



# SUSTAINABILITY REPORT 2022



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# About this Report

GRI (2-1), (2-2), (2-3), (2-4), (2-5)

This is Al Dahra's Third Sustainability Report.



## GRI ACCORDANCE

Al Dahra has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.



## ALIGNMENT

This report aligns with the United Nations Sustainable Development Goals (SDGs). References to other global and national commitments are also mentioned throughout the report.

## COMPARABLE DATA

The data in this report covers our performance in 2020, 2021 and 2022. The quantitative data presented throughout the report cannot be compared year-on-year, as we have expanded our reporting scope. since the beginning of our reporting commitments in 2020; we added Egypt, Spain and Italy in 2021, and the United States of America (USA) in 2022.

## EXTERNAL ASSURANCE

Al Dahra has chosen not to seek external assurance for this report. There was, however, an internal assurance process in place to ensure the credibility of the information provided.

## CONTACT POINTS

For any enquiries about this report, please contact:  
[sustainability@aldahra.com](mailto:sustainability@aldahra.com)

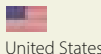


# Scope of the Report



## REPORTING PERIOD AND FREQUENCY

Following Al Dahra’s annual cycle of sustainability reporting, this report covers our environmental, social, and governance (ESG) performance for the calendar year 2022.



## MONETARY VALUES

All monetary values in this report are expressed in Arab Emirates Dirhams (AED), unless otherwise stated.



## ENTITIES INCLUDED IN THE 2022 SUSTAINABILITY REPORTING

We have highlighted the ESG performance of our operations in the United Arab Emirates (UAE), Romania, Serbia, Egypt, Italy, Spain and the United States of America (USA)



# Scope of the Report





AL DAHRA AL AIN FARMS  
AL DAHRA RICE (KEZAD)  
AL DAHRA AGRICULTURE TRADING  
AL DAHRA GLOBAL FORAGE



AL DAHRA SERBIA  
AL DAHRA RUDNAP




AL DAHRA AGRCULTRURAL ROMANIA  
AL DAHRA AGRICOST




AL DAHRA EGYPT




AL DAHRA EUROPE (ITALY)




AL DAHRA EUROPE (SPAIN)




AL DAHRA USA  
HUALAPAI VALLEY FARMS (KINGMAN RANCH)




AL DAHRA KSA




AL DAHRA NAMIBIA



AL DAHRA AUSTRALIA



AL DAHRA MOROCCO



AL DAHRA SOUTH AFRICA

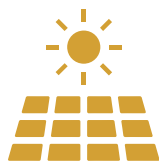
Entities framed in green are in scope in this 2022 report, other entities will be added in future years

# Key Highlights



**30**

People of Determination  
employed as staff.  
(in the UAE only)



**36,381,541 kWh**

production of solar energy.



**18 hours**

Training per employee  
on health and safety



Recycled

**10,559,555 kg**

of waste

**aldahra**

**Pure Harvest**  
SMART FARMS

Joint venture between Al Dahra  
and Pure Harvest Smart Farms.  
Our contribution to renewable,  
high-tech, controlled-environment  
agriculture.



**HSBC**

Awarded for ESG & Climate Change  
Strategy in the Governance category of  
the HSBC Living Business Programme

# Message from our Co-Founder

*GRI (2-12), (2-14)*

Each year at Al Dahra presents new opportunities for growth and advancement in our sustainability practices. We honor our responsibility to protect the environment and the communities we operate in, while also being a trusted partner in agriculture and food production. This report highlights our efforts to manage our operations in a sustainable manner. Our commitment to sustainability is integral to our business, and we are proud to share our progress with our readers.

In 2022, we expanded our governance structure and activities, including the formation of a new Executive Leadership Team, the implementation of new policies, and the execution of a global compliance project, all aligned with our mission to prioritize long-term growth. These changes signify our unwavering commitment to uphold the highest standards of corporate governance in ensuring sustained success for Al Dahra.

Our pursuit of improved sustainability led us to make notable progress in integrating sustainable practices across all areas of our business. A notable highlight was winning the HSBC Living Business Program's Governance category for our ESG & Climate Change Strategy. Additionally, our joint venture with Pure Harvest represents our contribution towards renewable, high-tech, controlled-environment agriculture production, which is of paramount importance in the Middle East region. These accomplishments serve as a testament to our dedication to sustainability and to long-term growth moving forward.

I extend my thanks to our stakeholders, partners, and employees for their continuous support in our journey in making a positive impact on the world. As the UAE declares 2023 as the 'Year of Sustainability', we remain steadfast in our commitment to supporting sustainable agriculture and food production, promoting sustainable consumption and production, and investing in renewable energy sources. We believe that these efforts will not only benefit the environment and generations to come, but also drive economic growth.

