



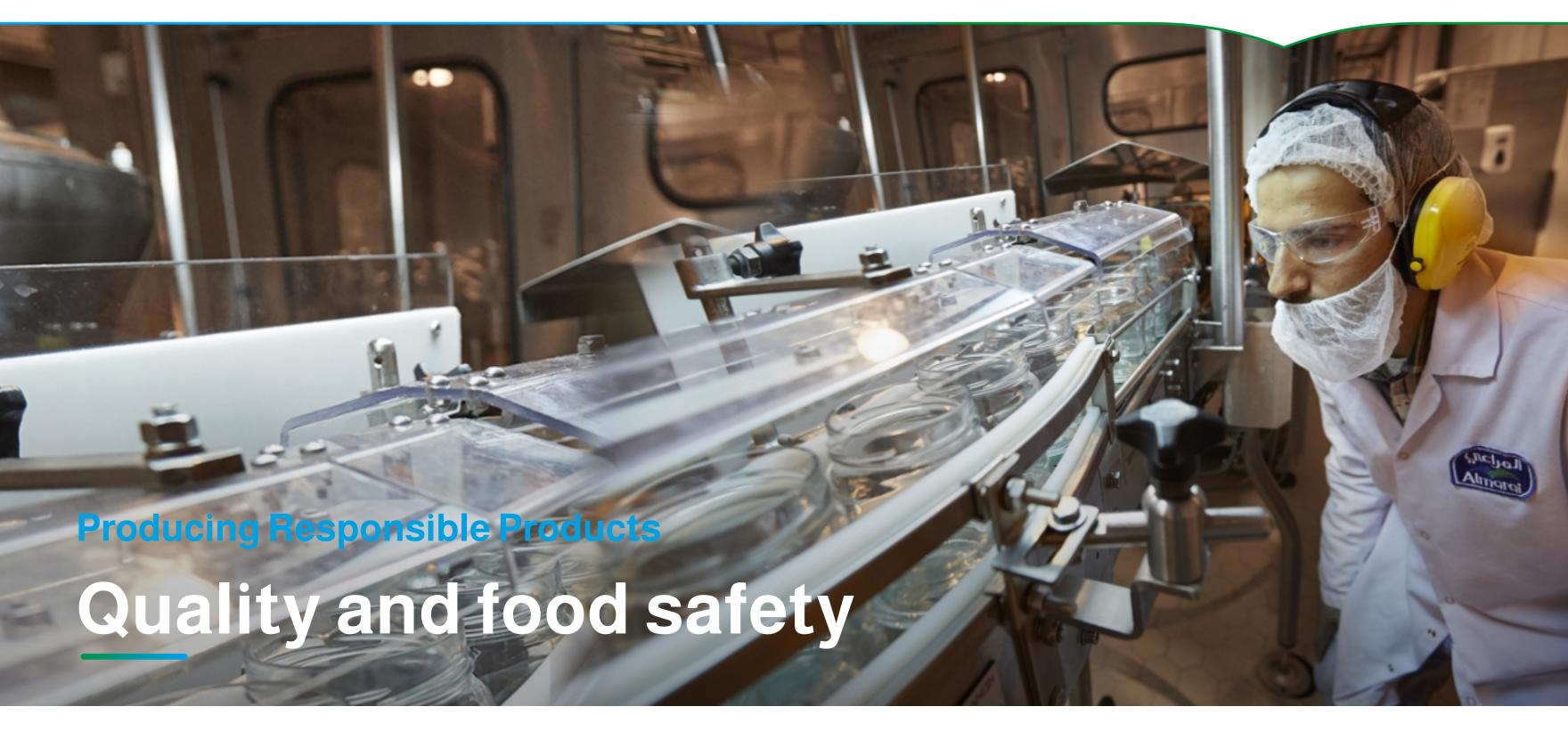
Doing better every day

Almarai Sustainability Report 2021

Producing Responsible Products

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





We are working to make sure our products are safe and satisfy consumers' needs every day

Our approach

Our promise to all stakeholders is to deliver 'Quality you can trust.' Since 1977, we have been committed to delivering products and services that are manufactured to global best practice standards for quality and food safety. This also forms a key part of our Doing better every day strategy.

