

Better every day

Sustainability Report 2019

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About this report

Welcome to our third 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 2019.

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 in Egypt (Beyti) and Jordan (Teeba) under our joint venture International Dairy and Juice (IDJ), and in Argentina and the USA as Fondomonte (defined for the purposes of this report as the 'Subsidiaries'). This report does not cover Almarai's operations as Premier Foods, Pure Breeds, 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.

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 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 and the Sustainable Development Goals (SDGs) in Appendices F and G.

Reporting period

This report covers the period from 1 January 2019 to 31 December 2019, unless otherwise indicated.

Feedback


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



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Message from the Chairman



On behalf of the Board of Directors, I am delighted to introduce our 2019 Sustainability Report.

Over the past year we have focused on becoming a more dynamic Company to overcome challenges and seize opportunities available to us in an economically challenging environment. We understand that operating in a changing environment requires agility and novel approaches to the way we do business. We believe that an intensified focus on sustainability complements our corporate strategy, contributing to our dynamism and resilience, by recognizing and responding to the environmental, social and economic factors that impact both our business and stakeholders.

In 2019, we continued to build on the firm foundations we have put in place to more strategically manage sustainability and drive tangible and impactful change. We have refocused our approach to highlight how action on sustainability can unlock our potential to create shared value, developing 25 sustainability targets to achieve by 2025.

As the Middle East's largest food and beverage manufacturer and distributor, and the world's largest vertically integrated dairy company, we play an important role in shaping the market for the better. Our sustainability strategy, 'Better every day' is our answer to this call. By reporting our progress against our targets from 2020, we are taking a significant step forward in our ongoing journey to embed a sustainable mindset within our business.

Our sustainability strategy will help us to drive better practices in our own operations and strengthen our relationships with stakeholders, whether they be local, regional or global. We have considered how our sustainability strategy aligns with the sustainable development objectives of the Saudi National Vision 2030, as well as the global Sustainable Development Goals. Moreover, the launch of our sustainability strategy in 2020 comes at an exciting time when several initiatives are being launched within the Kingdom for the G20 summit.

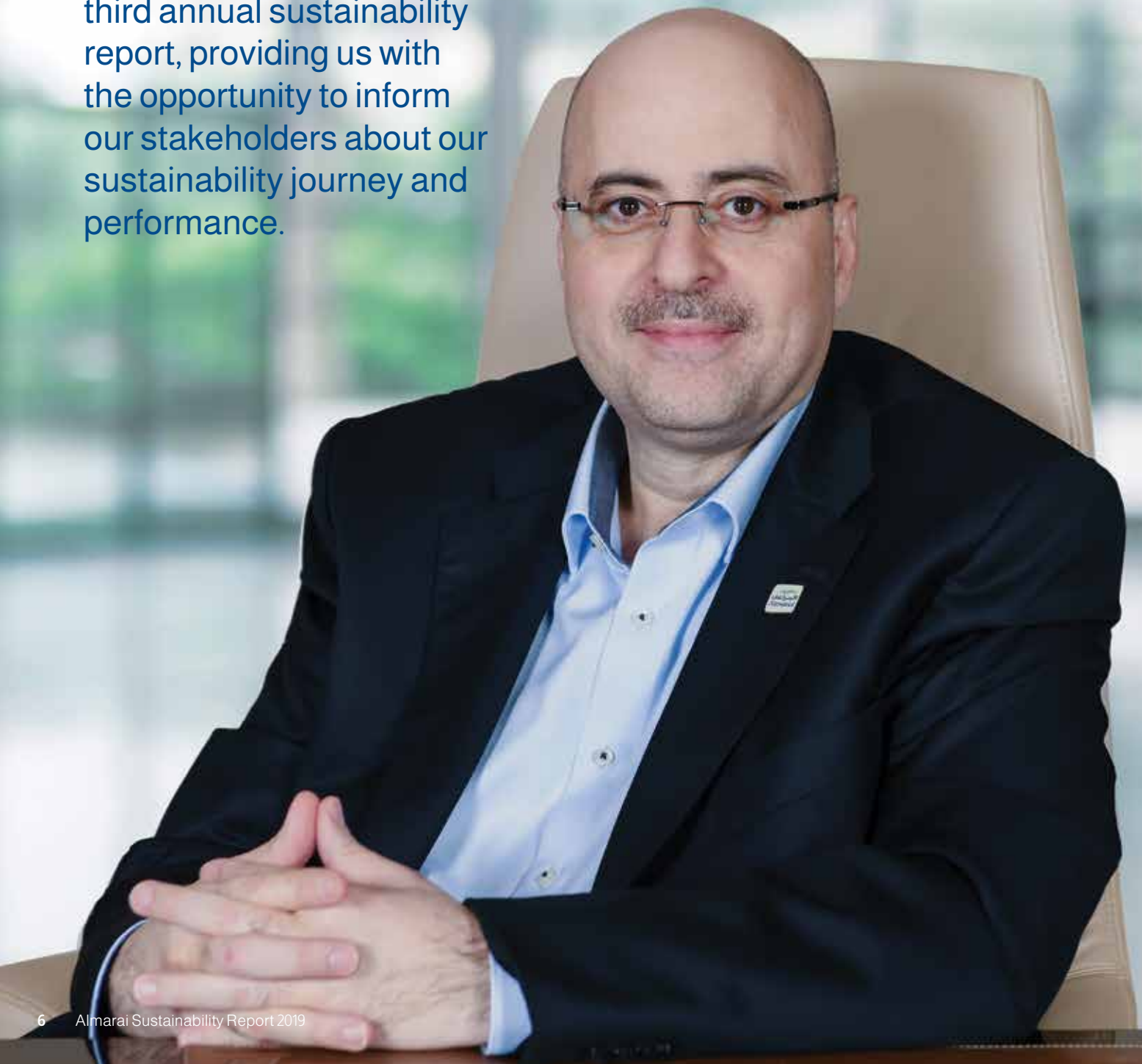
It is our hope that Almarai inspires our peers to raise the bar, not only within the Food & Beverage sector, but the wider economy, to create shared value through effective sustainability management.

Through our sustainability reporting we offer our stakeholders insights into how we are using sustainable thinking to challenge and improve our practices every day. At Almarai, we realize that the prosperity of future generations depends on our actions today, and we are working towards positive change that can support a better tomorrow.

Sultan bin Mohammed bin Saud Al Kabeer
Chairman of the Board

Message from the Chief Executive Officer

It is with great pleasure as Almarai's CEO to have the chance to present our third annual sustainability report, providing us with the opportunity to inform our stakeholders about our sustainability journey and performance.



Our focus on building a more dynamic future over the past year falls squarely in line with our maturing approach to coherently manage sustainability within our business. We acknowledge that our long-term growth prospects and ability to create shared value are integral to how we actively manage our environmental, social, and economic impacts. A sustainability mindset only adds to our dynamism as it supports innovation and resilience, it simply makes good business sense.

In 2019, we solidified our belief that the world can be a better place if we are all committed to doing better every day, through the development of our sustainability strategy for 2025, 'Better every day.' Our new strategy outlines our commitments and targets for sustainability that will drive improvements within our business in the years ahead. While the strategy officially launches in 2020, we continued to implement initiatives throughout the year that have helped us to make positive changes.

In 2019, we completed the installation of the largest private solar energy project in the Kingdom. By the end of 2020, through the commitments we have made to developing a clean energy portfolio, we expect that approximately 10% of our total electricity consumption in the Kingdom will be derived from renewable sources as more solar projects become operational.

In addition to clean energy, we are working to improve energy efficiency. In 2019, we completed Phase 1 of our LED lighting upgrade, contributing to an estimated load reduction of up to 70%. Following the completion of Phase 2, in the coming year, some 70,000 lights across our facilities will have been replaced with LED technology.

We have also worked to remove nearly 3,000 tons of plastic packaging from our products. Packaging innovation continues to remain a focus area as we strive to reduce our contribution to the consumer waste stream. This aim is leading us to support work to transform the packaging economy in the Kingdom to deliver viable waste management solutions.

Supporting the health and wellbeing of our employees is not only the right thing to do, it also supports business performance. We began to roll-out our occupational health program during 2019. Our mobile health unit has screened over 500 people during the year, identifying health conditions which through early detection, has helped raise awareness of potentially harmful illnesses and conditions.

I invite you to read through this report which provides a comprehensive overview of our approach to sustainability, covering the issues that matter most to us, and the efforts we are making to embed sustainability management throughout our business.

I would like to thank the management for their support, and I look forward to working with our stakeholders to develop a deeper level of engagement to help meet their expectations in the coming year. By working in partnership and addressing the issues that are most important to our stakeholders and our business, we can continue to contribute to a sustainable future.

Majed Nofal
Chief Executive Officer

2019 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 2019, we continued to make progress every day towards becoming a more sustainable company.





جائزة الملك خالد
KING KHALID AWARD

2019 King Khalid Award
for Sustainability
**Best Performer in
Innovating Social
Development Solutions**

Forbes

2000 Global Best Regarded
Companies

1.6



Percentage point decrease
in employee absenteeism

50%+



Increase in total hours of
employee training

Nearly 3,850



Metric tons of packaging
removed from the consumer
waste stream

19.6 GWh



Increase in
renewable energy

20%



Increase in the number of
participants in our Almarai site
visit education program

20%+



Increase in food waste
diverted from landfill

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 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.



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



Dairy is the cornerstone of Almarai's range, including Fresh Dairy, Long Life Dairy and Dairy Foods. We have earned the trust of our consumers for more than 40 years and are the regional market leader in a wide range of sub-categories. New product launches in 2019 included Mango-flavored set yoghurt, Blueberry-flavored Greek yoghurt, Date-flavored milk, and 2.2l fresh milk bottles. We have also implemented a facelift of our butter packaging and expanded the range of food service products.



Juice



Almarai is the GCC leader in fresh juice, offering consumers a range of juices, nectars and drinks, as well as products for children. Over the last year, Almarai has been expanding its footprint into other areas of the juice market including premium not-from-concentrate juice, super fruit and everyday segment carton juices with the Joosy Life product range.



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 cupcakes, Almarai provides consumers with exciting and innovative treats. In 2019, we launched Coconut Swiss Roll, Red Velvet Muffin, Bran Cream Cheese Sandwich, and Zatar Cream Cheese Sandwich.



Poultry



Alyoum is regarded by the market as synonymous with quality and innovation – that's why it is the brand of choice for over 35.0% of Saudi Arabia's fresh poultry consumers. The product range includes a comprehensive selection of whole, part and value-added stock-keeping units under the Alyoum and Albashayer brands. In 2019, two versions of our new Oven Ready Chicken product were launched on a test-market basis.



Infant Nutrition



Almarai's Infant Nutrition products are available across Saudi Arabia and other markets in the Middle East and Asia. Our brands include Nuralac and other brands in export markets.



Our value chain

Quality you can trust

Procurement

Percentage of locally based suppliers across our countries of operation:



51%
GCC



69%
Egypt



97%
Jordan



73%
United States



99%
Argentina

Farming

Over **191 million** chickens



were raised on our farms in Saudi Arabia.



183,345 COWS

are cared for on our farms in Saudi Arabia and Jordan.



32,367 hectares

of land under production in Argentina and USA to grow feed for our cows.

Manufacturing



13



manufacturing facilities

in total across Saudi Arabia, Jordan and Egypt produce and package our wide range of products.



Dairy



Juice



Bakery



Poultry



Infant Nutrition



Sales, distribution & logistics

Almarai has over

1,800
vehicles

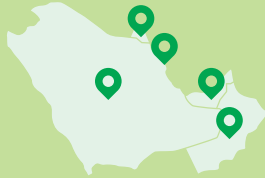


on the roads at any given time.



From our manufacturing facilities, our products are transported to

83
depots in
5 countries
across the GCC.



Consumers

Almarai has

800+
products



which are sold to over



62,500
customers in
5 countries
across the GCC.



Our people

All our achievements are made possible by the commitment of our



42,382
employees

across our global operations.





As the region's largest food and beverage company, Almarai plays an important social, environmental and economic role locally, regionally and globally.



Sustainability management at Almarai




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 wellbeing of our consumers and employees, ensure the health of our farm animals, protect the natural environment and generate significant economic value.

Our sustainability strategy

In 2019, we developed a set of 25 goals and targets to achieve by 2025 during the development of our sustainability strategy, Better every day. Our strategy is built upon three interconnected pillars and 12 material issues that are essential in supporting our contribution to building a more sustainable future.



Almarai® believes the world can be a better place if we are all committed to doing better every day. By living up to our commitments, we can make positive changes that support a better tomorrow.

 Caring for people	 Protecting the planet	 Producing responsible products
<p>Nutrition and wellbeing We are working to make sure that our products and communications support healthy living every day.</p> <p>Health and safety We are working to make sure we foster a health and safety culture among our people every day.</p> <p>Employee talent and diversity We are working to make sure that our people are developed, valued and included every day.</p> <p>Community investment We are working to make sure that we are leveraging our resources to create a positive impact every day.</p>	<p>Water management We are working to make sure we are effectively using water resources every day.</p> <p>Packaging innovation We are working to make sure we reduce the impact of our packaging on the environment every day.</p> <p>Climate change We are working to make sure we implement more sustainable solutions to reduce our emissions every day.</p> <p>Waste management We are working to make sure that we are moving towards zero to landfill every day.</p> <p>Sustainable agriculture We are working to make sure that our agricultural practices are regenerative every day.</p>	<p>Quality and food safety We are working to make sure our products are safe and satisfy consumers' needs every day.</p> <p>Animal welfare We are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day.</p> <p>Ethical sourcing We are working to make sure we take a collaborative approach to elevate sustainability in our supply chain every day.</p>

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

Our belief that the world can be a better place if we are all committed to doing better every day is at the heart of what sustainability means to Almarai. Our strategy is founded on this belief and from 2020 we will report against our strategic sustainability goals and targets.