**H.E. Khedaim Al Derei**



# Message from our Group CEO

*GRI (2-12), (2-14)*

It is my pleasure to share with you Al Dahra's annual sustainability report, which reflects our commitment to integrity and to building trust with our customers, suppliers, communities, and each other. Our comprehensive overview of environmental, social, and economic performance showcases our progress in sustainability across our global operations and identifies areas where we can further enhance our performance.

At Al Dahra, we are committed to upholding human rights, eliminating discrimination and exploitation from our workforce and supply chain. In 2022, we welcomed 608 new employees, and we are proud to say that 46% of them were between the ages of 18 and 30. We recognize the value of young minds and their innovative perspectives, and we strive to create an inclusive work environment where employees of all ages can learn, grow, and thrive. Our investment in employee training and development remains consistent, including courses such as CIPD, PMP, and SAP IBP, and we are dedicated to treating our employees with respect and creating a safe work environment. We are excited to see this blend of fresh enthusiasm and experience flourish and drive our business forward.

In this year's report, we have revised our materiality matrix to align with the GRI Standards for the Agriculture, Aquaculture and Fishing Sectors, and have included new topics of Soil Health and Pesticide Use. These additions align with the nature of our business and will enable us to make more concerted efforts towards sustainability in the coming years. As we look ahead to contribute to the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) conference to be held in the UAE in 2023, we are confident in Al Dahra's continued leadership in sustainability within the agribusiness industry. Our commitment to innovating for a sustainable future remains steadfast, and we look forward to making even greater strides towards our goals.

I want to express my sincere gratitude to the team at Al Dahra for their hard work and dedication in driving our sustainability efforts forward. Your tireless efforts and commitment to our values are truly inspiring. To our readers, I want to thank you for your ongoing support as we continue on this journey towards a more sustainable future. May success and good health be with all of us as we work towards a better tomorrow.



**Arnoud van den Berg**



# About Al Dahra

GRI (2-1), (2-2), (2-6), (2-28)

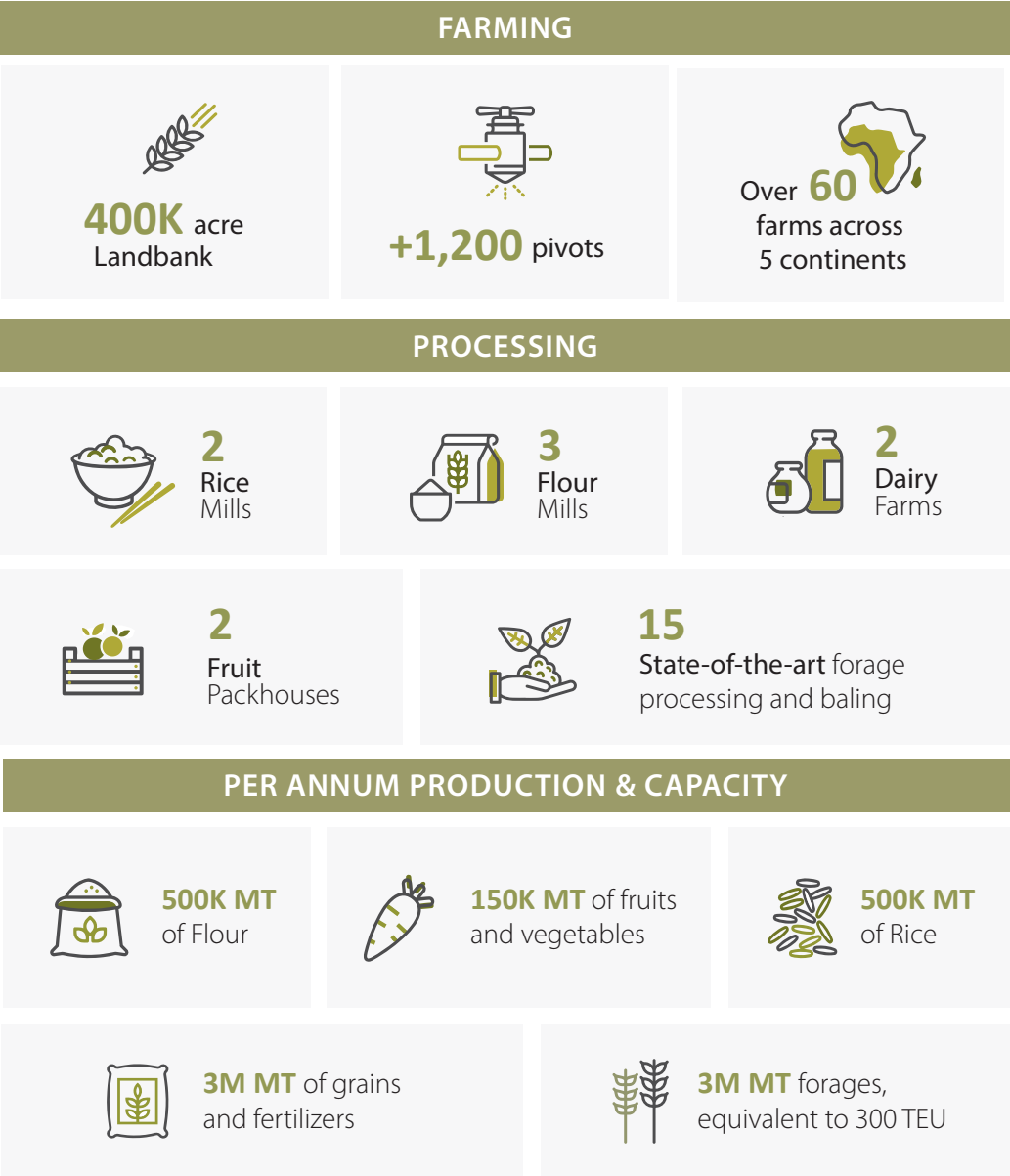
Al Dahra is a global leader in agribusiness, a prominent figure in the UAE’s agriculture and food sector, a core contributor to the UAE’s national food security strategy, and the largest forage provider worldwide. Headquartered in the UAE, we have showcased continuous growth and development since our establishment in 1995.