The integrity of the Almarai food safety and quality systems is the shared responsibility of all Almarai employees to ensure 'Quality you can trust' in all our products and services. The integrity, capability, and effectiveness of our systems is supported by training and various multilevel internal audit programs, independently verified by globally recognized certification and inspection bodies who carry out both announced and unannounced system audits and physical inspections at our sites.

In 2021, all our manufacturing operations have achieved the Food Safety System Certification (FSSC) 22000 v 5.1, which is a Global Food Safety Initiative (GFSI) recognized scheme. Our operations also hold ISO 9001 quality management system certifications.

To maintain our strong quality and food safety performance, we recognize that it is also important that our employees are well trained within a culture of quality. Employees are provided with tailored training on an annual basis provided by international experts such as AIB International and Campden BRI (UK). We also have a recognition program in place to support the development of our quality culture.

2021 performance and initiatives

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







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 sites certified to the Food Safety System Certification 22000, recognized by GFSI



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

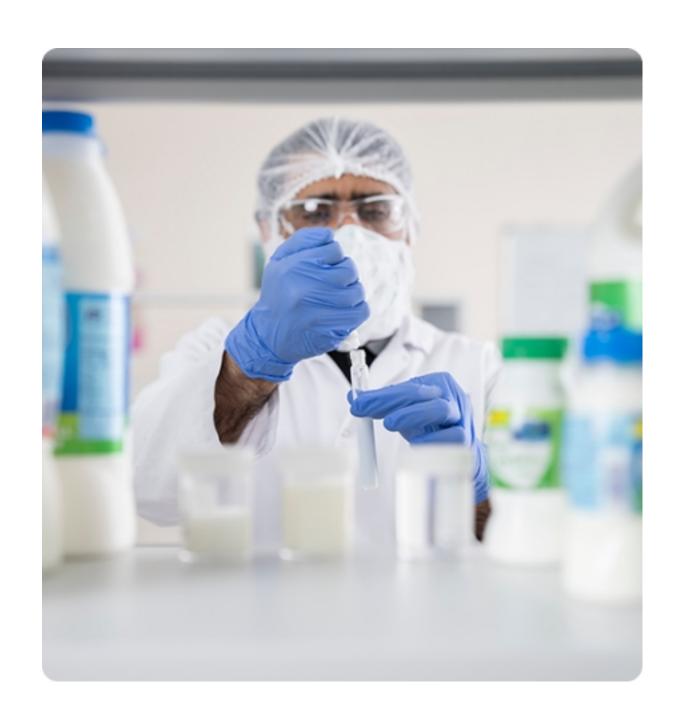
Our highlight stories

Safety assured

Almarai takes the health, safety, and wellbeing of our customers seriously and strives to ensure that all our food items are safe and nutritious. Almarai Manufacturing Facilities achieved Food Safety certification according to FSSC 22000 v5.1, a standard recognized by the Global Food Safety Initiative (GFSI), an alliance of world-leading consumer goods companies to ensure safe food for all. With this certification, our customers and clients can rest assured that the food they are purchasing has been assured for quality and safety. In addition to our achievement in adopting FSSC 22000 Standard, Almarai's manufacturing facilities obtained the highest rating (A+) from the Saudi Food and Drug Authority as part of a program for evaluating food establishments in the Kingdom.

Partnering for safety

For the fourth consecutive year, Almarai hosted the Food Safety Conference in 2021. The conference is an opportunity for public and private sector representatives to come together to meet and discuss innovative practices that ensure food safety for a sustainable future. The 2021 conference was conducted with safety and accessibility in mind and was hosted entirely virtually in the presence of representatives from the Food and Drug Authority in Saudi Arabia, the Ministry of Health, the Ministry of Environment and Water and Agriculture, the US Food and Drug Authority, the Food and Drug Authority of Jordan, and Dubai Municipality.