Our strategic goals and targets	
Caring for people	
Nutrition and wellbeing	<ul style="list-style-type: none"> Develop and implement a holistic plan to further enhance our nutrition and wellbeing offering by 2025
Health and safety	<ul style="list-style-type: none"> Achieve ISO 45001 compliance for all our divisions by 2025 Institute an occupational health and wellbeing program accessible to all employees by 2025
Employee talent and diversity	<ul style="list-style-type: none"> Increase the number of female employees in our workforce year-on-year Reduce voluntary employee turnover to achieve an average of 12% over the period 2020-2024 90% of managers engage in at least 40 hours of professional development per year by 2025
Community investment	<ul style="list-style-type: none"> Donate 2.5 million healthy servings by 2025 Educate 250,000 people through our site visit program by 2025 Improve the employability of at least 1,400 young people through the Dairy and Food Polytechnic (DFP) program by 2025
Protecting the planet	
Water management	<ul style="list-style-type: none"> Increase water efficiency across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% by 2025 (against a 2018 intensity baseline) Initiate and support collaborative efforts with stakeholders to address water risk and enhance conservation by 2025
Packaging innovation	<ul style="list-style-type: none"> Avoid the use of 9,000 metric tons of plastics from entering the consumer waste stream by 2025 (against a 2015 baseline) Actively support the transformation of the packaging economy in KSA by 2025
Climate change	<p>Transport and refrigeration</p> <ul style="list-style-type: none"> Explore and trial alternative fuel vehicles for our sales transport fleet on an ongoing basis Increase the fuel efficiency of our sales, distribution and logistics vehicles by 10% by 2025 (against a 2018 baseline) 100% of our sales depot cold stores will be CFC free by 2025 <p>Energy</p> <ul style="list-style-type: none"> Reduce energy consumption across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% from efficiency measures by 2025 (against a 2018 intensity baseline) Increase the share of electricity from clean energy sources across our Administration, Manufacturing, Sales, Distribution and Logistics Divisions to 20% by 2025 Achieve ISO 50001 certification for our Administration, Manufacturing, Sales, Distribution and Logistics Divisions by 2025
Waste management	<ul style="list-style-type: none"> Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)
Sustainable agriculture	<ul style="list-style-type: none"> Enhance sustainable practices on our arable farms by 2025
Producing responsible products	
Quality and food safety	<ul style="list-style-type: none"> All manufacturing sites will be Global Food Safety Initiative (GFSI) certified by 2025 All high-risk ingredient suppliers will be Global Food Safety Initiative (GFSI) certified by 2025
Animal welfare	<ul style="list-style-type: none"> Achieve global animal welfare certification for our dairy and poultry farming operations by 2025
Ethical sourcing	<ul style="list-style-type: none"> Put an ethical sourcing process and audit plan in place by 2025

For more detailed information about the boundaries of our strategy, please see Appendix E.

Sustainability governance

Our Vice President of Quality, Regulatory, Health, Safety, Security & Sustainability reports directly to our Chief Executive Officer (CEO) and Executive Management on sustainability during bi-monthly management meetings, while our Head of Sustainability plays a coordinating role to ensure progress against our strategic goals and targets.

Our Environmental Policy

As Almarai is committed to minimizing its impact on the environment and to continual improvement of its environmental performance, we have an environmental policy which applies to all Almarai business units and facilities, inclusive of co-manufacturers and joint-venture partners.

“To minimize environmental impacts, we shall:

- Comply with applicable legal requirements;
- Minimize pollution, waste and consumption of resources;
- Educate, train and motivate all employees to carry out tasks in an environmentally responsible manner;

- Encourage our suppliers and contractors to be environmentally responsible;
- Identify and implement opportunities for environmental sustainability.”

The Almarai Environmental Policy is endorsed by Almarai’s CEO.

Our Sales, Distribution and Logistics and Farming Divisions, and our Poultry Processing Plant hold International Organization for Standardization (ISO) 14001 Environmental Management System certification.

Our performance summary	2018	2019
Number of incidents of non-compliance with environmental laws and regulations (GGC only)	0	0



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, shareholders/investors, employees, government regulatory bodies, and civil society organizations), 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.

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



Alignment and contribution to national and international 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, while the Sustainable Development Goals (SDGs) provide governments and businesses with a framework to achieve sustainable

development. Based on our sustainability framework, we have mapped out areas of alignment with national and international sustainable development objectives. Appendix F identifies the NTP targets and appendix G identifies the SDG targets that align with our sustainability framework.



National
Transformation
Program 2020



Our promise to improve the lives of those that are integral to our business success every day.





Caring for people

Nutrition and wellbeing

We are working to make sure that our products and communications support healthy living every day.

Health and safety

We are working to make sure we foster a health and safety culture among our people every day.

Employee talent and diversity

We are working to make sure that our people are developed, valued and included every day.

Community investment

We are working to make sure that we are leveraging our resources to create a positive impact every day.



Our strategic goals and targets

To support our commitments towards 'Caring for people' and enhance our accountability, we have identified the following goals and targets.

- | | |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nutrition and wellbeing | <ul style="list-style-type: none">• Develop and implement a holistic plan to further enhance our nutrition and wellbeing offering by 2025 |
| Health and safety | <ul style="list-style-type: none">• Achieve ISO 45001 compliance for all our divisions by 2025• Institute an occupational health and wellbeing program accessible to all employees by 2025 |
| Employee talent and diversity | <ul style="list-style-type: none">• Increase the number of female employees in our workforce year-on-year• Reduce voluntary employee turnover to achieve an average of 12% over the period 2020-2024• 90% of managers engage in at least 40 hours of professional development per year by 2025 |
| Community investment | <ul style="list-style-type: none">• Donate 2.5 million healthy servings by 2025• Educate 250,000 people through our site visit program by 2025• Improve the employability of at least 1,400 young people through the Dairy and Food Polytechnic (DFP) program by 2025 |

Nutrition and wellbeing

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 and nutritious products. We are constantly investing in and developing new technologies and competencies to improve the health and nutritional profile of our products, and we are incorporating health and nutrition specific criteria into product innovation and development.

We strongly believe that our marketing plays an integral role in our ability to support healthy consumer lifestyles and it should be governed by the highest ethics and responsibility. It is important to us that our marketing practices promote our products responsibly, which is why we strive to be transparent with our consumers by offering choice, providing credible and clear communications, and labeling to empower consumer purchasing decisions. We seek to market not only the taste of a product or brand, but also the health and nutritional value, quality and safety. As per Saudi law, all our products are labeled with nutritional information, including information on sodium and safe storage. Labeling now also includes additional information such as the serving size and number of servings per item.

Empowering our consumers to make better-informed choices regarding the nutritional value of our products is further supported through our efforts to build health and nutrition awareness. We have multiple communication platforms that include health and nutritional education. We work closely with the healthcare community, and key pediatric and clinical nutritional medicine opinion leaders. We participated in a number of scientific conferences and sponsored an online educational program for healthcare professionals, as well as other continuing education events for frontline health workers during the past year.

In 2019, we continued to focus on product reformulation by eliminating added sugar in juices and salt reduction in baked goods and other foods. Over half of our bakery product range now has reduced salt and all our fresh juices in select markets contain zero added sugar. We also launched new product lines, such as our low fat, protein rich Greek Style Yoghurt, and our high in fiber Bran Bread. In line with Almarai's strategic sustainability goals, we will commence work in 2020 on developing a holistic plan to further enhance Almarai's nutrition and wellbeing offering by 2025.

We are working to make sure that our products and communications support healthy living every day.

Almarai remains committed to public education for consumers and healthcare professionals

In collaboration with various organizations, Almarai has supported health and nutritional awareness in Saudi Arabia. In 2019, we engaged in the following projects:

- Supported a health week program with the Royal Saudi Air Force
- Supported a symposium on Osteoporosis at the University of King Abdulaziz
- Supported a health assembly event promoting exercise and health awareness with the Ministry of Health
- Supported a marathon for diabetics carried out at King Saud University
- Collaborated with Princess Nora Bint Abdul Rahman University on workshops raising health awareness among students and practical learning on product formulation
- Supported a dental care campaign



Almarai products contain
no artificial colors.



Almarai products contain
no trans fats.

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.

Our performance summary	2018	2019
Number of incidents of non-compliance concerning product information and labeling	0	1
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%

Health and safety

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

In 2019, our incident reporting system became fully operational. Accessible to all employees, this tool has improved our ability to track and analyze Health, Safety and Security (HSS) incidents and risks, which in turn will enable us to more effectively prevent incidents from occurring in the future. As a result, near miss reporting has increased by over 250% against 2018 levels. In addition, 80% of our sales van fleet has been fitted with speed restrictors as part of our road risk strategy. As part of this strategy, behavioral training and road safety campaigns are conducted, which has helped to reduce our vehicle collision frequency by 30% against 2018 levels. In 2019, the employee lost-time injury rate increased by nearly 9%, which is attributed to a combination of reduced man-hours worked and the increased utilization of the incident reporting system. In addition to continued training on appropriate incident reporting, we expect that our health and safety strategy and supporting programs will help to reduce our incident rate in the coming years.

We are working to make sure we foster a health and safety culture among our people every day.

Employee engagement is another dimension of our approach to improving both the health of our employees and preventing occupational accidents before they occur. We have taken a conscious decision to proactively support our people’s wellbeing through earlier detection of health conditions. In 2019, we commenced screening employees at our main manufacturing site in KSA using our occupational mobile health unit and were able to reach over 500 people within the first three months. While we are still in the initial roll-out phase, we are already seeing the benefits of this new program in detecting employee health conditions. For example, amongst those screened, we have detected 6% with early onset diabetes and 14% as pre-diabetic. Employees identified with abnormal results were advised to consult a physician. The mobile health unit forms an integral part of reaching our strategic sustainability goal to institute an occupational health and wellbeing program accessible to all employees by 2025. During the coming year, we are aiming to reach all employees at our main manufacturing site in KSA.

In 2020, several digitalization projects are planned, including the management of hot works permits and the development of a health and safety dashboard for managers to analyze their safety performance. We are also planning to migrate our incident reporting system on to the cloud, which will provide access to anyone with a smart phone. These changes will further enhance our ability to create pre-emptive solutions to our health and safety challenges.



Our Health and Safety Policy

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 hazard profile and management structure.

The corporate level one policy includes the Almarai “Safe Person, Place and Practice Strategy” 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 HSS forum which drives our focus on HSS across the business and who’s role is to develop HSS strategy, performance, standards and guidelines.

Achieving Occupational Health and Safety Management System ISO 45001:2018 compliance

In line with our strategic sustainability goals, we are working towards achieving ISO 45001 compliance for all our divisions by 2025. During 2018 our Farming Division achieved certification and our Sales, Distribution and Logistics (SDL) Division certified 30% of its sites. In 2019, Farming successfully completed a surveillance audit and SDL certified an additional 30% of its sites in addition to successfully completing a surveillance audit of the sites certified during 2018. In 2020, we will continue to work towards achieving ISO 45001 compliance across our manufacturing and poultry divisions.

Our performance summary	2018	2019
Number of employee lost-time injuries	256	195
Employee lost-time injury rate (per 1 million man-hours)	1.72	1.87
Number of contractor lost-time injuries	NIA	NIA
Contractor lost-time injury rate (per 1 million man-hours)	NIA	NIA
Hours of employee HSS training	155,320	352,338
Average hours of HSS training per employee	4.0	9.7
Hours of contractor HSS training	NIA	1,289
Average hours of HSS training per contractor	NIA	2.1
Employee absenteeism rate (%)	6.5%	4.9%

Note: NIA stands for no information available, average hours of training per worker type are based on average headcount.

Employee talent and diversity

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. 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.

In 2019, we reviewed and adjusted all our leadership programs to ensure alignment with our corporate strategy for 2025. We also increased the number of Almarai Academy cohorts, introduced a new program for specialist grades, and finalized the design of a program for junior management which will begin in 2020. With these changes we have expanded our leadership program offering for all our management grades. As part of our strategic sustainability goals, we have set a target that 90% of managers engage in at least 40 hours of professional development per year by 2025. To support this target, we have identified initiatives to increase the uptake of additional professional development opportunities from 2020 onwards.

Almarai also aims to provide an inclusive work environment for all and we are making strides towards this end. We seek to provide career opportunities for women in the markets where we operate, and we employed more females in 2019 than the previous year. From 2020 as part of our strategic sustainability goals, we have set a target to increase the number of female employees in our workforce year-on-year.

We are working to make sure that our people are developed, valued and included every day.

Our efforts to offer equal opportunities also extend 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. We employed more than 430 people with a disability during this past year.

In 2019, we have **increased the number of e-learning users by 25%.**



Keeping employees engaged, motivated, and satisfied

Almarai provides a wide range of activities that seek to create a flexible work culture that encourages productive, healthy work/life balance, employee retention, and personal and professional growth opportunities, 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 through discounted gym membership and other in-house events
- 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

We will be identifying additional opportunities to further engage our employees to achieve our strategic sustainability goal to reduce voluntary employee turnover to achieve an average of 12% over the period 2020-2024.



Developing local leaders

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 and senior management roles, Saudization is at 24% and 17% in 2019, respectively.

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 29 for DFP 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.

Our performance summary	2018	2019
Number of Saudi employees	8,766	8,466
Percentage Saudization among total workforce (%)	26%	26%
Percentage Saudization of middle management (%)	25%	24%
Percentage Saudization of senior management (%)	16%	17%
Number of female Saudi employees	645	635
Number of Saudi Almarai Academy participants	291	265
Number of Saudi Graduate Professional Trainee participants	22	23
Number of Saudi Almarai Future Leaders participants	21	0
Number of Saudi Dairy & Food Polytechnic participants	584	400
Number of Saudi Almarai Driving School participants	126	133
Total number of Saudi nationals in professional development programs	1,044	821

Our performance summary	2018	2019
Number of employees	38,416	37,231
Female employees	750	769
	2.0%	2.1%
Women in middle management	45	31
	3.5%	2.4%
Women in senior management	2	2
	0.8%	0.8%
Women in non-management positions	703	736
	1.9%	2.1%
Board seats occupied by women	0	0
	0%	0%
Number of employees with a disability	468	436
Number of formal incidents of discrimination reported	0	0
Total voluntary turnover	4,360	3,999
	11.3%	10.7%
Total hours of training provided	375,258	579,152
Average hours of training per employee	9.8	15.6
Number of Almarai Academy participants (National and non-national)	520	565
Number of Almarai Driving School participants (National and non-national)	413	1,384



Community investment

Almarai continues to strive to support its communities wherever possible. Through education, training and development, charitable donation, and other programs, we provide a greater positive impact for society. Whether in collaboration with organizations or direct engagement, Almarai is actively supporting various causes throughout the year.

In 2019, Almarai continued its food distribution and nutritional awareness program for schools in Saudi Arabia, providing over 1,000 schools with more than 880,000 nutritious snacks for the children. Our employee driven food basket donation program was also successful and we reached 1,800 lower income families this past year. In line with our strategic sustainability goals, we have set a target to donate 2.5 million healthy servings by 2025.