Our primary focus is cultivating, producing, and trading animal feed while also producing and trading important food commodities such as grains, rice, flour, fruits, and vegetables to sustain our population. Our agribusiness activities are comprehensive and global, driven by our ambition to being a renowned global farming company with leading forage, grains and food platforms.

Our success is a direct result of our end-to-end supply chain management, active investment strategy, acquisition of businesses, expansion of our operations, and establishment of joint ventures with specialized food and feed producers worldwide.

Al Dahra currently owns and operates an extensive asset base that facilitates the mass production and delivery of the highest quality of animal feed and food across 45 markets.

## FACILITIES



Our distinction in the market is significantly attributed to our fundamental belief in the intrinsic value and necessity of sustainability. At Al Dahra, we are proud to align our principles, practices, and strategies to that of the UN SDGs and the National Food Security Strategy.

Sustainability is becoming increasingly incorporated into our farming and advanced cultivation techniques, production and trading of animal feed, and the production of essential grains, fruits, and vegetables through our ESG and Climate Change Strategy that is currently under development.

Our end-to-end supply chain boosts productivity, efficiency, and quality, while reducing food waste and unsustainable farming practices. With widespread operations and ownership of farms, facilities, and factories, we consistently reach new markets.

END-TO-END SUPPLY CHAIN



Please visit our online resources for comprehensive information about our business profile, operations, products, and services. **You can find the relevant references below:**

OUR WEBSITE

OUR INTERACTIVE BROCHURE

OUR GROUP PROFILE

OUR ANIMAL FEED BROCHURE





# Our Purpose, Mission, & Values

## PURPOSE

Sustainably feeding a growing world

## MISSION



Empower stakeholders



Think globally



Focus on long-term growth



Be sustainable and innovate



Contribute to society, ensuring food supply

## SEED VALUES

**Sustainable**

We are responsible stewards, committed to delivering positive impact through our decision-making and our actions.

**Engaged**

We work openly and together, actively nurturing creativity and agility to resolve challenges and achieve common goals.

**Empowered**

We behave with integrity and boldness, taking ownership of our actions and responsibility for our impact.

**Determined**

We are passionate about what we do, and challenge ourselves continuously to improve.



# Our Business Portfolio

With sustainability being an integral aspect of our business model, striving towards more sustainable agricultural practices is imperative to us. It is important to us that our business reflects an amalgamation of our values, vision, and principles of sustainability in every aspect of our value chain and in all our end-to-end operations.

Holding the position that we do in the industry, we have claimed the responsibility of demonstrating best practices with regard to environmental protection, conserving natural resources, supporting farmers, and contributing to local communities, all while providing safe and healthy produce to our global community.

## FINE-TUNING OUR EXPERTISE VIA TECHNOLOGY



In agriculture, **technology plays a vital role** in enhancing the efficiency and precision of operations while reducing the need for human labor, resulting in low-input agriculture.



At Al Dahra, **we have made investments in state-of-the-art irrigation** and farming systems, processing and production technologies, and equipment for product sorting, grading, and packing.



To improve our service delivery and adopt industry best practices, we recognize the **importance of acquiring the right knowledge**.



We also prioritize **research and development, product innovation, and benefit from the expert opinions** of farmers, academics, and agribusiness industry experts.

