets not only the regulatory requirements, but also the high standards that our customers have come to expect from us. Our proactive approach involves conducting regular monitoring and evaluations—both announced and unannounced—of our systems, practices, material handling requirements and cleanliness in manufacturing, packaging and storage processes. These assessments are essential to maintaining high product quality and ensuring the safety of our offerings. We invest in research and development to innovate and implement new methods that enhance the safety and quality of our products. Additionally, our team of experts is dedicated to staying updated regarding global food safety trends and best practices, ensuring that Almarai leads the way in setting industry benchmarks.



**We are proud to have maintained our score of zero product recalls and zero incidents of non-compliance with our product and food safety standards.**

**“Every one of our manufacturing sites in GCC proudly holds a Global Food Safety Initiative (GFSI) certification, affirming our commitment to world-class food safety standards.”**

## Adherence to Global Standards and Practices

Ensuring the safety of our food is part of our promise to deliver healthy and nutritious food to our customers. Therefore, all our plants operate under Food Safety System Certification (FSSC) 22000, a Global Food Safety Initiative (GFSI) recognized standard that enhances the credibility, reliability and integrity of our products. Moreover, our facilities hold multiple other certifications, including the ISO 9001 Quality Management System, ensuring the continual strength of our quality and food safety performance.



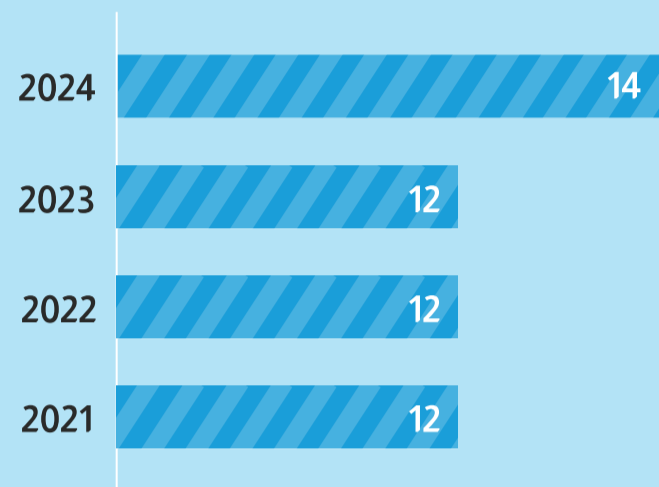
## Empowering Our Workforce to Embrace a Food Safety Culture

Our workforce is at the frontline of driving food safety culture, where every individual feels responsible in maintaining high level of adherence to our quality and food safety procedures. Therefore, to empower our workforce, we conduct tailored training programs by renowned international experts such as AIB International and Campden BRI (UK). Several other recognition programs are also in place for promoting food safety standards at every level of the organization.

**We increased our safety and quality assurance workforce by 26% compared to last year.**



## Number of Global Food Safety Initiative (GFSI) Certified Plants



## 2024 Performance and Initiatives



**Zero incidents of non-compliance** with regulations and/or voluntary codes concerning the health and safety impacts of products and services.



**Zero number of recalls.**



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



**100% of products** which are assessed for improvements in health and safety impacts.

Our Highlight Stories

Our Strategic Partnerships to Support Food Security in the Region

Participation in Future Food Forum

Almarai participated in the Future Food Forum 2024, which focused on "Transforming the Food and Beverage Industry Across the GCC." The conference was graced by the presence of Abdullah bin Touq Al Marri, UAE Minister of Economy, highlighting the importance of enhancing food security and sustainability in the region.



Participation in ESPEN Conference on Clinical Nutrition and Metabolism

Our participation in the 46th Congress of the European Society for Clinical Nutrition and Metabolism (ESPEN) reflects our strong commitment to advancing therapeutic nutrition. As the first company from Saudi Arabia and the Middle East to take part in this event, we highlighted our cutting-edge therapeutic solutions through our subsidiary the "International Pediatric Nutrition Company (IPNC)", which is the only facility in Saudi Arabia dedicated to producing therapeutic and clinical nutrition products specifically for children. The event was also attended by a panel of esteemed healthcare professionals from the Kingdom and the UAE, who contributed their expertise and perspectives on the latest developments in clinical nutrition.