We also 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

We are working to make sure that we are leveraging our resources to create a positive impact every day.

qualified people with dairy and food industry specific skills. In line with our strategic sustainability goals, we have set a target to improve the employability of at least 1,400 young people through the DFP program by 2025.

Our manufacturing facilities are regularly opened to the public for visits. Tours of our facilities offer an important opportunity to show case our facilities, 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 2019, we hosted more than 88,000 visitors, 15,000 more than 2018. In line with our strategic sustainability goals, we have set a target to educate 250,000 people through our site visit program by 2025.

In 2020, we will be working on developing our community investment strategy in support of our strategic sustainability goals.

Awarding those that are making a difference

As a socially responsible business, we support several 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 2017 in partnership with the Disabled Children's Association. It aims to honor mothers who support their children with disabilities in the process of treatment, education and rehabilitation. In its first year, five women won the award, and in its second year, 10 women won the award.
- **Photography 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.

Our performance summary	2018	2019
Total CSR spending (SAR million)	39.6	34.7
Total CSR spending as a percentage of net profit (%)	2.0%	1.9%
Product donations		
Number of schools provided with snacks for students	947	1,036
Snacks for school children (Number of servings)	853,242	880,228
Number of low-income families provided with food baskets	600	1,800
Number of charities provided with food donations	301	230
Product donations for charities (Number of servings)	216,612	239,616
Total number of product servings donated	1,069,854	1,119,844
Total financial value (SAR million)	0.9	1.0
Support for vulnerable groups		
Number of lower income couples provided with weddings	1,200	1,400
Number of children at orphanages and charities provided with Iftars	40	58
Charity, orphanage and other association event sponsorships (Number of beneficiaries)	80	172
Total financial value (SAR million)	0.4	0.5
Support for learning and technical, vocational and education training (TVET)		
Number of TVET beneficiaries (Dairy & Food Polytechnic)	505	486
University student groups sponsored (Number of beneficiaries)	70	340
Braille booklets (Number of books donated)	N/A	500
Dental care campaign (Number of schools attended)	20	32
Almarai site visit program (Number of visitors)	73,286	88,030
Sponsorship of Food Loss and Waste Index and awareness campaign (value in SAR).	N/A	100,000
Sponsorship of Qaderoon documentary (value in SAR)	N/A	113,000
Total financial value (SAR million)	35.3	30.2
Sponsorship of awards		
Number of award winners	119	162
Total financial Value (SAR million)	3.0	3.0

Note: Figures for 2018 have been restated in some instances due to recategorization; N/A stands for not applicable.



Our promise to minimize our impact on our shared natural resources every day.





Protecting the planet

Water management

We are working to make sure we are effectively using water resources every day.

Packaging innovation

We are working to make sure we reduce the impact of our packaging on the environment every day.

Climate change

We are working to make sure we implement more sustainable solutions to reduce our emissions every day.

Waste management

We are working to make sure that we are moving towards zero to landfill every day.

Sustainable agriculture

We are working to make sure that our agricultural practices are regenerative every day.

Our strategic goals and targets

To support our commitments towards ‘Protecting the planet’ and enhance our accountability, we have identified the following goals and targets.

- Water management**
- Increase water efficiency across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% by 2025 (against a 2018 intensity baseline)
 - Initiate and support collaborative efforts with stakeholders to address water risk and enhance conservation by 2025

- Packaging innovation**
- Avoid the use of 9,000 metric tons of plastics from entering the consumer waste stream by 2025 (against a 2015 baseline)
 - Actively support the transformation of the packaging economy in KSA by 2025

- Climate change**
- Transport and refrigeration**
- Explore and trial alternative fuel vehicles for our sales transport fleet on an ongoing basis
 - Increase the fuel efficiency of our sales, distribution and logistics vehicles by 10% by 2025 (against a 2018 baseline)
 - 100% of our sales depot cold stores will be CFC free by 2025

- Energy**
- Reduce energy consumption across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% from efficiency measures by 2025 (against a 2018 intensity baseline)
 - Increase the share of electricity from clean energy sources across our Administration, Manufacturing, Sales, Distribution and Logistics Divisions to 20% by 2025
 - Achieve ISO 50001 certification for our Administration, Manufacturing, Sales, Distribution and Logistics Divisions by 2025

- Waste management**
- Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)

- Sustainable agriculture**
- Enhance sustainable practices on our arable farms by 2025

Water management

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.

In 2019, we formed a water steering group as part of our sustainability strategy development process. The group was instrumental in setting our water management targets and action plan for improving water efficiency across our operations over the coming years. The group will continue to serve as a collaborative knowledge sharing platform and will play an important role driving initiatives to enhance our water culture over the coming years. In 2020, we are planning to expand surveying of employees to better understand behaviors and identify improvement areas in support of this aim.

During the past year we implemented several successful changes across our operations from the installation of various water saving devices to optimizing cleaning processes. We also commissioned a new system for water reuse in our dairy and juice operations which is estimated to reduce groundwater consumption by 14% over the next five years. In our Sales Division, we have installed a water recycling system for vehicle washing as part of a trial. In 2020, we are planning to install similar systems at 9 further sales depots and we estimate that this will contribute to a 65% reduction in vehicle wash down water consumption. In line with our strategic sustainability goals, we have set a target to increase water efficiency across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% by 2025 (against a 2018 intensity baseline).

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 total water requirements for animal drinking water and growing animal feed for our cattle. Therefore, less water input is required overall to supply market demand by driving yield efficiency on our dairy and arable farms.

We are working to make sure we are effectively using water resources every day.



Almarai has been a member of the Alliance for Water Stewardship (AWS) since 2018. As part of the AWS, Almarai is part of a global collaboration of businesses, non-governmental organizations and the public sector working to achieve good water stewardship practices. In 2020, and in line with our strategic sustainability goal, to initiate and support collaborative efforts with stakeholders to address water risk and enhance conservation by 2025, we are planning to self-assess our dairy farming operations against the AWS guidance.

Our performance summary	2018	2019
Water withdrawal (m ³)	11,685,518	12,247,436
Water recycling and reuse (m ³)	1,643,355	1,665,798
Percentage of water recycled and/or reused (%)	14.1%	13.6%
Total water consumption (m ³)	13,328,873	13,913,234
Water discharge (m ³)	8,142,212	8,946,156
Manufacturing water intensity (m ³ /metric ton of finished product)	5.0	5.5

Note: Water data excludes poultry, dairy, and arable farming; figures for 2018 have been restated in some instances, see Appendix H for details.

Packaging innovation

Packaging waste is a global challenge that we are committed to help resolve. This requires a holistic approach to be taken by understanding how consumers use our products in conjunction with the requirements of our supply chain. By using innovative designs, materials and technologies we can not only reduce the amount of materials entering the waste stream but contribute to greater supply chain efficiency. Packaging is an essential material that protects and preserves our products throughout the supply chain, which is why we are continually improving our packaging solutions to maintain the best possible freshness and taste.

2019 has been a successful year overall in terms of weight reduction across Almarai’s portfolio with 2,945 metric tons of plastics being removed from our primary packaging and an additional 902 metric tons of paper being removed from our secondary packaging. We also revisited the palletization of our incoming packaging that resulted in increased load efficiency reducing the number of deliveries on the roads.

Plans are already in place to remove additional plastic tonnage from our primary and secondary packaging in 2020, in line with our strategic sustainability goal, to avoid the use of 9,000 metric tons of plastics from entering the consumer waste stream by 2025 (against a 2015 baseline).

Our ability to further drive change is highly dependent on the public sector working with the private sector. We have therefore set a goal to actively support the transformation of the packaging economy in KSA by 2025, as part of our strategic sustainability goals.

We are working to make sure we reduce the impact of our packaging on the environment every day.



Almarai has introduced **oxo-biodegradable compliant plastic films**

in alignment with government regulation in 2019.

In 2019, the combined weight of our paper and plastic packaging reduction amounted to nearly

3,850 metric tons

which is about the same weight as 2,750 average family cars.



More than just a new bottle

2019 saw the introduction of our new 200 ml juice bottle which gave Almarai the opportunity to redesign this popular bottle to address the needs of the consumer in the most resource efficient manner. The new bottle offers the convenience of a narrow neck, which is easier to drink from whilst “on the go,” with a size and shape which fits comfortably in the hand. By adopting the latest lightweight design of narrow neck, it was possible to reduce the bottle weight by almost 25%, making it the lightest 200ml juice bottle in the region. In addition, the outer packaging was changed, removing the cardboard tray resulting in a further 600 metric tons of packaging from entering the waste stream.



Our performance summary	2018	2019
Percentage of card board coming from recycled materials used as an input material (%)	65%	65%
Plastics removed from packaging (tons)	283	2,945
Paper removed from packaging (tons)	128	902
Total packaging removed from the consumer waste stream (tons)	411	3,847

Climate change

We continually work on reducing the environmental footprint of our business, in part, because we are conscious of the inherent risks from climate change. 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.

Climate change potentially creates risks for agricultural production including drought, pest and disease issues as well. These can pose challenges to maintaining and increasing production levels over the long term. We therefore look to adjust our practices to enable us to meet our production needs now and in the future.

We are working to make sure we implement more sustainable solutions to reduce our emissions every day.

Our energy strategy focuses on solar power generation and battery storage, LED lighting technology, enhanced energy monitoring, and improving Almarai's energy culture through awareness.



Energy efficiency

In 2019, we completed Phase I of our LED lighting upgrade across our Sales and Manufacturing Divisions and head offices, and commenced Phase II of our LED upgrade program. Once completed, we will have replaced more than 70,000 lights across our facilities. From Phase 1 alone, we have estimated that our lighting load has been reduced by up to 70%, which translates to a reduced energy demand for lighting of over 10 million kWh. We are on track that 100% of our lighting will be LED in our KSA operations over the coming year. Several energy saving initiatives are underway and additional ones are being developed. In line with our strategic sustainability goals, we have set a target to reduce energy consumption across our Manufacturing, Sales, Distribution and Logistics Divisions by 15% from efficiency measures by 2025 (against a 2018 intensity baseline).

As part of our fuel efficiency initiatives, we were able to roll out 392 of the planned 425 biofuel vehicles in the UAE by the end of 2019. We also increased the number of dual temperature vehicles in our fleet. In total, 900 sales vehicles and 100 reefers had this feature, helping to further decrease the number of trips required. Other initiatives which helped to increase fuel efficiency in 2019, include the following: 100% of our short-haul vehicles have been fitted with engine idle timers, 100% of both our short-haul and long-haul vehicles have been fitted with vehicle speed restrictors. These modifications have helped to increase overall efficiency, and in the case of short-haul vehicles, we have seen a 9% increase in fuel efficiency. In line with our strategic sustainability goals, we have set a target to increase the fuel efficiency of our sales, distribution and logistics vehicles by 10% by 2025 (against a 2018 baseline).

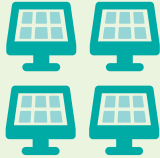
We have also set a goal to explore and trial alternative fuel vehicles for our sales transport fleet on an ongoing basis. In the future, we will be piloting different alternatives.

Clean energy


In 2019, we commissioned solar panels at our main manufacturing site in KSA, in addition to our existing sales depot solar rooftop installations. By the end of 2019, we increased our clean energy generation capacity to 17 MWp, producing more than 30,000 MWh of clean energy annually. On average, sites fitted with solar panels are drawing 30% of their energy demand from this clean energy source. We also began construction on a 12 MWp solar project at our manufacturing site in Hail (KSA), and this is scheduled to be commissioned by the end 2020. In addition, during 2020, we also plan to install 12 further solar rooftop installations at our sales depots across the GCC. In line with our strategic sustainability goals, we have set a target to increase the share of electricity from clean energy sources across our Administration, Manufacturing, Sales, Distribution and Logistics Divisions to 20% by 2025.

In 2019, we

avoided emitting more than 6,250 metric tons CO₂e



from relying on renewable solar energy, which is equivalent to planting nearly 540 hectares of trees.



Energy culture

Energy awareness is an important element of our overall energy management strategy and ability to capitalize on technological solutions. Our energy steering group was instrumental in setting our energy management targets and action plan for improving energy efficiency across our operations over the coming years. The group will continue to serve as a collaborative knowledge sharing platform and will play an important role driving initiatives as we work towards our strategic goals.

In 2020, we will be implementing Phase 1 of an energy monitoring system and improving metering to better understand energy consumption patterns, which will invariably enable us to improve our performance. In line with our strategic sustainability goals, we have set a target to achieve ISO 50001 certification for our Administration, Manufacturing, Sales, Distribution and Logistics Divisions by 2025. Through achieving this certification, we will be able to build a more robust culture and drive further improvements. In support of this target, we are planning to engage employees through surveying, awareness campaigns, and will prepare for ISO 50001:2018 certification at our head offices this coming year.

Refrigeration

Our cold chain distribution system relies upon refrigeration at all stages, from farm to shelf. We are constantly improving efficiencies in this area as we are aware that the use of certain refrigerants such as R22 contribute to climate change.

We have an active program to replace 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. In 2019, we continued to upgrade our sales depot cold stores and by the end of the year, 70% are now CFC free. In line with our strategic sustainability goals, we have set a target that 100% of our sales depot cold stores will be CFC free by 2025. In 2020, we are planning to upgrade an additional 7 sales depot cold stores.

Currently 95% of our refrigerated transport vehicles are CFC free with the remaining 5% to be replaced at the end of their lifecycle. All in-store refrigerators are currently CFC free, and in 2020, we will be making modifications to reduce refrigerant usage by 25%.

Our performance summary	2018	2019
Direct stationary energy usage (in thousands kWh)	801,850	836,570
Indirect stationary energy usage (in thousands kWh)	845,531	936,070
Total stationary energy usage (direct and indirect, in thousands kWh)	1,647,382	1,772,640
Solar energy usage (in thousands kWh)	2,421	22,095
Percentage of electricity consumption from solar (%)	0.2%	1.6%
Almarai owned refrigerators in stores (in thousands kWh)	906,305	961,093
Manufacturing energy intensity (kWh/metric ton of finished product)	512.3	549.8
Total vehicle fuel consumption (thousands of liters)	410,512	357,485
Scope 1 (direct) emissions (metric tons CO ₂ e)	1,113,639	1,005,862
Scope 2 (indirect) emissions (metric tons CO ₂ e)	718,292	795,419
Scope 3 emissions from Almarai refrigerators in stores (metric tons CO ₂ e)	780,088	827,246
Total emissions (metric tons CO ₂ e)	2,612,019	2,628,528
Manufacturing emissions intensity (metric tons CO ₂ e/metric ton of finished product)	0.30	0.32
Emissions from refrigerant leakage and replacement (metric tons CO ₂ e)	167,686	200,036

Note: Figures for 2018 have been restated in some instances, see Appendix H for more details; emissions cover stationary energy, transportation and refrigerants only.