## OUR INTEGRATED AND UNIQUE BUSINESS MODEL



### WIDESPREAD GLOBAL INVESTMENTS AND GEOGRAPHIC FOOTPRINT

**Undisrupted** supply all year-round and across all seasons  
**Widely Spread** supply sources leading to stable supply  
**Mitigation** against climate change risks  
**Mitigation** against economic and trade risks  
**Strong** position to face commodity price volatility



### INTEGRATED INVESTMENT APPROACH AND BUSINESS MODEL

**End to end** control over the supply process  
**Full integration** of supply, demand and logistics  
**In-house** farming and long-term supply contracts  
**Improved** control over quality of products  
**Reduced** cost and increased competitiveness



### GLOBAL LOGISTICS CAPABILITIES AND STRONG RELATIONS WITH PORTS AND SHIPPING LINES

**In-house** logistics arm to manage local logistics  
**Competitive** shipping rates leveraging group volumes  
**One-stop** solution for inland transport and storage  
**Continuous** delivery service on key trade lanes  
**Access** to world-class logistics infrastructure



### COMMITMENT TO ENSURE LONG-TERM FOOD SUPPLY ADDRESSING TRADE CHALLENGES

**Long-term** strategic partners and volumes  
**Emergency** stock reserves rotated at all times  
**Agility** of supply in times of global shortages  
**Guaranteed** product availability for rushed orders  
**Ability** to maneuver sourcing from various origins



# Our Product Portfolio

GRI (2-6)

## ANIMAL FEED

Al Dahra is a leading expert and source of guidance in Asia and the MENA region for farming, processing, and supply of feed products, commodities, supplements, and additives.



Al Dahra fundamentally fulfills the needs of companies specialized in dairy, cattle rearing and livestock maintenance, with a capacity of about three million metric tons per annum across more than **40 product categories and grades.**

With our experience, we have become innovators in the animal feed industry, delivering new and different varieties of products to the market.

At Al Dahra, we continue to strive for collaboration with farmers, local feed-growing cooperatives and agriculture and livestock ministries, to provide employment and economic opportunities for the local community.



### FORAGE PRODUCTS

#### Hay Products

Suncured Alfalfa  
Dehydrated Alfalfa  
Oaten Hay

#### Grass Products

Rhodes Grass  
Ryegrass Hay  
Sudan Grass  
Bermuda Grass  
Fescue Grass  
Bluegrass Hay  
Timothy Hay  
Klein Grass



### ROUGHAGE PRODUCTS

#### Straw Products

Ryegrass Straw  
Fescue Straw  
Bluegrass Straw  
Wheat Straw  
Barley Straw  
Rice Straw  
Oaten Straw

#### Other Hay Products

Blended Hay  
Corn Silage



### FEED COMMODITIES

#### Hay & Straw Pellets

Alfalfa Pellets  
Rice Husk Pellets  
High Fiber Pellets  
Wheat Bran Pellets  
Wheat Straw Pellets  
Ryegrass Pellets

#### Other Commodities

Sugar Beet Pulp  
Cottonseed  
Feed Barley  
Feed Wheat  
Feed Corn Sorghum  
DDGS  
Citrus Pulp  
Molasses  
Sunflower Meal I Seed  
Rapeseed Meal I Seed  
Soybean Meal I Seed  
Fish Meal  
Palm Kernal Expeller  
Compound Commodity Pellets



### ADDITIVES & SUPPLEMENTS

#### Additives

Vitamins & Minerals  
Amino Acids

#### Supplements

TMR Feeds  
Engineered-to-order feeds

## FOOD

In addition to feed production, **we invest in the cultivation, production, and distribution of a diverse range of food products**, such as grains, dairy products, fruits, rice, and vegetables. The largest share of our business comes from the production and trading of grains used in food.

Our customer base primarily includes retailers, distributors, wholesalers and farmers. As a responsible food producer, **we believe it is our duty to ensure that our products meet the highest standards of quality, availability, affordability, and accessibility for our valued end-customers.**

We are committed to providing our customers with high-quality food products that are both affordable and readily available, ensuring that they are easily accessible to all.