Strategic Sponsors of Al-Kharj Dairy and Food Festival

Almarai was proud to be the strategic sponsor of the 10-day Al-Kharj Dairy and Food Festival, an event organized by the Riyadh Municipality. In addition to supporting the festival, we provided visitors with an engaging virtual reality tour, allowing them to virtually explore our farms, production facilities and gain an understanding of our initiatives in areas such as nutrition and food safety.



Sponsoring Food Safety Week in Sultanate of Oman

We received recognition from the Minister of Health in the Sultanate of Oman for our active participation in the Food Safety Week organized by the Ministry of Agriculture, Fisheries and Water Resources. This honor highlights our commitment to promoting nutritional awareness and ensuring consumer rights to food safety.



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



## Animal Welfare

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



### Our Approach

Freedom from hunger, malnutrition and thirst

Freedom from fear and distress

Freedom from heat stress or physical discomfort

Freedom from pain, injury and disease

Freedom to express normal patterns of behaviour

Almarai is dedicated to safeguarding the health and wellbeing of all animals within its care, as this impacts not only the animal's quality of life, but also the quality and safety of the food we produce. Our animal welfare policy sets clear expectations, encompassing a range of good farming practices in adherence to international standards, including the World Organization for Animal Health (OIE) guidelines and the Five Freedoms Principle. We enforce a strict zero-tolerance policy against any form of animal abuse, mistreatment, neglect or negligence within our supply chain. Our policy ensures that animals are provided with a life free from hunger, fear, discomfort and pain, and are able to engage in natural behaviors. A high-quality, hormone-free diet is also key aspect of our commitment to the healthful growth and wellbeing of our animals. Furthermore, we require all employees to be proficient in humane handling and fully aware of their responsibilities towards animal welfare, in compliance with all relevant laws and regulations. The policy is rigorously enforced at every level of the company's live animal supply chain to ensure the highest standards of care.



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



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



**166,251 cows** in our herd in Saudi Arabia and 264.95 million chickens processed.



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

## What We Do

To achieve our animal welfare goals, we have implemented the following measures:

- Biosecurity Procedures:** We safeguard our livestock and poultry flocks, which are strategically located across multiple sites; to ensure the health and safety of our herds, we complement our disease control and vaccination programs with thorough screening and quarantine measures for all incoming herds.
- Responsible Sourcing of Poultry Feed:** We monitor feeding quantities and nutritional content to ensure the highest quality feed for our poultry.
- Advanced Housing for Broilers:** Our broilers are equipped with advanced air filtration systems and housed in cage-free, climate-controlled barns to promote their wellbeing.
- Proactive Vaccination:** We prioritize the proactive vaccination of cows and chickens, avoiding reliance on therapeutic antimicrobial substitutes.
- Treatment Protocols:** Animals in need of treatment are temporarily removed from production until they fully recover, and we do not use any antimicrobials in the treatment of broiler chickens and adhere to proven best practices and evidence-based treatment protocols.
- Training Programs:** Recognizing that human interaction plays a significant role in animal welfare, we provide training across all activities on farm, first aid, equipment usage and emergency planning for higher-risk activities with animals to ensure that all staff are aware and can mitigate risk.

## Our Highlight Stories

### Our Continuous Efforts Towards Animal Welfare

In 2024, we continued to reinforce our commitment to our [Animal Welfare Policy](#). This policy establishes stringent guidelines for our Almarai Farming Division and Poultry Business Unit, ensuring the wellbeing of all animals in our care and preventing any form of mistreatment. We also prioritized the wellbeing of our livestock by monitoring their overall health, implementing preventative healthcare measures, launching clinical trials and improving animal nutrition and overall comfort. We also provided comfortable and cool housing, access to high-quality feed, calm handling practices, transportation, preventative health care and veterinary attention. In our commitment to adopting global animal welfare standards, we undertook measures to comply with the NSF Global Animal Wellness Standards (GAWS), which involved revising operational procedures, delivering targeted training to our employees, forming a specialized Animal Welfare team, and standardizing our record-keeping to align with these standards. As a result of these efforts, by the end of 2024, all Almarai's dairy and poultry farming operations successfully achieved GAWS certification.

### Notable Achievements

- First-ever company to achieve certification in Global Animal Wellness Standard (GAWS) for dairy production.
- First company in Saudi Arabia to receive certification in Global Animal Wellness Standard (GAWS) for poultry hatchery, transport, and operations.
- Sponsored "Almarai Veterinary Medicine Award for the Gulf Cooperation Council Countries," in partnership with the Saudi Veterinary Medical Association.