Waste management

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 to avoid food waste generation and unnecessary cost to the business and the environment. Where possible, we also 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.

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 several 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.

In 2019, we formed a waste steering group as part of our sustainability strategy development process. The group was instrumental in setting our waste management targets and action plan for improving waste diversion across our operations over the coming years. The group will continue to serve as a collaborative knowledge sharing platform and will play an important role driving initiatives as we work towards our strategic goal, to reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline).

During the coming year, we will be making a concerted effort under the direction of the waste steering group to identify additional opportunities to not only divert waste from landfill, but to reduce it at source. We have plans underway to identify partners with innovative solutions as well as in-house solutions. In 2019, across our divisions we have commenced a waste avoidance program with over 15 different interventions using the DMAIC (Define, Measure, Analyze, Improve, and Control) methodology. This program has contributed to our understanding of our overall waste issues and management approaches for the future.

We are working to make sure that we are moving towards zero to landfill every day.



Redistributing food surplus and waste

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 to minimize environmental impact and support those in need. In 2019, we redistributed 269 tons of food surplus to these good causes.

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 2019, more than 39,000 tons of bakery, poultry and dairy waste has been sent to various organizations for animal feed purposes, representing over a 20% increase from the previous year.

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. In 2020, we expect to commence a new partnership to 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.

Our performance summary	2018	2019
Food waste resold for animal feed (Store returns and operational) (metric tons)	32,375	40,086
Recycled waste (metric tons)	16,577	22,071
Total waste generated (metric tons)	184,512	202,738
Waste sent to landfill (metric tons)	135,954	141,292
Percentage of waste sent to landfill (%)	74%	70%

Note: Figures for 2018 have been restated in some instances, see Appendix H for more details.

Sustainable agriculture

Almarai owns Fondomonte, who operate our arable farms located in primarily Argentina and the United States. Ensuring that we produce the highest quality feed for our dairy herds in Saudi Arabia is as important as our commitment to ensuring sustainable agricultural practices.

We utilize best land-use practices to ensure land productivity on our arable farms and continue to adopt regenerative farming practices where possible. Regenerative farming practices are important for the long-term sustainability of our arable farms through contributing to the health and vitality of the soil through microbial development and topsoil regeneration, while also supporting bio and carbon sequestration, soil structure, and overall ecological biodiversity. 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.

Our arable farming operations based in the United States and Argentina, utilize irrigation methods most suitable for the environment. We have invested heavily in irrigation infrastructure since acquiring the farms in the United States. For example, our arable farms in Arizona use a combination of highly efficient subsurface drip and pivot irrigation.

We are working to make sure that our agricultural practices are regenerative every day.

In California, where we rely on irrigation canals, we have ongoing work to line them with concrete to increase flow and reduce water loss from both evaporation and aquatic plant life. All canals are gravity fed and rely on no energy for pumping. 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 the United States, we ceased transporting feed from our arable farms to port by truck in 2019. Feed is now transported by train to port for shipping. Although this has increased our internal fuel consumption, as we no longer rely on third-parties to transport the feed, there is a substantial indirect benefit in terms of emissions related to the transport of feed. This change means that around 550 trucks per week are removed from roads making the 250-mile journey from Arizona and the 190-mile journey from California.

In line with our strategic sustainability goals, from 2020 we will be making a concerted effort to enhance sustainable practices on our arable farms by 2025. To support this goal, we will be assessing our arable farming operations and developing improvement plans over the coming year.



Excelling in health and safety

All of our operational Fondomonte USA sites are SHARPs (Safety & Health Achievement Recognition Program) certified, an OSHA (Occupational Safety and Health Administration) accreditation program. The SHARPs certification recognizes small and medium business employers who have used OSHA's On-Site Consultation Program services and operate exemplary safety and health programs. In Arizona, we were the first agricultural operation to ever be awarded with this certification. This is a demonstration of the steps Fondomonte USA has taken over and above industry standards to ensure our employees' health and wellbeing.

Engaging with the community

Fondomonte USA has appointed a 'community engagement champion' at each of its three operational sites. Community engagement champions are responsible for coordinating engagement activities and allocating charitable donations to where they are most needed and valued within the community.

We provide ongoing support to several activities such as 4-H (Young Farmers of America), a program administered by the National Institute of Food and Agriculture of the United States Department of Agriculture. The program works to inspire youth to enter agricultural careers, providing them with awareness and skill building through applied projects.

Fondomonte USA also provides support to local schools when the need arises whether it be school supplies for those in need or equipment, we are proud to give back to the communities where we operate.

Creating a positive economic impact

In 2019, Fondomonte USA commissioned an independent consulting firm to assess its economic and fiscal impact. The findings highlight Fondomonte USA's positive contribution to its locations of operation.

Fondomonte USA has made significant capital investments in both Arizona and California. As of 2018, a total of \$301.4 million in capital expenditure has been spent in the United States.

Capital improvements related to the construction activity on the farms has been estimated to be nearly \$127.0

million over the last five years. These investments have created 2,082 jobs in the country, over \$111.0 million in wages, and over \$335 million in economic output.

In total, the annual business activities for Fondomonte USA support 2,538 jobs, over \$132.7 million in wages, and over \$385.8 million in annual economic activity.

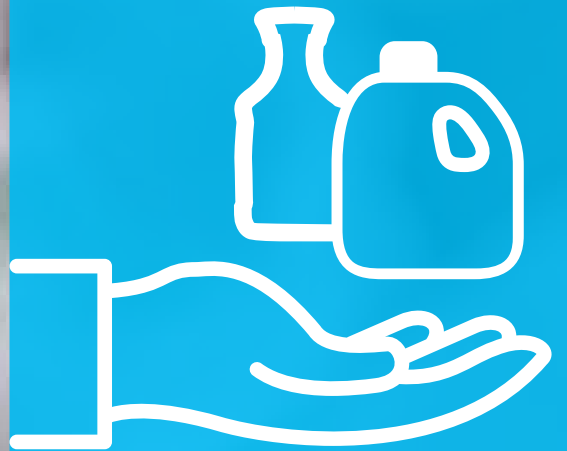
The total economic output created by Fondomonte from their arrival through 2018 is estimated at over \$1.3 billion for the United States.

Fondomonte Performance summary	2018	2019
Number of incidents of non-compliance with environmental laws and regulations	0	0
Arable farming land under production (hectares) – USA	7,840	8,269
Arable farming land under production (hectares) – Argentina	24,314	24,098
Total arable farming land under production (hectares)	32,154	32,367



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





Producing responsible products

Quality and food safety

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

Animal welfare

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

Ethical sourcing

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



Our strategic goals and targets

To support our commitments towards 'Producing responsible products' and enhance our accountability, we have identified the following goals and targets.

Quality and food safety

- All manufacturing sites will be Global Food Safety Initiative (GFSI) certified by 2025
- All high-risk ingredient suppliers will be Global Food Safety Initiative (GFSI) certified by 2025

Animal welfare

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

Ethical sourcing

- Put an ethical sourcing process and audit plan in place by 2025

Quality and food safety

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

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. The 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.

Our facilities hold various certifications which include ISO 22000 Food Safety Management and ISO 9001 Quality Management. Furthermore, our Infant Nutrition Division and our Poultry Manufacturing Division achieved Food Safety System Certification (FSSC) 22000 certification which is a Global Food Safety Initiative (GFSI) recognized scheme which will be extended to other manufacturing sites in due course.

In 2019, we reviewed our supplier risk profiling and audit program to increase its robustness and to further reduce potential quality and food safety issues within our supply chain. In line with our strategic sustainability goals, we have set a target that all high-risk ingredient suppliers will be GFSI certified by 2025.

Harnessing the power of big data and our agility to do so have both greatly improved in 2019. We have carried out extensive work on how our system integrates across the business, and we are continuing to expand the scope in terms of the information being gathered from our processes and systems. Improved data collation and analytics are helping us to better understand process compliance and improve decision making.

To maintain our strong quality and food safety performance, we recognize that it is also important that our employees are well trained within a quality culture. Employees are provided with tailored training on an annual basis provided by international experts such as AIB International and Campden BRI (UK). In 2019, we also provided training to our executive management on FSSC and GFSI certification. We continued rolling out our quality and food safety survey across more areas of the business, reaching 2,000 employees by the end of 2019, the analysis of which is providing us with new insights, and has identified actionable areas for improvement. For example, we have developed a recognition program which is set to be launched in 2020.

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



Leading the market in food safety

In 2019, the 2nd annual Almarai Food Safety conference focused on the following theme, “What happens when food safety goes wrong?” The conference looked at various company case studies from around the world seeking to drive change on real issues facing our industry and contributing to practical solutions applicable to food safety systems, processes, practices and behaviors. This year’s conference attracted more than 150 delegates, including international food safety experts and representatives from various ministries in KSA. In the future, we see this conference as becoming an important industry platform to raise the bar on food safety across KSA.



One of the key messages from the conference was that even when a system is in place, things can go wrong. We wanted to reflect this in our own approach and as a result we conducted an end-to-end review of our Hazard Analysis Critical Control Points (HACCP) process to ensure that our comprehensive approach to food safety risk is standardized across Almarai.

Achieving 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 key driver in our interest to measure ourselves against the world’s most prominent food safety management accreditation. In line with our strategic sustainability goals, we have set a target that all manufacturing sites will be Global Food Safety Initiative (GFSI) certified by 2025.

In 2018 our Infant Nutrition Division was the first to achieve this distinction, and in 2019, our Poultry Manufacturing Division achieved certification against the GFSI requirements. In 2020, we will move forward with preparing our Dairy, Juice and Bakery Divisions for certification.



Our performance summary

	2018	2019
Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)	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
Number of recalls	0	0
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%
Total number of manufacturing plants	10	10



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.

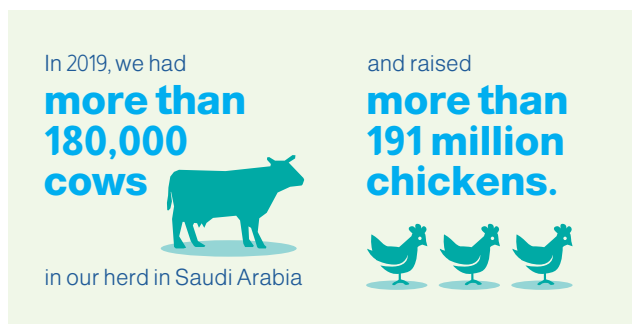
We go to great lengths to ensure the right amount of feed is fed by using high quality ingredients sourced from well managed farms. Poultry flocks receive best-in-class care, ensuring that health consistently exceeds global standards. Such standards are achieved by focusing on high levels of husbandry 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 are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day.



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 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.

In 2020, and in line with our strategic goal to achieve global animal welfare certification for our dairy and poultry farming operations by 2025, we are planning to select a certification standard, conduct a self-assessment on a limited number of selected sites, and after implementing any corrective actions, achieve certification on those sites.



Our performance summary	2018	2019
Number of cows	188,071	180,504
Number of chickens processed	157,372,110	191,103,518
Number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic mammals	0	0
Percentage of cows in enclosed housing with resting areas (%)	100%	100%
Percentage of chickens in enclosed cage free housing (%)	100%	100%

Ethical sourcing

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.

Ensuring that the materials and services we use are ethically sourced is not only the right thing to do, but it also stimulates sustainability performance improvements for the entire company and supply chain. It is key towards ensuring a sustainable future for our business and positioning us as a leader in sustainability.

We also believe that we have a duty to our consumers to ensure that the materials and services we use are ethically 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 an ethically responsible manner. To this end, Almarai has a Supplier Code of Conduct. In line with our strategic sustainability goals, we have set a goal to put an ethical sourcing process and audit plan in place by 2025. We have identified several actions to undertake during the coming year to help us better understand supply chain risks that go above and beyond food safety and quality concerns and to enhance supplier due diligence.

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



Our performance summary	2018	2019
Percentage of locally based suppliers engaged (%)	50%	51%
Percentage of spending on locally based suppliers (%)	45%	41%
Percentage of purchased volume from suppliers compliant with company’s sourcing policy	NIA	NIA
Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards	NIA	NIA
New suppliers that were screened using social and/or environmental criteria	0	0
Number of negative social and/or environmental impacts in the supply chain and actions taken	NIA	NIA

Note: NIA stands for no information available.

Our subsidiaries

Beyti

Teeba



Beyti

Beyti is one of the largest producers of milk, juice and yoghurt products in Egypt, and a subsidiary of Almarai Company, under the joint venture IDJ.

As a leader in the Egyptian market, Beyti is working to embed sustainability within its operations. To this end, Beyti has established an environmental and sustainability function responsible for managing sustainability companywide.

This section of the report outlines Beyti’s approach to managing sustainability and highlights the achievements it has made in 2019 and its plans for the year ahead.

Environmental performance

In 2019, Beyti has put in place an environmental roadmap with key actions through to 2021, covering the following areas: environmental management systems and compliance; carbon and energy; water; operational and food waste; and supplier and contractor environmental performance management. Beyti’s roadmap is a commitment to ensure that its Environmental Policy is put into action. The policy sets out the company’s commitment to support and preserve the environment in which it operates, responding to its key environmental impact areas as a business.

Over the past year, Beyti has implemented several initiatives to optimize energy and water consumption from process and equipment modifications, helping Beyti reduce water consumption by up to 105 m³ per day and 398,000 kWh per day. Some of the biggest improvements have come from installing a boiler economizer and switching to LED lights. For example, the upgrade to LED lighting has contributed to a 40% lighting energy demand reduction.

In 2020, Beyti will commission a 6.7 MWp solar array at its manufacturing site, which will provide more than 30% of peak electricity demand. Once all phases of the 20 MWp solar array project are completed, Beyti will draw an estimated 19% of its total electricity demand from clean energy. In addition to switching from diesel to natural gas boilers, these improvements will significantly reduce the carbon intensity of Beyti’s manufacturing facilities.