### Essential crops and grains



Rice



Wheat



Barley



Corn

### Fresh produce



Citrus



Dates



Grapes



Apples



Olives



Potatoes

### Dairy



Fresh Milk



Yogurt

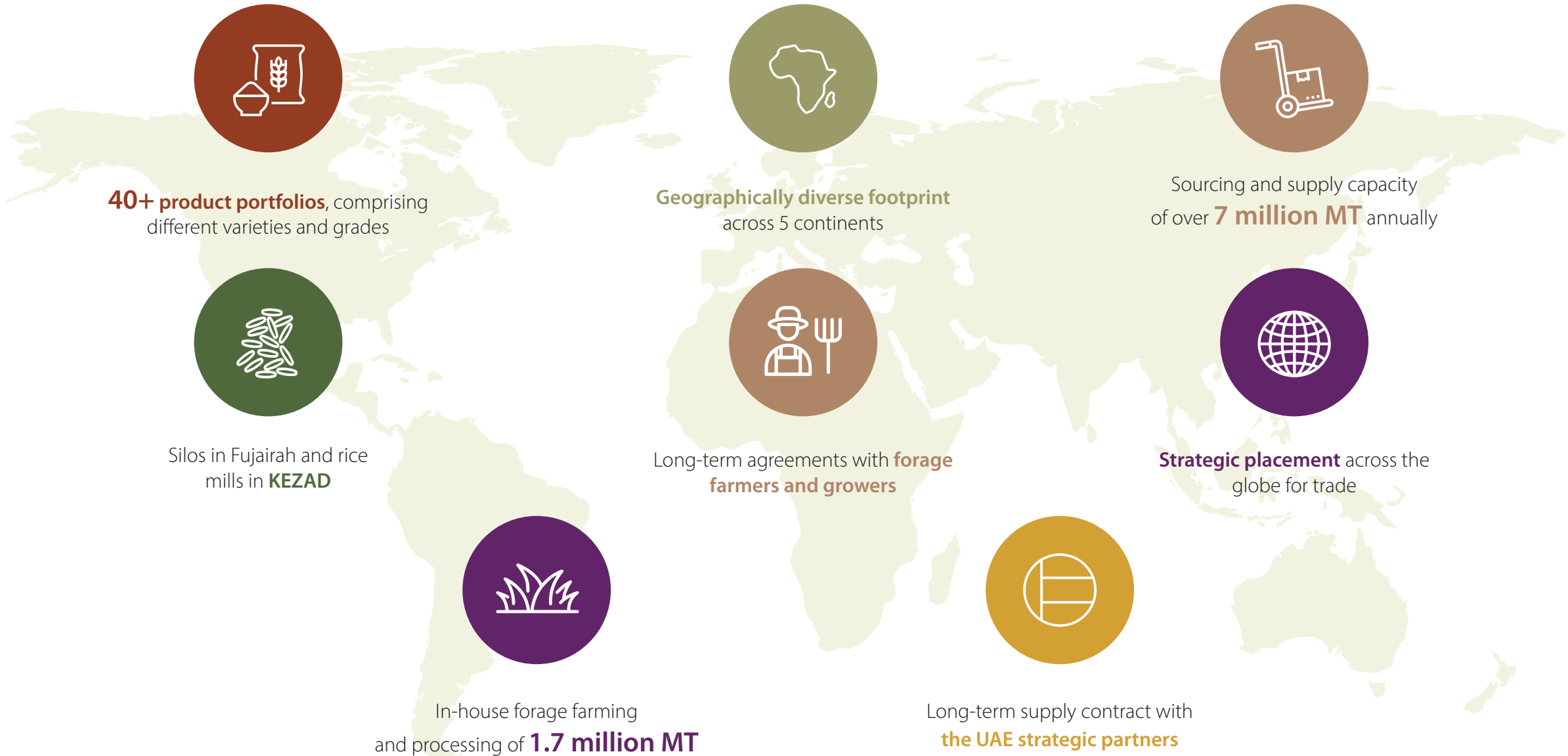


Cheese



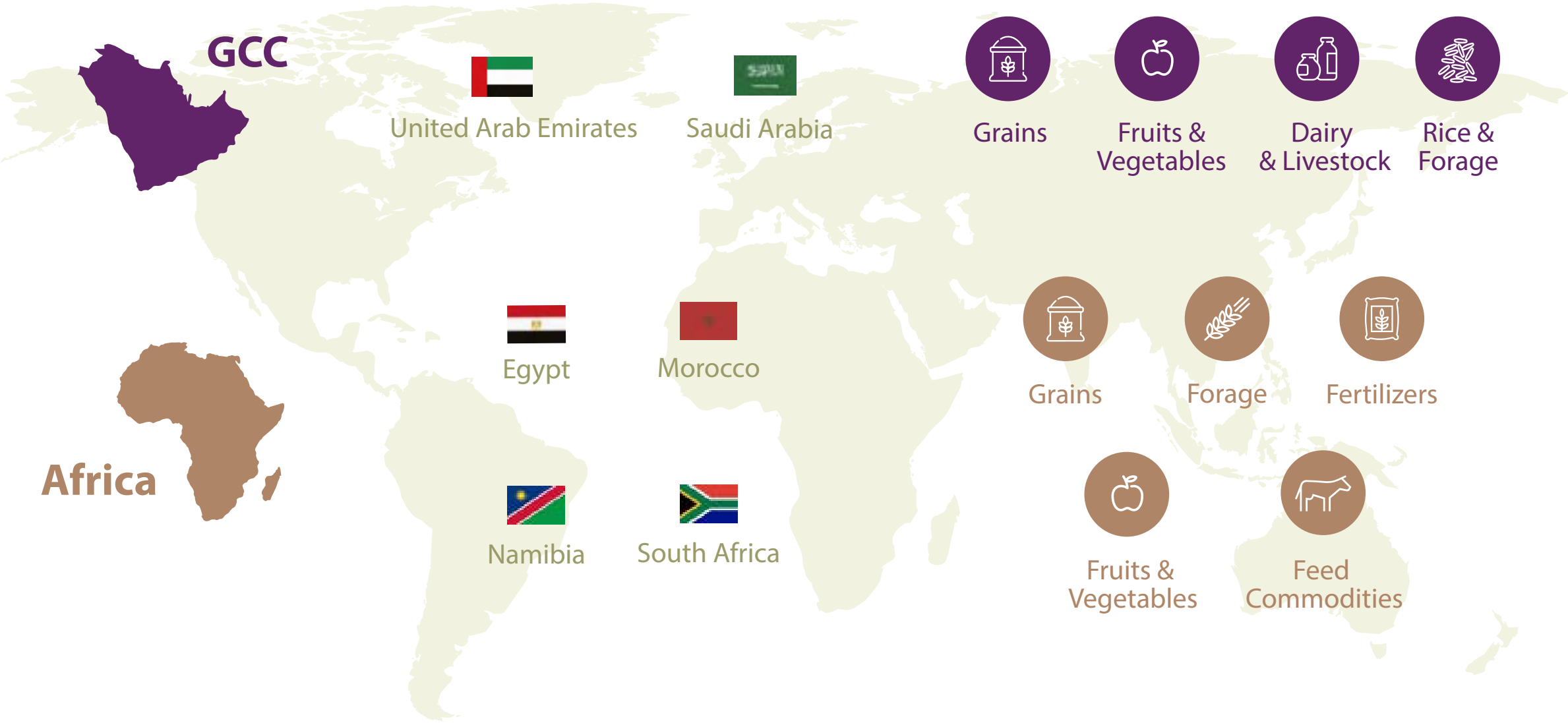
# Our Global Distribution and Operations