Celebrating World Quality Day 2021

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

Progress on our strategic goals and targets

Achieved On-track Some progress Limited progress

| 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 | |





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

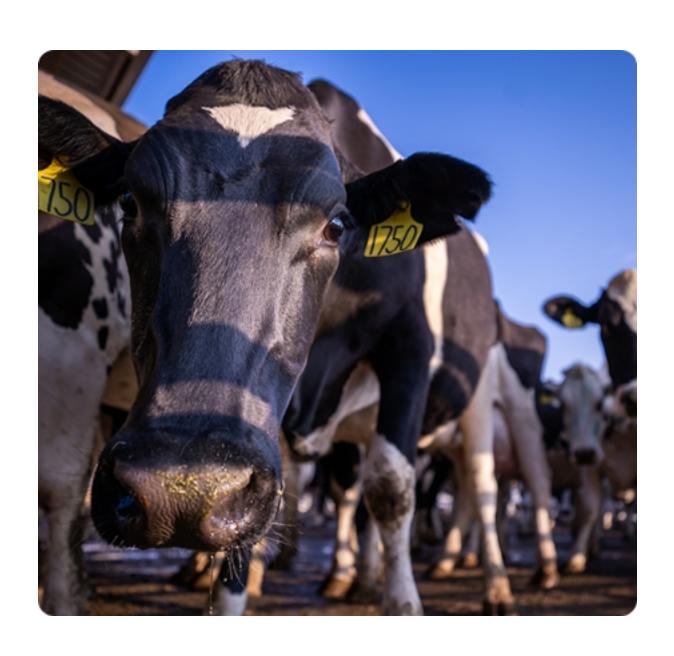
Our approach

At Almarai, we are passionate about animal wellness, and its role in creating a more sustainable business and supply chain. As a part of our Doing better every day strategy, we ensure that our customers are receiving quality and ethical products. Our aim will always be to support and encourage the improvement of animal welfare throughout our business. To do this, we work closely with our teams and partners to maintain our high standards, and always strive to raise them. 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 to upkeep the mental and physical wellbeing of animals. All livestock that provides our fresh meat, poultry and eggs must be reared with these five freedoms:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behaviors
- Freedom from fear and distress

We work closely with various veterinary organizations to maintain the health of our animals and seek to provide our livestock with exceptionally high standards of living, to ensure 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.





To produce the best quality products, we must ensure that the feed we give our livestock is also of the highest quality, sourced from well managed locations and that they are fed the correct amount. 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.

Therapeutic antimicrobials are not used in our cows as an alternative to good management. We have a health plan to continually improve our cows' health with an emphasis on effective vaccination, good animal husbandry and best hygiene practices. During treatment, our cows are removed from production until treatment has been completed and they test negative for antibiotics in their milk. With our broiler chickens, we do not use antimicrobials (antibiotics) ever.

2021 performance and initiatives

In 2021, we worked to draft our Animal Welfare Policy that will formalize and govern our approach to animal welfare. This policy will cover all livestock and animals throughout our group and safeguards them against malpractice by focusing on best practice approaches to management, living conditions, transportation, food, nutrition, health, and wellbeing. This policy will form a part of our journey towards achieving the NSF Global Animal Wellness Standards, which we feel demonstrates or care and compassion to our livestock. This journey commenced in 2020 with the update of our standard operating procedures to align to the standards, conducted training for site employees, and identified an Animal Welfare team.

Our highlight stories

Achieving global animal welfare

Through our ambition to lead our sector in best animal welfare practices possible, we have now become the first company globally to obtain the international certificate for animal wellness for dairy farms and operations. This recognition has been provided by the NSF International according to International Animal Wellness standards. Almarai has also become the first company in Saudi Arabia to be certified to the poultry hatchery, transport, and operation.