Beyti will continue to focus on water efficiency and recycling in 2020 and is planning to roll out water reuse systems for cleaning. Over the coming year, Beyti will focus on implementing waste management and green building solutions. Some key solutions will focus on identifying opportunities to sell food waste for animal feed and recycling packaging, as well feasibility planning for a zero-energy multipurpose meeting room.

Reclaiming desert lands

In 2019, Beyti commenced an afforestation project to utilize water from its effluent treatment plant to forest an area of 29,400 m² adjacent to its manufacturing facilities. In total, 400 trees will be planted and will sequester an estimated 2.3 tons of CO₂e annually.

Community engagement

Beyti engages in several activities to support education throughout the year. Beyti has a factory visit program for primary and secondary schools, providing an overview of the production process, quality and safety, and sustainability. On average, more than 500 students a year visit the business.

Beyti also hosts agricultural and engineering students and provides technical presentations to support their studies. On average, Beyti welcomes more than 230 university students a year as part of this educational program. Beyti is currently working to build relationships with local universities to support research programs in the years ahead.



To support Egyptian youth's transition into the workforce, Beyti operates a paid internship program for university students. In its third year, Beyti's internship program hosted 43 interns for 2 months each. In 2019, 4 interns joined as full-time employees following graduation. In total, of the 81 interns hosted, 8 have joined as full-time employees following the program. Beyti also runs a job shadowing program to help support university students to identify potential career opportunities.

Offering career opportunities

Beyti's "Kaseeb" program helps the company enhance its distribution coverage into rural areas, while offering gainful employment opportunities for Egyptians. Through relationships with banking institutions, "Kaseeb" participants can purchase small distribution vans and become Beyti sales agents, managing their own sales routes. Beyti Sales employees also provide on-going support and coaching to "Kaseeb" sales agents.

Launched in 2018, the program is a great success. Currently 200 "Kaseeb" sales agents are managing over 100 routes, and Beyti is targeting to increase this number to 240 in 2020.



Supporting charitable causes

Beyti supports community members in need through product donations and other charitable causes. Every Ramadan, Beyti hosts daily "Iftars" at its manufacturing site and engages with local non-governmental organizations. In addition, they sponsored an event for over 100 orphans in 2019.

Developing employees

All 3,000+ management and supervisory employees have bespoke performance objectives with access to leadership and development programs and e-learning courses. Beyti also provides manufacturing employees with skills development training and has developed competency assessments for 2020 to support their professional development. In addition, 39 employees have been identified to become internal training facilitators for Almarai food safety, ISO and hygiene courses.

Prioritizing safety for all

In 2019, Beyti has prepared to upgrade its health and safety management certification to ISO 45001. Beyti continues to engage in activities which support building a strong health and safety culture, from the development of a near miss reporting program to road safety campaigns. Beyti is working to ensure the safety of all.

'Quality you can trust'

Beyti lives by Almarai's motto, 'Quality you can trust.' To support the company to deliver only the highest quality products, Beyti follows the same quality audit process as Almarai. Beyti's main manufacturing plant is GFSI certified.

Teeba

Teeba is one of the largest producers of dairy products in Jordan, and a subsidiary of Almarai Company, under the joint venture IDJ.

As a leader in the Jordanian market, Teeba is working to embed sustainability within its operations. Sustainability management is currently decentralized but coordinated by Teeba's Quality and Regulatory Department.

This section of the report outlines Teeba's approach to managing sustainability and highlights the achievements it has made in 2019 and its plans for the year ahead.

Environmental performance

Over the past year, Teeba has implemented several initiatives to optimize energy and water consumption from process and equipment modifications. In 2019, Teeba converted its boilers to heavy fuel oil from diesel. This modification will contribute to reducing the carbon intensity of Teeba's manufacturing facilities. Teeba is also in the process of switching to LED lighting. In total, lighting loads will be reduced by up to an estimated 15%. Following the review of cleaning processes, the modifications Teeba has made have further supported reducing overall water and energy use requirements.

In 2019, Teeba commissioned a 0.35 MWp solar array at its head offices, contributing 50% of the site's total energy consumption in 2019 alone. In 2020, further planning for a 0.5 MWp solar array at Teeba's manufacturing plant is scheduled pending approval from the Jordanian Electric Power Company.



Community engagement

Teeba works to support the local community through various events throughout the year. During the past year, Teeba organized an event for World Cleanup Day, where employees volunteered to collect waste in the areas adjacent to its manufacturing site. In 2019, Teeba also organized a breast cancer awareness and blood donation campaign in cooperation with the King Hussein Cancer Foundation (KHCF) and supported the KHCF's 'Run for Life initiative,' donating juice to the participating Jordanian schools.

Teeba hosted nearly 900 visitors from schools, universities and governmental bodies during 2019. In total it also donated over 7,500 food servings to charitable organizations.

'Quality you can trust'

Teeba lives by Almarai's motto, 'Quality you can trust.' To support the company to deliver only the highest quality products, Teeba follows the same quality audit process as Almarai. Currently Teeba's manufacturing plant is ISO 22000 certified, and this will be extended to sales depots in the coming year.







Appendices / GRI content index

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Appendix A

Defining and prioritizing the issues that matter the most

Our materiality process

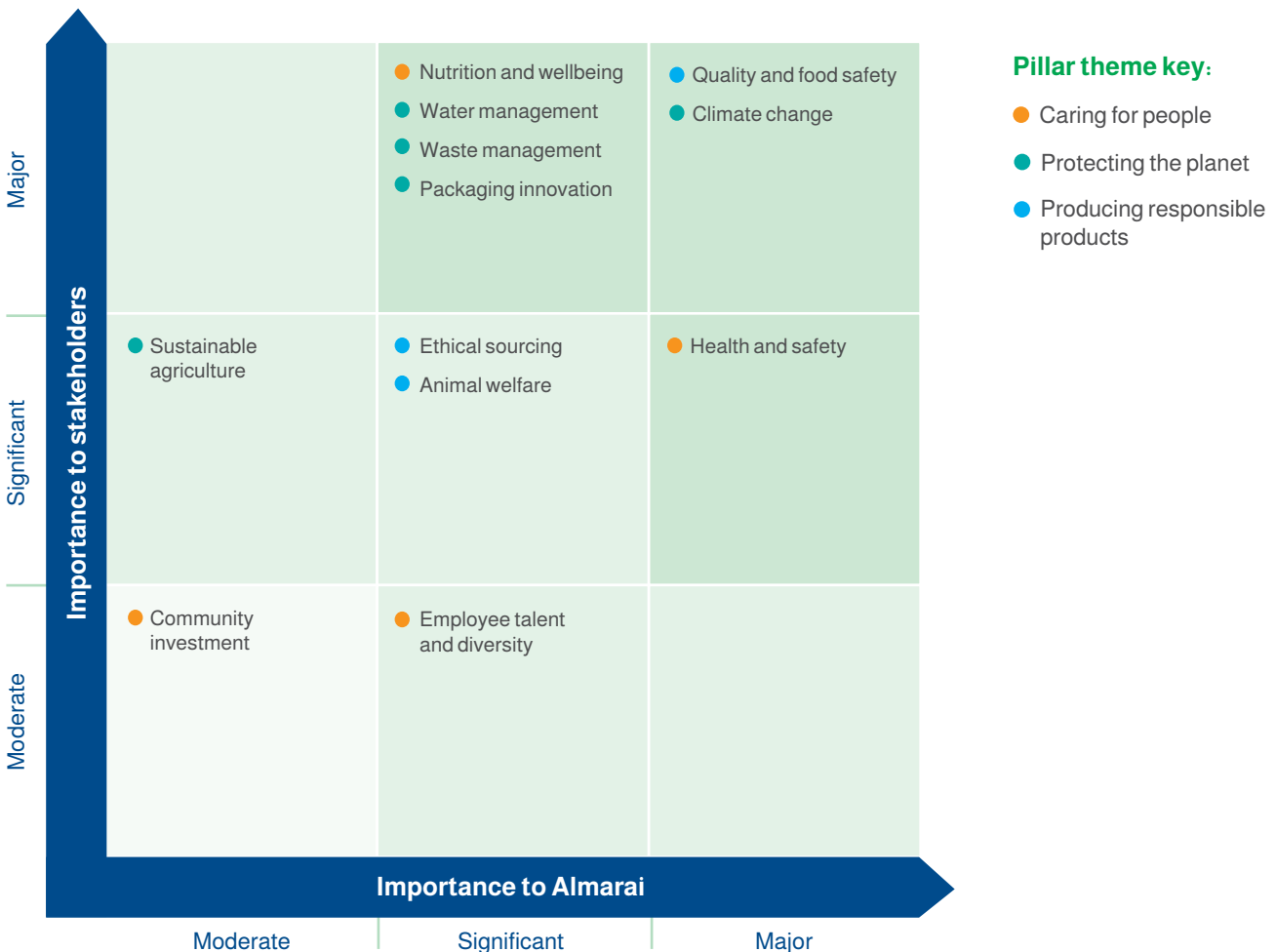
We use the principle of materiality to identify the economic, social, and environmental issues that matter most to our business and our stakeholders. By considering the concerns of our stakeholders, alongside the risks and opportunities that face our business, materiality helps us prioritize where to focus our efforts to enhance stakeholder value and our sustainability performance. Materiality also guides us on what we should report on publicly.

We conducted a formal materiality assessment engaging both internal and external stakeholders in 2018. In 2019, we conducted an internal review of materiality. We intend to conduct another formal materiality assessment in 2021. In the interim, we will monitor priority issues considering internal and external considerations on an ongoing basis.

Our approach to materiality is consistent with the GRI Standards.

Our 2019 materiality assessment

In 2019, we reviewed our list of 20 material issues from 2018 against international industry guidelines, frameworks and industry peers, along with analysis of our operating market and regulatory landscape. We engaged internal stakeholders to supplement our market analysis. Based on internal feedback and external considerations, we have consolidated our list of material issues from 20 to 12 issues and replotted them on the matrix below. We consider governance to be material and interwoven throughout our sustainability framework rather than a standalone topic. We continue to address governance vis a vis our annual report and GRI-based disclosures. Our materiality update was validated by our executive management.



Appendix B

Stakeholder mapping

The table below identifies our most important stakeholders, the importance of each stakeholder group to Almarai, their needs and expectations, channels for engagement with each group, and the examples of specific measures to respond to them.

Stakeholders	Importance	Needs and expectations	Almarai engagement channels	How Almarai is responding
Shareholders/Investors	Our shareholders and investors 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 shareholders and investors in a growing range of diversified product lines.	<ul style="list-style-type: none"> Financial performance, efficient production and growth Dividends Contribution to economic development Share price Data disclosure and credibility Customer satisfaction Market share Publicly disclosed data about our ESG performance, including strategies, targets and goals, methods for evaluation, policies, and procedures 	<ul style="list-style-type: none"> Board of Directors meetings Public reports Shareholders' Rights Policy Investor Relations 	<ul style="list-style-type: none"> Annual Report, Corporate Governance Code, Financial reports, Earnings presentations, etc. Net income growth Sustainability report
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.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Social media channels Visitor tours Website Call center Electronic mail 	<ul style="list-style-type: none"> Direct dialogue with consumers on social media, including Facebook, Twitter, YouTube, Instagram and more Monthly consumer surveys Consumer hotline and WhatsApp
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.	<ul style="list-style-type: none"> Fair payment and benefits Equal opportunity Engagement and motivation Transparent hierarchies Job security Training and career development Safe work environment Grievance mechanisms 	<ul style="list-style-type: none"> HR Policy Training and development program Training needs analysis Employee grievance mechanism Employee satisfaction surveys (on an ad hoc basis) 	<ul style="list-style-type: none"> Housing allowance and transport Life / Medical insurance Annual service award Recreational activities for work/life balance 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.	<ul style="list-style-type: none"> • Compliance with national legislation and regulation • Contribution to economic development • Environmentally sound production practices • GHG emissions and impact on climate change • International recognition and certificates 	<ul style="list-style-type: none"> • Internal audit • Stakeholder meetings and open dialogue • Public reporting • Working closely with regulators to develop improved standards 	<ul style="list-style-type: none"> • Corporate Governance Code • Annual Report • Sustainability Report • Regulatory team meet regularly with government bodies representatives • Corporate affairs team meetings • Government forums
Civil society organizations	As a people centric business, we believe that contributing to communities in the countries of our operations is important to building trust and bonds. We are committed to ensuring that access to quality and healthy food is not only a luxury, but a right.	<ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) and engagement • Funds and financial support • GHG emissions and impact on climate change • Data disclosure and credibility • Animal welfare • Environmentally sound production practices • Contribution to social and economic development 	<ul style="list-style-type: none"> • CSR activities • Student learning opportunities • Food donations 	<ul style="list-style-type: none"> • 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
- Agriculture and Food Security Council (Riyadh Chamber of Commerce)

Appendix C

Topic boundaries

Material issue	Category	Topic boundaries
Caring for people		
Nutrition and wellbeing	Social	Almarai, Subsidiaries, consumers
Health and safety	Social, Economic	Almarai, Subsidiaries, consumers
Employee talent and diversity	Social	Almarai, Subsidiaries
Community investment	Social	Almarai, Subsidiaries, consumers
Protecting the planet		
Water management	Environmental, Economic	Almarai, Subsidiaries
Packaging innovation	Environmental, Economic	Almarai, Subsidiaries
Climate change	Environmental	Almarai, Subsidiaries
Waste management	Environmental, Economic	Almarai, Subsidiaries
Sustainable agriculture	Environmental, Social, Economic	Almarai, Subsidiaries
Producing responsible products		
Quality and food safety	Governance	Almarai, Subsidiaries, consumers, suppliers
Animal welfare	Social	Almarai, Subsidiaries
Ethical sourcing	Environmental, Social, Economic	Almarai, Subsidiaries, suppliers

Appendix D

GRI content index

GRI Standard	Disclosure	Page number(s)
GRI 101: Foundation 2016		
General Disclosures	Organizational profile	
GRI 102: General Disclosures 2016	102-1 Name of the organization	Almarai Company
	102-2 Activities, brands, products, and services	Annual Report 2019 pg. 8-9 and 62-71
	102-3 Location of headquarters	Riyadh, Saudi Arabia
	102-4 Location of operations	Saudi Arabia, Oman, UAE, Bahrain, Kuwait, Jordan, Egypt, USA, Argentina and Romania
	102-5 Ownership and legal form	Annual Report 2019 pg. 137-141
	102-6 Markets served	Primary markets served: Saudi Arabia, Oman, UAE, Bahrain, Kuwait, Jordan, Egypt
	102-7 Scale of the organization	Annual Report 2019 pg. 4, 8-9, 34-35 and 132-133
	102-8 Information on employees and other workers	79-91
	102-9 Supply chain	12-13
	102-10 Significant changes to the organization and its supply chain	Annual Report 2019 pg. 86-87
	102-11 Precautionary Principle or approach	14-19, 37
	102-12 External initiatives	GRI, World Organization for Animal Health, Alliance for Water Stewardship
	102-13 Membership of associations	60
Strategy		
102-14 Statement from senior decision-maker	4-7	
102-15 Key impacts, risks, and opportunities	4-7, 14-19	
Ethics and integrity		
102-16 Values, principles, standards, and norms of behavior	Annual Report 2019 pg. 6 and 54-55	
Governance		
102-18 Governance structure	Annual Report 2019 pg. 80 and 95	
102-19 Delegating authority	Annual Report 2019 pg. 96-97	
102-22 Composition of the highest governance body and its committees	Annual Report 2019 pg. 98 and 106-107	
102-23 Chair of the highest governance body	Chair is a non-executive member.	