As a multinational business, Al Dahra operates across a broad geographic range, with a diverse range of operations that include:





Our broad geographic footprint enables us in the production and trading of various products across different corners of the globe, giving us a unique status in the industry. We take pride in our commitment to quality, reliability, and sustainability across all our operations.







## OUR GLOBAL DISTRIBUTION AND OPERATIONS

In this report, we have covered the performance of our operations in the UAE, Romania, Serbia, Egypt, Spain, Italy and the USA. This year, we are delighted to introduce Al Dahra USA and Al Dahra Pure Harvest (a transformative collaboration between Al Dahra and Pure Harvest) in Al Dahra's growing reporting scope.

### INTRODUCING AL DAHRA ACX GLOBAL - AL DAHRA USA

Al Dahra USA, a member of Al Dahra Group, is a top exporter of alfalfa hay and other forage and roughage products. We export our products from the USA to various Asian countries, including China, Japan, and South Korea, as well as the Middle East. Our commitment to high-quality and reliable products and services has made us a leading exporter for over 35 years.

We are strategically located on the West Coast of the US, where the ideal climate and longer growing season allows for optimal production. In addition, our proximity here to major ports enables us to efficiently export our products. Across the West Coast, we operate three hay processing facilities in California, Washington, and Arizona which combine, process and export over 600K MT annually.

Additionally, we oversee a total of five farms in Arizona and Southern California that span over 16K acres, with an annual production capacity of 130K MT of Alfalfa, Bermuda, Sudan, and other grass hays.

As one of the country's leading exporters, Al Dahra USA has been recognized for its significant contribution to the expansion of USA exports and was awarded the Presidential "E" award by the United States Department of Commerce. This has been a great honor for us, and we are proud to continue serving our customers globally by expanding our processing and production capacity whilst upholding the highest standards of quality and reliability in all of our products and services.

### Al Dahra's partnership with Golden Fields



Al Dahra capitalizes on the opportunities that the Baltic Sea offers as a suitable region for securing high quality alfalfa and grasses. We have been partnering with Golden Fields, an Estonia based agricultural company, and its local farming partners to develop processing capacity and increase sourcing from the region for exports to the Al Dahra markets.

We are making a difference in supporting the farmers to achieve the EU objective of green transition. We help the farmers to collect grasses and develop a program to seed mix grasses and alfalfa. This enables farmers to contribute to EU objectives, while also improving their margins and achieving a lower footprint through carbon sequestration. In crop year 2022/23, the partnership is expected to result in around 70K MT of forage related products from Estonia and Lithuania with a plan to increase volume and further expand to increase volume and further expand to Latvia and Finland.

SPECIAL FEATURE

# Certifications

Al Dahra has received multiple certifications across various disciplines that work to enhance our credibility and reliability in the marketplace.