Partnering for Veterinary Medicine

Almarai has renewed the cooperation and partnership agreement with the Saudi Veterinary Medical Association for three more years, from 2021 until 2024. The agreement stated that the company is exclusively sponsoring the award, which is "Almarai Veterinary Medicine Award for the Gulf Cooperation Council Countries," by being committed to cover the annual value of the award, which is five hundred thousand Saudi riyals (500,000 SAR).

The award was originally launched in 2009 under the name of "Almarai Veterinary Award for the Gulf Cooperation Council Countries" before changing the name. The awards have reached 62 winners from doctors and researchers since launching and has seen remarkable successes as it attracts hundreds of veterinary doctors and researchers who have a great impact on enriching the Saudi veterinary medical movement. The award is consistent with the comprehensive vision pursued by Almarai in supporting various professions and enriching them in the local community.



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



Almarai has become the first company globally to obtain the international certificate for animal wellness for dairy farms and operations. This recognition has been provided by NSF International according to International Animal Wellness standards.



Almarai has also become the first company in Saudi Arabia to be certified in the poultry hatchery, transport, and operation. This recognition has been provided by NSF International according to International Animal Wellness standards.

Progress on our strategic goals and targets



Goal/Target Progress

Achieve global animal welfare certification for our dairy and poultry farming operations by 2025







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

Our approach

Almarai is committed to grow sustainably and acting responsibly at each phase of our value chain. From protecting and respecting human rights in a complex supply chain to upholding high food safety standards and championing consumer choice and transparency, our vision to be Doing better every day is deeply embedded in our culture. At Almarai, we also use our global reach to create positive impact. In the communities where we work, we are investing and working to implement better labor practices, foster economic resilience, drive sound agricultural practices and ensure ethical practice.

We believe it is our duty to consumers to ensure that the food and beverages we serve are sourced with the highest safety, environmental, and ethical standards. We have been working to ensure that our supply chain is transparent and free from malpractice through the continual implementation of new policies and guidelines. Almarai suppliers are expected to comply with our risk assessments, supplier code of conduct, and provide transparent information in self-assessment questionnaires. This ensures that we can mitigate risk to ourselves and stakeholders through the knowledge that our products are produced and manufactured to the highest standards regarding workers, resource use and traceability.

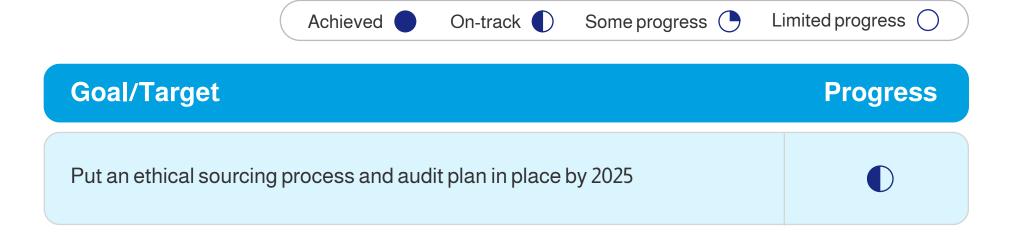
As a market leader in the food and beverage industry in the region, and the world's largest vertically integrated dairy company, we understand that our suppliers need to behave in an ethically responsible manner, so we continuously strive for disclosure and improvements throughout the value chain.



2021 performance and initiatives

As a global business operating across different regions with unique legislation, we are in a great position to help others learn about and embed best practices. In 2021, we worked to develop Ethical Sourcing Policy and a supplier self-assessment questionnaire, which will be provided to all new and existing suppliers who are deemed to be critical or high risk. The questionnaires are aimed for us to gain a greater understanding of supplier management controls and performance on environmental, social, and governance issues.