GRI Standard	Disclosure	Page number(s)
GRI 102: General Disclosures 2016	102-24 Nominating and selecting the highest governance body	Annual Report 2019 pg. 96-97
	102-26 Role of highest governance body in setting purpose, values, and strategy	Annual Report 2019 pg. 96-97
	102-30 Effectiveness of risk management processes	Annual Report 2019 pg. 42-47
	102-35 Remuneration policies	Annual Report 2019 pg. 110-111
Stakeholder engagement		
	102-40 List of stakeholder groups	19
	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	58-60
	102-43 Approach to stakeholder engagement	19, 58-60
	102-44 Key topics and concerns raised	58-60
Reporting practice		
	102-45 Entities included in the consolidated financial statements	Annual Report 2019 pg. 137-141
	102-46 Defining report content and topic Boundaries	58-61
	102-47 List of material topics	58
	102-48 Restatements of information	79-80, 84, 86-87, 91-99
	102-49 Changes in reporting	No significant changes.
	102-50 Reporting period	2
	102-51 Date of most recent report	2018
	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	62-73
	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	103-2 The management approach and its components	Annual Report 2019 pg.30-31
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 32-33
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2019 pg. 132-136
	201-2 Financial implications and other risks and opportunities due to climate change	37-39
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2019 pg. 154-155
	201-4 Financial assistance received from government	SAR 459.4 million total: SAR 427.8 million from government subsidies for feed stock and SAR 31.6 million from the Human Resource Development Fund.
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	91
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-30, 41-42, 52-53, 55, 61
	103-2 The management approach and its components	26-30, 41-42, 52-53, 55
	103-3 Evaluation of the management approach	26-30, 41-42, 52-53, 55
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Zero
	203-2 Significant indirect economic impacts	42, 91-93
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	102

GRI Standard	Disclosure	Page number(s)
Anti-corruption		
GRI 103: Management Approach 2016	103-2 The management approach and its components	Almarai has a Policy for Reporting Violations, which is designed to help stakeholders (including employees, suppliers and third parties) to report any acts or practices which violate the Almarai Code of Conduct (CoC), laws, rules and regulations. Almarai has an electronic form to disclose any conflict of interest and the form has been shared twice with all Almarai's employees that have emails in 2019. In line with the above, Almarai has a model for ethics and compliance reporting and resolution duly approved by the Senior Management and the Audit Committee. The ethics and compliance model is also supported by a reporting website, NAVEX EthicsPoint, which is linked directly to Almarai's corporate website. Employees, customers, any concerned third parties, essentially anyone, can use the website and report violations safely and anonymously. A stand-alone policy on anti-bribery and corruption policy with procedures is under development and set to be introduced along with employee training in 2020.
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 21 and 42-47
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Assessment of risks is regularly carried out by our Internal Audit and Risk functions. At least two assessments took place in 2019. One related to supplier contract and the second was related to sales.
	205-2 Communication and training about anti-corruption policies and procedures	In 2019, Almarai introduced an updated version of its CoC, which was communicated to all employees, is available on Almarai's Intranet, and will form part of all new employee on-boarding. In addition, a digital course on the CoC is under development.
Anti-competitive Behavior		
GRI 103: Management Approach 2016	103-2 The management approach and its components	Annual Report 2019 pg. 42-47
	103-3 Evaluation of the management approach	Annual Report 2019 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	36, 61
	103-2 The management approach and its components	36
	103-3 Evaluation of the management approach	36
GRI 301: Materials 2016	301-2 Recycled input materials used	94
	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	37-39, 61
	103-2 The management approach and its components	37-39
	103-3 Evaluation of the management approach	37-39
GRI 302: Energy 2016	302-1 Energy consumption within the organization	95-97
	302-2 Energy consumption outside of the organization	95-97
	302-3 Energy intensity	96
	302-4 Reduction of energy consumption	38-39
Water and Effluents		
GRI 103: Management Approach 2018	303-1 Interactions with water as a shared resource	35
	303-2 Management of water discharge-related impacts	35
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	35, 93
	303-4 Water discharge	35, 94
	303-5 Water consumption	35, 93
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41, 61
	103-2 The management approach and its components	41
	103-3 Evaluation of the management approach	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 to our knowledge.
	304-2 Significant impacts of activities, products, and services on biodiversity	Zero to our knowledge.
	304-3 Habitats protected or restored	Zero to our knowledge.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Zero to our knowledge.

GRI Standard	Disclosure	Page number(s)
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37-39, 61
	103-2 The management approach and its components	37-39
	103-3 Evaluation of the management approach	37-39
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	96
	305-2 Energy indirect (Scope 2) GHG emissions	97
	305-3 Other indirect (Scope 3) GHG emissions	97
	305-4 GHG emissions intensity	97
	305-6 Emissions of ozone-depleting substances (ODS)	97
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35, 40, 61
	103-2 The management approach and its components	35, 40
	103-3 Evaluation of the management approach	35, 40
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	94
	306-2 Waste by type and disposal method	98
	306-3 Significant spills	Zero to our knowledge.
	306-4 Transport of hazardous waste	Any waste classified by local regulations as hazardous is transported from sites by authorized third-parties.
	306-5 Water bodies affected by water discharges and/or runoff	Zero to our knowledge.
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Annual Report 2019 pg. 42-47; 18, 41, 52, 54 and 61 of this report
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 18, 41, 52 and 54 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 18, 41, 52 and 54 of this report
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	One incident in Egypt related to the installation and commissioning of the water treatment plant. Corrective actions were taken to renew permit and the issue was resolved with no fines incurred.

GRI Standard	Disclosure	Page number(s)
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	103
	308-2 Negative environmental impacts in the supply chain and actions taken	103
GRI 400 Social Standards Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-87
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	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.
	401-3 Parental leave	90-91
Labor/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
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.

GRI Standard	Disclosure	Page number(s)
Occupational Health and Safety		
GRI 103: Management Approach 2018	403-1 Occupational health and safety management system	24-25
	403-2 Hazard identification, risk assessment, and incident investigation	24-25
	403-3 Occupational health services	24-25
	403-4 Worker participation, consultation, and communication on occupational health and safety	24-25
	403-5 Worker training on occupational health and safety	24-25, 78-79
	403-6 Promotion of worker health	24-25
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	24-25
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	78
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 56; 26-28 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 56; 26-28 of this report
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	91
	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	100%, excluding USA and Argentina (data not available)
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	87-89
Non-discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	89

GRI Standard	Disclosure	Page number(s)
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 50 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	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	To our knowledge our operations face no significant risk for incidents of child labor. No information is available for suppliers.
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 50 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	To our knowledge 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	24-25, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 24-25 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 24-25 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. This course covers effective conflict management proportionate to the risk level as identified by the High Commission for Industrial Safety of the Ministry of Interior in Saudi Arabia. No information available for Jordan, Egypt, USA or Argentina.

GRI Standard	Disclosure	Page number(s)
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 50 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	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47; 50 of this report
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Zero to our knowledge.
	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
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29, 52-53, 55, 61
	103-2 The management approach and its components	29, 52-53, 55
	103-3 Evaluation of the management approach	29, 52-53, 55
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	29-30, 52-53, 55
	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	50, 61
	103-2 The management approach and its components	Annual Report 2019 pg. 42-47; 50 of this report
	103-3 Evaluation of the management approach	50
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	103
	414-2 Negative social impacts in the supply chain and actions taken	103

GRI Standard	Disclosure	Page number(s)
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47-48, 61
	103-2 The management approach and its components	47-48
	103-3 Evaluation of the management approach	47-48, 53, 55, 99-101
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	100
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23-24, 61
	103-2 The management approach and its components	23-24
	103-3 Evaluation of the management approach	23-24, 77
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	23-24, 77
	417-2 Incidents of non-compliance concerning product and service information and labeling	One incident in the GCC related to artwork compliance with the Saudi Food and Drug Authority specifications. Corrective actions were taken, and financial penalties were paid to the amount of SAR 25,000. 25 incidents in Egypt related to on pack communication compliance with a new Egyptian Standards Specification. The company worked with the authorities on the corrective actions and the necessary revisions were implemented. Financial penalties were paid to the amount of EGP 62,000.
	417-3 Incidents of non-compliance concerning marketing communications	77
Customer Privacy		
GRI 103: Management Approach 2016	103-2 The management approach and its components	Annual Report 2019 pg. 42-47
	103-3 Evaluation of the management approach	Annual Report 2019 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	103-2 The management approach and its components	Annual Report 2019 pg. 42-47
	103-3 Evaluation of the management approach	Annual Report 2019 pg. 42-47
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Zero to our knowledge.

GRI Standard	Disclosure	Page number(s)
Sector Specific Disclosures – Food Processing		
Procurement/Sourcing Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 61
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50, 102-103
Procurement/ Sourcing Practices	FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy	103
	FP2 Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards	103
Labor/Management Relation		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26-28, 61
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
Labor/Management Relation	FP3 Percentage of working time lost due to industrial disputes, strikes and/or lock-outs	Zero
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23-24, 47-48, 61
	103-2 The management approach and its components	23-24, 47-48
	103-3 Evaluation of the management approach	23-24, 47-48, 53, 55, 99-101
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	99
Animal Welfare		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	49, 61
	103-2 The management approach and its components	49
	103-3 Evaluation of the management approach	49
Animal Welfare	FP9 Percentage and total of animals raised and/or processed, by breed type	101
	FP10 Percentage and total animals raised and/or processed, per housing type	101-102
	FP 12 Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	49, 101
	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	101

Appendix E

Sustainability strategy boundaries

The scope of Almarai’s sustainability strategy covers Almarai’s GCC owned operations, excluding our subsidiaries Beyti and Teeba, as well as Premier Foods and Pure Breeds unless otherwise stated within the specific target or below.

Targets	Scope exceptions
Reduce waste going to landfill across all our divisions by 50% by 2025 (against a 2018 baseline)	This does not include animal manure.
Enhance sustainable practices on our arable farms by 2025	This includes Fondomonte USA and Argentina only.
All manufacturing sites will be Global Food Safety Initiative (GFSI) certified by 2025	This includes Premier Foods, IDJ and co-manufacturing.
All high-risk ingredient suppliers will be Global Food Safety Initiative (GFSI) certified by 2025	This includes Premier Foods and IDJ.

Appendix F

Alignment to NTP

Material issue	Relevant NTP strategic objectives
Caring for people	
Nutrition and wellbeing	2.1.3
Health and safety	2.1.1 2.1.3 2.3.4
Employee talent and diversity	4.2.2 4.4.2 4.4.3
Community investment	2.1.3 6.2.1
Protecting the planet	
Packaging innovation	N/A
Climate change	N/A
Water management	5.4.2
Waste management	2.4.1
Sustainable agriculture	N/A
Producing responsible products	
Quality and food safety	5.4.1
Animal welfare	N/A
Ethical sourcing	3.1.6 3.3.5

NTP 37 strategic objectives mapped into the eight themes:

Transform Healthcare



- 2.1.1 Ease Access to Health Services
- 2.1.2 Improve the Quality and Efficiency of Healthcare Services
- 2.1.3 Promote Prevention Against Health Risks

Improve Living Standards and Safety



- 2.3.1 Improve the Quality of Services Provided in Saudi Cities
- 2.3.2 Improve the Urban Landscape in Saudi Cities
- 2.3.4 Enhance Traffic Safety
- 2.4.1 Reduce All Types of Pollution
- 4.4.1 Improve the Living Conditions of Expatriates

Ensure the Sustainability of Vital Resources



- 2.4.2 Provide Environmental Protection from Natural Hazards
- 2.4.3 Protect and Rehabilitate Natural Landscapes
- 5.4.1 Ensure Development and Food Security
- 5.4.2 Ensure Sustainable Access to Water Resources

Social Empowerment and Non-Profit Sector Development



- 2.6.4 Empower Citizens Through the Welfare and Social Development System
- 2.6.5 Improve Effectiveness and Efficiency of Welfare and Social Development System
- 6.1.2 Encourage Volunteering
- 6.2.1 Enhance Business Focus on their Social Responsibilities
- 6.3.1 Support Non-profit Sector Growth
- 6.3.2 Enable Non-Profit Organizations to Achieve Greater Impact

Achieve Governmental Operational Excellence



- 5.2.3 Improve the Productivity of Government Employees
- 5.2.4 Develop e-Government
- 5.2.5 Improve the Quality of Services Provided to Citizens
- 5.3.1 Enhance Transparency Across Government Entities
- 5.3.2 Support Communication Channels with Citizens and Businesses
- 5.3.3 Ensure Government Entities' Response to Customers' Feedback

Labor Market Accessibility and Attractiveness



- 4.2.2 Increase Women's Participation in the Labor Market
- 4.2.3 Enable Integration of People with Disabilities in the Labor Market
- 4.4.2 Improve Working Conditions for Expatriates
- 4.4.3 Effectively Attract Suitable Global Talent

Contribute in Enabling the Private Sector



- 3.1.1 Facilitate Doing Business
- 3.1.6 Attract Foreign Direct Investment (FDI)
- 3.3.2 Develop the Digital Economy
- 3.3.5 Develop the Retail Sector
- 4.3.2 Increase the Contribution of Small- and Medium-size Enterprises (SMEs) to the Economy
- 4.3.3 Increase the Contribution of Productive Households to the Economy
- 6.2.2 Encourage Businesses' Interest in Sustaining the National Economy