VEGETABLES CERTIFICATE
Al Dahra Organic Vegetables certificate Al Dahra Organic Fertilizer certificate Al Dahra Koppert Biological Certificate Organic Fertilizer - from supplier Organic Pesticides - from supplier Organic Seeds - from supplier Pesticides Residue Certificate of Analysis Soil Sample Certificate of Analysis Water Sample Analysis Certificate
CHEESE CERTIFICATES
HACCP certificate - Al Dahra Dairy Factory LLC Certificate of Conformity - Organic Milk & Milk Products
POULTRY CERTIFICATION
Halal Certificate Al Dahra Codex Alimentarius Certificate Of Calibration Organic Certificate Certificate Of Analysis
DATES CERTIFICATION
Organic Certificate
FERTILIZER CERTIFICATE
Al Dahra Organic Fertilizer Factory LLC Registration Certificate of Fertilizer & Soil Amendment

COUNTRY	CERTIFICATION
	ISO 9001 ISO 14001 ISO 45001 GLOBAL G.A.P.
	ISO 9001:2015 GMP
	HACCP GMP Suolo & Salut
	Grasp 2015 SMETA Global G.A.P 2022 Global Quality Center “Sustainable Farming Initiative - Continuous Improvement Process” by Pepsico and Union Control



# Our Governance





# Our Governance

*GRI (2-9), (2-10), (2-11), (2-12), (2-13), (2-14), (2-15), (2-16), (2-17), (2-18), (2-23), (2-24), (2-25), (2-26), (2-27), (3-3)*

At Al Dahra, we firmly believe that corporate governance is a vital element of our organizational structure, and we take pride in integrating it into our practices. To achieve transparency and accountability within our organization, we have an independent Board Chairman overseeing business activities separate from management and the chief executive roles. This separation of leadership positions enables us to maintain focus on our operations and avoid conflicts of interest.

While we recognize the importance of a formal process for nominating and selecting the highest governance body, we have yet to establish one at Al Dahra Group. Decisions regarding the governance body were made by shareholders at the time of Al Dahra's acquisition of 50% stake by ADQ. Nonetheless, we underwent a significant transformation in 2022, improving our corporate governance and compliance framework and streamlining our business operations.

We place a high value on managing our relationships with various stakeholders and communities and consider this a key governance approach for sustainable value creation. Our focus on empowering stakeholders, contributing to society, ensuring food supplies, and promoting long-term growth through sustainability and innovation, has led us to adopt group-wide governance processes and best practices.

These processes include stages for review, endorsement and approval, during which consultations are encouraged to meet the company's plans for economic, environmental, and social criteria. As a result, we can ensure that controls are in place to meet the expectations of our partners and shareholders.

In 2022, we also revised our conflict of interest policy to embed improvements that align with best practices and our commitment to strong stakeholder relationships. We continue to prioritize dealing with actual, potential, or perceived conflicts appropriately, so that decisions are always made in the best interests of our business.



**Al Dahra was awarded for its ESG & Climate Change Strategy in the Governance category of HSBC Living Business Programme.**

# Executive Leadership Team

Al Dahra has recently formed an Executive Leadership Team consisting of 11 members. This move aims to bolster the organization's competitiveness amidst rapidly changing market conditions by leveraging the expertise and experience of each member. Moreover, the Executive Leadership Team is committed to maintaining and taking relevant actions towards long-term and value-chain sustainability for Al Dahra.



**Arnoud van den Berg**

Group Chief Executive Officer



**Nils Krage**

Global Head of Grains  
and Specialty Crops



**Osman Serageldin**

Global Head of Food



**Stuart Donald**

Global Head of Farming



**Nael Khalil**

Chief Operations Officer OpCo



**Agostino Migiani**

Chief Commercial Officer SellCo

# Executive Leadership Team



**Gianluca Fabbri**  
Group Chief Financial Officer



**Ahmed Saeed Al Suwaidi**  
Chief Shared Services Officer



**Dr. Sulaiman Al Nuaimi**  
Chief Government Relations Officer



**Dawn Sanderson**  
Group General Counsel



**Wissam Abbas**  
Group Strategy Director

# Strengthening Our Compliance Culture

GRI (205-1), (205-2), (205-3)

One of our key challenges is the standardization of corporate governance across all of the jurisdictions in which we operate. In 2022, our Executive Committee approved a new Delegation of Authority (DoA) for Al Dahra Group (ADG). In 2023, we will update all our entities' Boards, bank mandates and DoAs to reflect the new Al Dahra Group DoA.

Additionally, we established a new Executive Leadership Team through the Transformation Project. These changes have allowed us to clarify our approval process and accelerate our decision-making process. We are committed to continuing to integrate economic, environmental, and social factors into our DoA at both the group and subsidiary levels, using the capabilities we have developed since our inception to make a positive impact.

Al Dahra is committed to reviewing economic, environmental and social impacts, risks and opportunities as part of its corporate governance framework. ESG and Climate Change priorities remain at the forefront and will be integrated into decision-making and governance structures across all levels of the organization.

This strategy will enable us to integrate ESG considerations into our decision-making and governance structures across all levels of the organization. By doing so, we aim to strengthen our commitment to sustainable business practices and contribute positively to the communities in which we operate.