Progress on our strategic goals and targets





100% of purchased volume from suppliers is compliant with company's sourcing policy



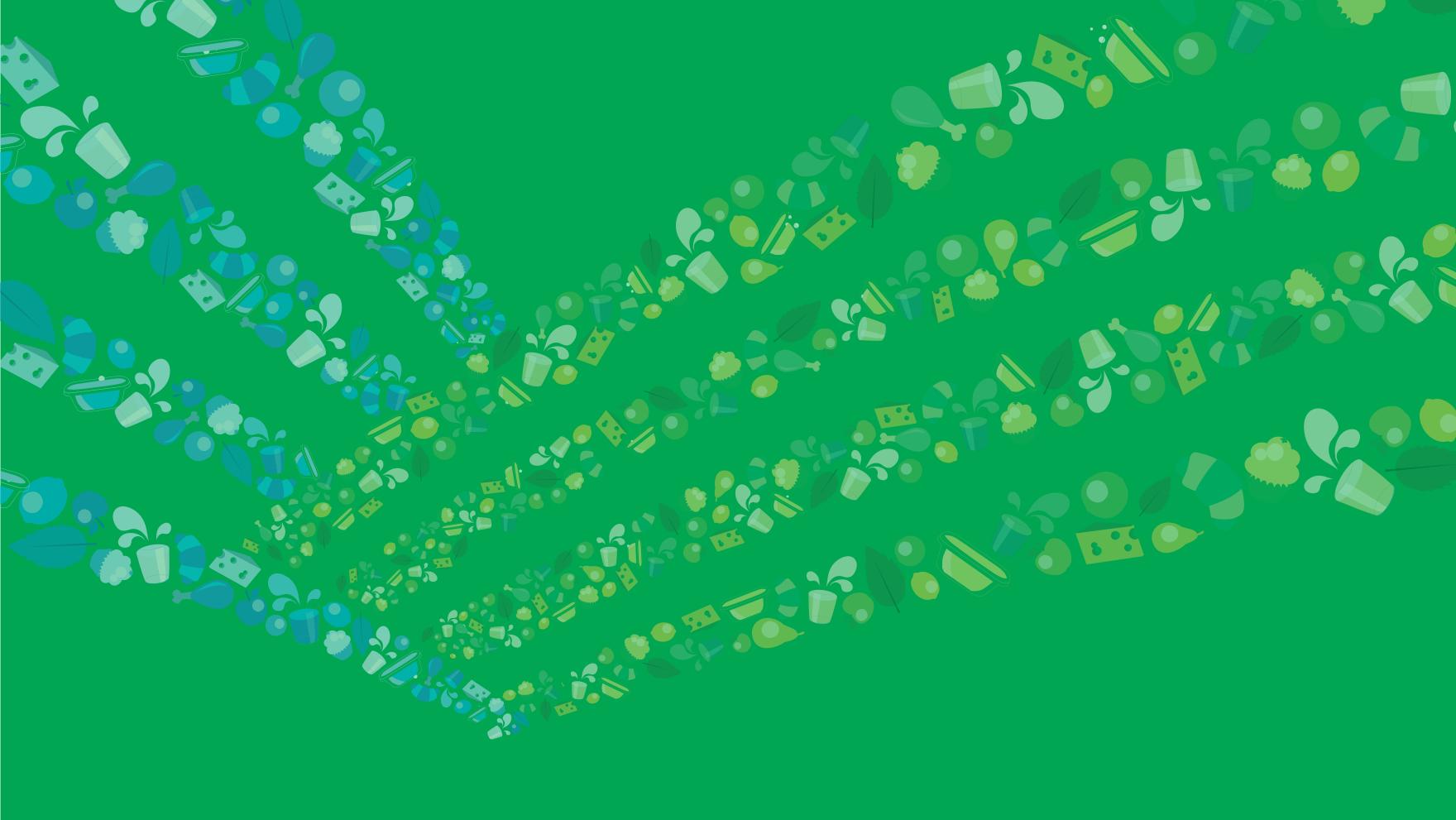
100% of purchased volume is verified as being in accordance with credible, internationally recognized responsible production standards



3,462 locally based suppliers.



51.3% of suppliers engaged are locally based



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