Develop the Tourism and National Heritage Sectors



- 1.3.2 Conserve & Promote the Kingdom's Islamic, Arab, and National Heritage
- 3.3.6 Develop the Tourism Sector

Appendix G

Alignment to SDGs

SUSTAINABLE DEVELOPMENT GOALS



Material issue	Relevant SDG targets
Caring for people	
Nutrition and wellbeing	2.2 3.4 17.16 17.17
Health and safety	3.4 3.6 8.8
Employee talent and diversity	5.1
Community investment	1.2 2.1 2.2 4.3 17.17
Protecting the planet	
Packaging innovation	12.2 14.1
Climate change	7.2 7.3 9.4 13.1
Water management	6.3 6.4 6.5 6.6 17.16 17.17
Waste management	12.3 12.4 12.5
Sustainable agriculture	1.2 2.3 2.4 6.3 6.4 6.5 6.6 8.7 8.8 12.2 12.4 15.1 15.3 15.5 15.A 15.B 17.16
Producing responsible products	
Quality and food safety	3.9
Animal welfare	17.16
Ethical sourcing	1.2 6.3 6.4 6.5 6.6 8.7 8.8 12.2 12.4 12.7 15.1 15.3 15.5 15.A 15.B

Appendix H

Sustainability in numbers

Our sustainability performance	2018	2019
Managing sustainability at Almarai		
Number of incidents of non-compliance with environmental laws and regulations	1	1
GCC	0	0
Egypt	1	1
Jordan	0	0
USA	0	0
Argentina	0	0
Nutrition and wellbeing		
Number of incidents of non-compliance concerning product information and labeling	1	26
GCC	0	1
Egypt	1	25
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	0	0
GCC	0	0
Egypt	0	0
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%
GCC	100%	100%
Egypt	100%	100%
Jordan	100%	100%
USA	N/A	N/A
Argentina	N/A	N/A

Our sustainability performance	2018	2019
Health and safety		
Number of employee lost time injuries	283	248
GCC	256	195
Egypt	4	7
Jordan	23	15
USA	NIA	14
Argentina	NIA	17
Contractor lost-time injuries	0	3
GCC	NIA	NIA
Egypt	0	0
Jordan	0	0
USA	NIA	3
Argentina	NIA	0
Employee rate of lost-time injury (per 1 million man-hours)		
GCC	1.72	1.87
Egypt	2.16	3.20
Jordan	9.48	7.06
USA	NIA	NIA
Argentina	NIA	29.71
Contractor lost-time injury rate (per 1 million man-hours)		
GCC	NIA	NIA
Egypt	0	0
Jordan	0	0
USA	NIA	NIA
Argentina	NIA	0
Hours of employee health and safety training		
GCC	155,320	352,338
Egypt	9,603	11,058
Jordan	507	883
USA	NIA	11,544
Argentina	NIA	109

Our sustainability performance	2018	2019
Hours of contractor health and safety training	5,446	7,351
GCC	NIA	1,289
Egypt	5,396	4,215
Jordan	50	100
USA	NIA	1,711
Argentina	NIA	36
Average hours of health and safety training per employee	3.9	9.2
GCC	4.0	9.7
Egypt	3.0	3.4
Jordan ¹	0.8	1.1
USA	NIA	38.1
Argentina	NIA	0.8
Average hours of health and safety training per contractor	6.1	4.5
GCC	NIA	2.1
Egypt	10.6	4.8
Jordan	1.7	1.7
USA	NIA	37.2
Argentina	NIA	1.0
Employee absenteeism rate (%)		
GCC	6.5%	4.9%
Egypt	1.7%	1.9%
Jordan	<1%	<1%
USA	NIA	NIA
Argentina	NIA	5.0%
Employee talent and diversity		
Number of employees	42,971	41,884
GCC	38,416	37,231
Egypt	3,181	3,265
Jordan	837	798
USA ²	366	389
Argentina	171	201

¹ 2018 figure has been restated.

² Fondomonte USA employed 80 seasonal employees in 2019.

Our sustainability performance	2018	2019
Male employees³	42,086	40,869
GCC	37,666	36,462
Egypt	3,138	3,224
Jordan	816	775
USA	324	248
Argentina	142	160
Female employees⁴	885	929
GCC	750	769
Egypt	43	41
Jordan	21	23
USA	42	55
Argentina	29	41
Employees by location	42,971	41,884
GCC	38,416	37,231
Egypt	3,181	3,265
Jordan	837	798
USA	366	389
Argentina	171	201
Full time, male employees	42,064	40,859
GCC	37,662	36,456
Egypt	3,138	3,224
Jordan	816	775
USA	306	245
Argentina	142	159
Full time, female employees	885	928
GCC	750	769
Egypt	43	40
Jordan	21	23
USA	42	55
Argentina	29	41

³ 2018 figures for USA and Argentina have been restated.

⁴ 2018 figures for USA and Argentina have been restated.

Our sustainability performance	2018	2019
Part time, male employees	22	10
GCC	4	6
Egypt	0	0
Jordan	0	0
USA	18	3
Argentina	0	1
Part time, female employees	0	1
GCC	0	0
Egypt	0	1
Jordan	0	0
USA	0	0
Argentina	0	0
Senior management employees	287	310
GCC	243	248
Egypt	22	24
Jordan	22	15
USA	NIA	8
Argentina	NIA	15
Middle management employees	1,507	1,484
GCC	1,272	1,266
Egypt	136	151
Jordan	99	14
USA	NIA	31
Argentina	NIA	22
Non-management employees	40,576	40,089
GCC	36,901	35,717
Egypt	2,959	3,090
Jordan	716	769
USA	NIA	350
Argentina	NIA	163

Our sustainability performance	2018	2019
New employee hires	7,270	6,065
GCC	6,693	4,964
Egypt	563	730
Jordan	14	19
USA	NIA	281
Argentina	NIA	71
New employee hires, age 18-30	5,029	4,017
	69.2%	66.2%
GCC	4,677	3,320
	69.9%	66.9%
Egypt	343	505
	60.9%	69.2%
Jordan	9	14
	64.3%	73.7%
USA	NIA	150
	NIA	53.4%
Argentina	NIA	28
	NIA	39.4%
New employee hires, age 31-50	2,228	1,986
	30.6%	32.7%
GCC	2,003	1,617
	29.9%	32.6%
Egypt	220	220
	39.1%	30.1%
Jordan	5	5
	35.7%	26.3%
USA	NIA	101
	NIA	35.9%
Argentina	NIA	43
	NIA	60.6%

Our sustainability performance	2018	2019
New employee hires, age 51+	13	62
	0.2%	1.0%
GCC	13	27
	0.2%	0.5%
Egypt	0	5
	0%	0.7%
Jordan	0	0
	0%	0%
USA	NIA	30
	NIA	10.7%
Argentina	NIA	0
	NIA	0%
New employee hires, male	7,110	5,835
	97.8%	96.2%
GCC	6,542	4,786
	97.7%	96.4%
Egypt	554	723
	98.4%	99.0%
Jordan	14	14
	100%	74%
USA	NIA	258
	NIA	91.8%
Argentina	NIA	54
	NIA	76.1%

Our sustainability performance	2018	2019
New employee hires, female	160	225
	2.2%	3.7%
GCC	151	178
	2.3%	3.6%
Egypt	9	7
	1.6%	1.0%
Jordan	0	0
	0%	0%
USA	NIA	23
	NIA	8.2%
Argentina	NIA	17
	NIA	23.9%
Voluntary employee turnover ⁵	5,221	4,885
	12.3%	11.7%
GCC	4,360	3,999
	11.3%	10.7%
Egypt	684	661
	21.5%	20.2%
Jordan	177	9
	21.1%	1.1%
USA	NIA	200
	NIA	51.4%
Argentina	NIA	16
	NIA	8.0%

⁵ 2018 percentage has been restated.

Our sustainability performance	2018	2019
Voluntary employee turnover, age 18-30	2,321	2,190
	44.5%	44.8%
GCC	1,890	1,708
	43.3%	42.7%
Egypt	297	363
	43.4%	54.9%
Jordan	134	3
	75.7%	33.3%
USA	NIA	112
	NIA	56.0%
Argentina	NIA	4
	NIA	25.0%
Voluntary employee turnover, age 31-50	2,728	2,471
	52.3%	50.6%
GCC	2,326	2,098
	53.3%	52.5%
Egypt	362	293
	52.9%	44.3%
Jordan	40	5
	22.6%	55.6%
USA	NIA	63
	NIA	31.5%
Argentina	NIA	12
	NIA	75%

Our sustainability performance	2018	2019
Voluntary employee turnover, age 51+	345	224
	6.6%	4.6%
GCC	144	193
	3.3%	4.8%
Egypt ⁶	25	5
	3.7%	0.8%
Jordan	176	1
	99.4%	11.1%
USA	NIA	25
	NIA	12.5%
Argentina	NIA	0
	NIA	0%
Voluntary employee turnover, male	5,120	4,731
	98.1%	96.8%
GCC	4,270	3,871
	97.9%	96.8%
Egypt	674	654
	98.5%	98.9%
Jordan	176	9
	99.4%	100%
USA	NIA	185
	NIA	93%
Argentina	NIA	12
	NIA	75.0%

⁶ 2018 percentage has been restated.

Our sustainability performance	2018	2019
Voluntary employee turnover, female	101	154
	1.9%	3.2%
GCC	90	128
	2.1%	3.2%
Egypt	10	7
	1.5%	1.1%
Jordan	1	0
	0.6%	0%
USA	NIA	15
	NIA	8%
Argentina	NIA	4
	NIA	25.0%
Female employment rate (%)⁷	2.1%	2.2%
GCC	2.0%	2.1%
Egypt	1.4%	1.3%
Jordan	2.6%	3.0%
USA	11.5%	14.1%
Argentina	17.0%	20.4%
Women in senior management	10	11
	3.5%	3.5%
GCC	2	2
	0.8%	0.8%
Egypt	6	6
	27.3%	25.0%
Jordan	2	1
	9.1%	6.7%
USA	NIA	0
	NIA	0%
Argentina	NIA	2
	NIA	13.3%

⁷ 2018 figures have been restated for Jordan, USA and Argentina.

Our sustainability performance	2018	2019
Women in middle management	71	65
	4.7%	4.4%
GCC	45	31
	3.5%	2.4%
Egypt	18	18
	13.2%	11.9%
Jordan	8	4
	8.1%	28.6%
USA	NIA	8
	NIA	25.8%
Argentina	NIA	4
	NIA	18.2%
Women in non-management positions	733	849
	1.8%	2.1%
GCC	703	736
	1.9%	2.1%
Egypt	19	19
	0.6%	0.6%
Jordan	11	17
	1.5%	2.2%
USA	NIA	42
	NIA	12.0%
Argentina	NIA	35
	NIA	21.5%

Our sustainability performance	2018	2019
Board seats occupied by women	0	2
	0%	22.2%
GCC	0	0
	0%	0%
Egypt	0	0
	0%	0%
Jordan	0	1
	0%	12.5%
USA	NIA	0
	NIA	0%
Argentina	NIA	1
	NIA	20.0%
Number of employees with a disability	540	508
GCC	468	436
Egypt	55	55
Jordan	17	17
USA	NIA	0
Argentina	NIA	0
Number of formal incidents of discrimination reported	0	0
GCC	0	0
Egypt	0	0
Jordan	0	0
USA	NIA	0
Argentina	NIA	0
Percentage of working time lost due to industrial disputes, strikes and/or lock-outs (%)		
GCC	0%	0%
Egypt	0%	0%
Jordan	<1%	0%
USA	NIA	0%
Argentina	NIA	0%

Our sustainability performance	2018	2019
Number of female employees entitled to maternity leave	344	425
GCC	327	333
Egypt	2	4
Jordan	15	11
USA	NIA	38
Argentina	NIA	39
Number of female employees that took parental leave	48	46
GCC	44	38
Egypt	2	4
Jordan	2	0
USA	NIA	2
Argentina	NIA	2
Number of female employees that returned to work in the reporting period after parental leave ended	42	37
GCC	39	30
Egypt	1	3
Jordan	2	0
USA	NIA	2
Argentina	NIA	2
Number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	41	33
GCC	39	30
Egypt	0	1
Jordan	2	0
USA	NIA	1
Argentina	NIA	1
Female employee return to work rate of employees that took parental leave (%)	88%	80%
GCC	89%	79%
Egypt	50%	75%
Jordan	100%	N/A
USA	NIA	100%
Argentina	NIA	100%

Our sustainability performance	2018	2019
Female employee retention rate of employees that took parental leave (%)	85%	72%
GCC	89%	79%
Egypt	0%	25%
Jordan	100%	N/A
USA	NIA	50%
Argentina	NIA	50%
Total hours of training provided	405,559	630,551
GCC	375,258	579,152
Egypt	28,701	37,230
Jordan	1,600	4,956
USA	NIA	8,346
Argentina	NIA	867
Average hours of training per employee⁸	9.4	15.1
GCC	9.8	15.6
Egypt	9.0	11.4
Jordan	1.9	6.2
USA	NIA	21.5
Argentina	NIA	4.3
Learning and development programs - GCC only	933	1,949
Number of Almarai Academy participants (National and non-national)	520	565
Number of Almarai Driving School participants (National and non-national)	413	1,384
Saudization - GCC only		
Number of Saudi employees	8,766	8,466
Percentage Saudization among total workforce	26%	26%
Percentage Saudization of middle management	25%	24%
Percentage Saudization of senior management	16%	17%
Number of Saudi female employees	645	635
Number of Saudi Almarai Academy participants	291	265
Number of Saudi Graduate Professional Trainee participants	22	23
Number of Saudi Almarai Future Leaders participants	21	0
Number of Saudi Dairy & Food Polytechnic participants	584	400
Number of Saudi Almarai Driving School participants	126	133
Total number of Saudi nationals in professional development programs	1,044	821

⁸ 2018 figure has been restated.