## Progress On Our Strategic Goals and Targets



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



## Ethical Sourcing

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

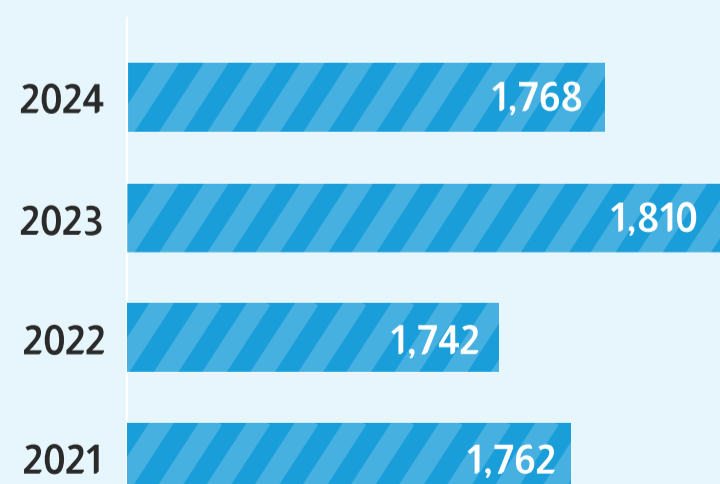
### Our Approach

At Almarai, we believe that the integrity of our supply chain is integral to the quality of our products and the trust our consumers place in us. To safeguard and nurture this trust, we have developed policies such as ethical sourcing policy and code of conduct that ensure our sourcing practices meet the highest ethical standards. To ensure we engage in ethical sourcing, our suppliers are screened and reviewed through our ESG focused Supplier Questionnaire, where details of their business, performance and supply quality are evaluated. The questionnaire also addressing key issues such as environmental stewardship, social responsibility and ethical governance. All our potential suppliers are expected to meet the following criteria as part of our onboarding process. To further solidify our ethical sourcing process, we promoted adherence to the Global Food Safety Initiative (GFSI) standards among our suppliers. Our efforts have been fruitful, with 60% of our suppliers having attained GFSI certification. This process not only aligns our suppliers with our ethical standards but also ensures they are integral contributors to a more sustainable food system. Moreover, in our effort towards ethical sourcing, we also place a strong emphasis on promoting local suppliers, recognizing the value they bring to our business and community through their unique contributions and the reduction of our overall carbon footprint.



60% of our suppliers having attained GFSI certification.

### Total number of local suppliers engaged



## Our Highlight Stories

### Our Ethical Sourcing Process and Audit Plan

To safeguard the integrity of our supply chain and uphold our commitment to ethical business practices, we have developed an ethical sourcing process and an audit plan for onboarded suppliers. This includes regular and systematic evaluations conducted by trained professionals to verify ongoing compliance with the agreed-upon ethical standards. These standards encompass the treatment of workers, the impact on local communities and the sustainability of environmental practices. The results of these audits will serve as a foundation for continuous improvement. Suppliers will be encouraged to take corrective actions where necessary and to strive for higher standards of ethical practice. Through this process, Almarai not only would hold its suppliers accountable, but also support them in identifying and addressing areas for development, ensuring that the entire supply chain operates with integrity and in accordance with the best practices for sustainability and ethical conduct.










### Supplier Adherence to Our Ethical Standards

Throughout 2024, we continued our efforts to collaborate with our suppliers, ensuring that they not only signed our code of conduct, but also understood the ethical standards we expect within our supply chain. Moreover, we also introduced our self-assessment questionnaire for our suppliers, a tool that would allow them to evaluate their own practices against our ethical benchmarks. This self-assessment is a critical component of our strategy, as it empowers suppliers to take ownership of their role in our supply chain.



### 2024 Performance and Initiatives

-  **100%** of purchased volume from suppliers is compliant with company's sourcing policy.
-  **100%** of purchased volume is verified as being in accordance with credible, internationally recognized responsible production standards.
-  **64%** of all suppliers engaged are locally based.
-  **Zero** instances of negative social and/or environmental impacts in the supply chain.
-  **77%** of new suppliers that were screened using social and/or environmental criteria.
-  **45%** of budget spent on locally based suppliers in GCC.
-  **1,768 local suppliers engaged.**

### Progress On Our Strategic Goals and Targets



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