Our sustainability performance	2018	2019
Community investment⁹		
Total CSR spending (SAR million) - GCC only	39.6	34.7
Total CSR spending as a percentage of net profit (%) - GCC only ¹⁰	2.0%	1.9%
Product donations - GCC only		
Number of schools provided with snacks for students	947	1,036
Snacks for school children (Number of servings)	853,242	880,228
Number of low-income families provided with food baskets	600	1,800
Number of charities provided with food donations	301	230
Product donations for charities (Number of servings)	216,612	239,616
Total product servings donated	1,069,854	1,119,844
Total financial value (SAR million)	0.9	1.0
Support for vulnerable groups - GCC only		
Number of lower income couples provided with weddings	1,200	1,400
Number of children at orphanages and charities provided with Iftars	40	58
Charity, orphanage and other association event sponsorships (Number of beneficiaries)	80	172
Total financial value (SAR million)	0.4	0.5
Support for learning and technical, vocational and education training (TVET) - GCC only		
Number of TVET beneficiaries (Dairy & Food Polytechnic)	505	486
University student groups sponsored (Number of beneficiaries)	70	340
Braille booklets (Number of books donated)	N/A	500
Dental care campaign (Number of schools attended)	20	32
Almarai site visit program (Number of visitors)	73,286	88,030
Sponsorship of Food Loss and Waste Index and awareness campaign (value in SAR).	N/A	100,000
Sponsorship of Qaderoon documentary (value in SAR)	N/A	113,000
Total financial value (SAR million)	35.3	30.2
Sponsorship of awards - GCC only		
Number of award winners (Veterinarian Award, Scientific Innovation Award, Ideal Mother Award, Academic Excellence Award, Photography Award and Sheikha Latifa Award)	119	162
Total financial Value (SAR million)	3.0	3.0
CSR - Jordan		
Total CSR spending (SAR)	7,613	10,129
Number of school and university visitors hosted	N/A	438
Product donations (Number of servings)	N/A	7,583

⁹ Figures for 2018 have been restated in some instances due to recategorization.

¹⁰ Based on profit attributable to Shareholders of the Group.

Our sustainability performance	2018	2019
CSR - Egypt		
Total CSR Spending (SAR)	NIA	23,329
Number of school and university visitors hosted	NIA	735
School bag donations (Number of bags donated to students)	NIA	20,000
Hours of employee volunteering	NIA	800
Water management¹¹		
Water withdrawal (m³)¹²	12,966,868	13,643,999
GCC	11,685,518	12,247,436
Egypt	1,117,040	1,221,571
Jordan	164,310	174,992
USA	NIA	NIA
Argentina	NIA	NIA
Water recycling and reuse (m³)¹³	1,751,894	1,859,214
GCC	1,643,355	1,665,798
Egypt	739	73,000
Jordan ¹⁴	107,800	120,416
USA	NIA	NIA
Argentina	NIA	NIA
Percentage of water recycled and/or reused (%)¹⁵	13.5%	13.6%
GCC	14.1%	13.6%
Egypt	0.1%	6.0%
Jordan	65.6%	68.8%
USA	NIA	NIA
Argentina	NIA	NIA
Total water consumption (m³)	14,718,762	15,503,213
GCC	13,328,873	13,913,234
Egypt	1,117,779	1,294,571
Jordan	272,110	295,408
USA	NIA	NIA
Argentina	NIA	NIA

¹¹ Water data excludes dairy, poultry and arable farming.

¹² 2018 figures for total, GCC and Jordan have been restated due to better data availability. Data is not available for Jordan sales depots. 2018 data not available for Egypt head office and sales depots. Water withdrawal refers to groundwater and purchased water.

¹³ 2018 figures for total, GCC and Jordan have been restated due to better data availability.

¹⁴ Water is reused for irrigation.

¹⁵ 2018 figures for total, GCC and Jordan have been restated due to better data availability.

Our sustainability performance	2018	2019
Water discharge (m³)¹⁶	8,922,905	9,081,252
GCC	8,142,212	8,946,156
Egypt	657,706	NIA
Jordan	122,987	135,096
USA	NIA	NIA
Argentina	NIA	NIA
Manufacturing water intensity (m³/metric ton of finished product)	4.8	5.3
GCC ¹⁷	5.0	5.5
Egypt	3.1	3.7
Jordan	6.0	6.3
USA	N/A	N/A
Argentina	N/A	N/A
Packaging innovation		
Percentage of card board coming from recycled materials used as an input material (%)		
GCC	65%	65%
Egypt	NIA	NIA
Jordan	57%	70%
USA	N/A	N/A
Argentina	N/A	N/A
Plastics removed from packaging (tons)	283	2,945
GCC	283	2,945
Egypt	NIA	NIA
Jordan	NIA	NIA
USA	N/A	N/A
Argentina	N/A	N/A
Paper removed from packaging (tons)	128	902
GCC	128	902
Egypt	NIA	NIA
Jordan	NIA	NIA
USA	N/A	N/A
Argentina	N/A	N/A

¹⁶ 2018 figures for GCC and Jordan have been restated due to better data availability. Data is not available for GCC head offices and Egypt head office and sales depots. Water is discharged to land (lagoons), sewer, irrigation and/or canal.

¹⁷ 2018 figure has been restated due to better data availability.

Our sustainability performance	2018	2019
Total packaging removed from the consumer waste stream (tons)	411	3,847
GCC	411	3,847
Egypt	N/A	N/A
Jordan	N/A	N/A
USA	N/A	N/A
Argentina	N/A	N/A
Climate change¹⁸		
Direct stationary energy usage (in thousands kWh)	863,669	892,896
GCC	801,850	836,570
Egypt	53,690	54,192
Jordan	8,105	2,127
USA	0	0
Argentina	24	7
Indirect stationary energy usage (in thousands kWh)	973,407	1,090,750
GCC	845,531	936,070
Egypt	53,079	66,436
Jordan	9,439	9,349
USA	55,359	67,300
Argentina	9,999	11,595
Total stationary energy usage (direct and indirect, in thousands kWh)	1,837,076	1,983,646
GCC	1,647,382	1,772,640
Egypt	106,768	120,627
Jordan	17,545	11,476
USA	55,359	67,300
Argentina	10,022	11,602
Solar energy usage (in thousand kWh)	2,421	22,393
GCC	2,421	22,095
Egypt	0	0
Jordan	0	298
USA	0	0
Argentina	0	0

¹⁸ Figures for 2018 have been restated in some instances due to better data availability and the use of updated emission factors.

Our sustainability performance	2018	2019
Percentage of electricity consumption from solar (%)	0.2%	1.5%
GCC	0.2%	1.6%
Egypt	0%	0%
Jordan	0%	3.2%
USA	0%	0%
Argentina	0%	0%
Almarai owned refrigerators in stores (in thousands kWh)	906,305	961,093
GCC	906,305	961,093
Egypt	NIA	NIA
Jordan	NIA	NIA
USA	NIA	NIA
Argentina	NIA	NIA
Manufacturing energy intensity (kWh/metric ton of finished product)	478.7	521.7
GCC ¹⁹	512.3	549.8
Egypt	283.1	365.9
Jordan	519.2	297.2
USA	N/A	N/A
Argentina	N/A	N/A
Total vehicle fuel consumption (thousands of liters)	427,402	366,362
GCC	410,512	357,485
Egypt	6,434	2,781
Jordan	1,983	215
USA	7,609	4,428
Argentina	864	1,454
Scope 1 (direct) emissions (metric tons CO₂e)²⁰	1,151,718	1,032,452
GCC	1,113,639	1,005,862
Egypt	21,118	17,959
Jordan	5,744	858
USA	10,093	5,974
Argentina	1,125	1,800

¹⁹ 2018 figure has been restated due to better data availability.

²⁰ 2018 figures have been restated due to better data availability and updating emission factors in certain cases.

Our sustainability performance	2018	2019
Scope 2 (indirect) emissions (metric tons CO₂e)²¹	776,463	865,146
GCC	718,292	795,419
Egypt	23,188	29,022
Jordan	7,344	7,273
USA	23,721	28,886
Argentina	3,919	4,545
Scope 3 emissions from Almarai refrigerators in stores (metric tons CO₂e)	780,088	827,246
GCC	780,088	827,246
Egypt	NIA	NIA
Jordan	NIA	NIA
USA	NIA	NIA
Argentina	NIA	NIA
Total emissions (metric tons CO₂e)²²	2,708,270	2,724,844
GCC	2,612,019	2,628,528
Egypt	44,305	46,981
Jordan	13,088	8,131
USA	33,814	34,860
Argentina	5,044	6,344
Manufacturing emissions intensity (metric tons CO₂e/metric ton of finished product)	0.27	0.29
GCC ²³	0.30	0.32
Egypt	0.10	0.13
Jordan	0.26	0.20
USA	N/A	N/A
Argentina	N/A	N/A
Emissions from refrigerant leakage and replacement (metric tons CO₂e)²⁴	167,729	200,380
GCC	167,686	200,036
Egypt	23	286
Jordan	20	NIA
USA	NIA	NIA
Argentina	NIA	58

²¹ 2018 figures have been restated for GCC, Jordan and USA due to better data availability and updating emission factors in certain cases.

²² 2018 figures have been restated due to better data availability and updating emission factors in certain cases.

²³ 2018 figure has been restated due to better data availability and updating emission factors in certain cases.

²⁴ 2018 figures for total, GCC and Egypt have been restated due to better data availability. No data available for in-store refrigerators, wall units or Jordan sales depots.

Our sustainability performance	2018	2019
Waste management²⁵		
Food waste resold for animal feed (Store returns and operational) (metric tons)	32,375	40,086
GCC	32,375	40,086
Egypt	0	0
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Recycled waste (metric tons)	31,840	22,309
GCC	16,577	22,071
Egypt	15,040	NIA
Jordan	0	0
USA	183	178
Argentina	40	60
Total waste generated (metric tons)	216,172	209,439
GCC	184,512	202,738
Egypt	24,240	NIA
Jordan	7,420	6,701
USA	NIA	NIA
Argentina	NIA	NIA
Waste sent to landfill (metric tons)	152,574	152,887
GCC	135,954	141,292
Egypt ²⁶	9,200	4,894
Jordan	7,420	6,701
USA	NIA	NIA
Argentina	NIA	NIA
Percentage of waste sent to landfill (%)	71%	73%
GCC	74%	70%
Egypt	38%	NIA
Jordan	100%	100%
USA	NIA	NIA
Argentina	NIA	NIA

²⁵ 2018 figures have been restated due to better data availability and/or recategorization.

²⁶ No data available for Egypt head office and sales depots.

Our sustainability performance	2018	2019
Sustainable agriculture		
Number of incidents of non-compliance with environmental laws and regulations	0	0
USA	0	0
Argentina	0	0
Arable farming land under production (hectares)	32,154	32,367
USA	7,840	8,269
Argentina	24,314	24,098
Quality and food safety		
Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standard (%)		
GCC	100%	100%
Egypt ²⁷	85%	85%
Jordan	100%	100%
USA	N/A	N/A
Argentina	N/A	N/A
Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0
GCC	0	0
Egypt	0	0
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Number of recalls	0	0
GCC	0	0
Egypt	0	0
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Percentage of significant product categories covered by and assessed for compliance with product information and labeling procedures (%)	100%	100%
GCC	100%	100%
Egypt	100%	100%
Jordan	100%	100%
USA	N/A	N/A
Argentina	N/A	N/A

²⁷ 2018 figure has been restated.

Our sustainability performance	2018	2019
Percentage of products for which health and safety impacts are assessed for improvement (%)	100%	100%
GCC	100%	100%
Egypt	100%	100%
Jordan	100%	100%
USA	N/A	N/A
Argentina	N/A	N/A
Total number of manufacturing plants	12	13
GCC	10	10
Egypt	1	2
Jordan	1	1
USA	N/A	N/A
Argentina	N/A	N/A
Number of Food Safety System Certification (FSSC) 22000 certified plants	2	3
GCC	1	2
Egypt	1	1
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Number of Global Food Safety Initiative (GFSI) certified plants	2	3
GCC	1	2
Egypt	1	1
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Percentage of plants that are GFSI certified (%)	17%	23%
GCC	10%	20%
Egypt	100%	100%
Jordan	0%	0%
USA	N/A	N/A
Argentina	N/A	N/A

Our sustainability performance	2018	2019
Number of food safety and quality assurance employees	659	561
GCC	585	487
Egypt	72	72
Jordan	2	2
USA	N/A	N/A
Argentina	N/A	N/A
Animal welfare		
Number of cows	190,444	183,345
GCC	188,071	180,504
Egypt	N/A	N/A
Jordan	2,373	2,841
USA	N/A	N/A
Argentina	N/A	N/A
Number of chickens processed	157,372,110	191,103,518
GCC	157,372,110	191,103,518
Egypt	N/A	N/A
Jordan	N/A	N/A
USA	N/A	N/A
Argentina	N/A	N/A
Number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic mammals	0	0
GCC	0	0
Egypt	N/A	N/A
Jordan	0	0
USA	N/A	N/A
Argentina	N/A	N/A
Percentage of cows in enclosed housing with resting areas (%)	100%	100%
GCC	100%	100%
Egypt	N/A	N/A
Jordan	100%	100%
USA	N/A	N/A
Argentina	N/A	N/A

Our sustainability performance	2018	2019
Percentage of chickens in enclosed cage free housing (%)	100%	100%
GCC	100%	100%
Egypt	N/A	N/A
Jordan	N/A	N/A
USA	N/A	N/A
Argentina	N/A	N/A
Ethical sourcing		
Percentage of locally based suppliers engaged (%)	69%	68%
GCC	50%	51%
Egypt	81%	69%
Jordan	91%	97%
USA	NIA	73%
Argentina	99%	99%
Percentage of spending on locally based suppliers (%)		
GCC	45%	41%
Egypt	40%	69%
Jordan	57%	88%
USA	NIA	85%
Argentina	98%	97%
Number of suppliers engaged	3,298	2,939
GCC	1,717	1,672
Egypt	588	111
Jordan	349	330
USA	NIA	233
Argentina	644	593
Number of local suppliers engaged	2,292	2,007
GCC	858	854
Egypt	478	77
Jordan	319	320
USA	NIA	171
Argentina	637	585

Our sustainability performance	2018	2019
Percentage of purchased volume from suppliers compliant with company's sourcing policy (%)		
GCC	NIA	NIA
Egypt	NIA	100%
Jordan	100%	100%
USA	NIA	100%
Argentina	NIA	NIA
Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards (%)		
GCC	NIA	NIA
Egypt	NIA	100%
Jordan	NIA	40%
USA	NIA	100%
Argentina	NIA	NIA
New suppliers that were screened using social and/or environmental criteria		
GCC	0	48
Egypt	0	0
Jordan	0	3
USA	NIA	45
Argentina	NIA	NIA
Number of negative social and/or environmental impacts in the supply chain and actions taken		
GCC	NIA	NIA
Egypt	NIA	NIA
Jordan	NIA	NIA
USA	NIA	NIA
Argentina	NIA	NIA





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