We have also recruited a Group Company Secretary to see that our companies comply with board and shareholder meeting regulations. This role is now essential to our governance and compliance structure. Our recent organizational and structural changes aim to further integrate the Group Company Secretary into the Al Dahra Group's governance and compliance function.

As part of our strict compliance objectives, the board of Al Dahra Group approved the following key policies in 2022:



**Speaking-Up Policy**



**Anti-Bribery and Corruption Policy**



**Conflicts of Interest Policy**



**Sanctions Policy**



**Third Party Corruption Risks Policy**



**Personnel Code of Conduct**

To ensure that we consistently review and identify legal and regulatory requirements, we have initiated a Global Compliance Project. This project aims to formulate a comprehensive plan to meet all such requirements in every jurisdiction where we operate. Our primary focus is on implementing a suite of compliance policies across the entire Group through effective communication and training of our staff, and an annual review to ensure that our compliance policies are in line with these requirements.

In mid-2022, we added a Group Ethics & Compliance Manager to our team to strengthen our compliance efforts and support the existing Group General Counsel. As part of our ongoing efforts, we plan to further expand and empower our Compliance team by recruiting additional resources that allow them to operate even more effectively.

Looking ahead to 2023, our key focus is to develop a comprehensive action plan that will help us achieve best practice standards in compliance. This, in turn, will enhance our overall corporate governance and compliance framework. We remain committed to continuously improving our processes and procedures, and we believe that investing in our compliance team will play a critical role in achieving this goal.



# Expanding Our Legal Division

In collaboration with the risk and internal audit functions, the legal and compliance team is developing the three lines of defense model in Al Dahra Group, which involves establishing the risk, internal audit and compliance. Currently, they are working together on a practical third-party due diligence risk process to implement the newly approved third-party fraud risk and compliance assessment policy. The aim is to make the process easy to use while effectively identifying the right risks at the right time.



# Combating Financial Crime

To safeguard our business from financial crimes, we have adopted three policies: sanctions, anti-bribery and corruption, and third-party corruption risks. These policies include third-party due diligence and management, and contribute to effective Anti-Money Laundering compliance.

Currently, we use a combination of tools, such as due diligence questionnaires, WorldCheck, and Cribis, throughout the business to conduct third-party due diligence.

## OUR NEXT STEPS IN TERMS OF DUE DILIGENCE PROCESSES INCLUDE:



Enhancing our existing sanctions screening tool and deploying it across the Group



Introducing a baseline level of due diligence screening for new third-party relationships



Implementing an extensive training program for our employees, on the topics of sanctions, conflicts of interests, gifts, entertainment and hospitality, anti-bribery and corruption and anti-money laundering

# Redefining Data Privacy & Security

At Al Dahra Group, we prioritize maintaining strict data privacy and security processes, as well as working on to ensure that the legal and regulatory standards in each of the multiple jurisdictions where we operate. These jurisdictions include the Middle East, Europe, USA, Asia, Africa, and Australia.

In 2023, our Data Protection & General Data Protection Regulation (GDPR) Policy will be implemented at the Group level as part of the data privacy and GDPR group project that began in 2022. The policy, which is currently being finalized, is an immediate follow-up to the gap analysis that was conducted in 2021. It encompasses the two minimum compliance standards that we are required to be adhered to:



Identify laws and assign data privacy compliance responsibility



Develop and implement data privacy policies and processes.

# Business Ethics & Integrity

At the heart of our business operations are high standards of ethical, moral, and legal conduct. We make sure to comply strictly with all applicable laws and regulations, as outlined in our policies' purpose statement. We communicate these policies to all stakeholders, including those who work with us, to foster shared commitments and adherence to our Code of Conduct.

**We endeavor to conduct all of our business, wherever it takes place in the world, in an honest and ethical manner. As part of this culture, we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.**

**We prioritize ethics and compliance in our business strategy and strive to maintain a culture of integrity throughout our organization. To achieve this, we will conduct a thorough compliance training program for all employees. The program covers our values, principles, standards, and expected behavior, ensuring that these are disseminated consistently across our organization.**

## OUR WAY FORWARD

In the coming year, we will be expanding the legal and compliance function to support the enhancement of corporate governance and compliance.

The compliance function will begin to transition towards operational commitments

The Group Company Secretary role will start to mature, and we will see improvements in the Group's overall corporate governance.

We will continue to leverage legal technology to enhance the delivery of our services for corporate governance and compliance.



# Our Sustainability Management



# Our Sustainability Management

GRI (2-22), (2-29), (3-1), (3-2), (3-3)

At Al Dahra, we are committed to sustainable agriculture practices that promote healthy ecosystems while also ensuring profitability, environmental health, and social and economic equity. As a prominent player in the agribusiness industry, we seek to address challenges to our operations, processes, and business values. Additionally, we work towards establishing strong partnerships with like-minded peers and communities throughout our end-to-end supply chain.



OUR DEDICATION TO ENSURING THAT OUR BUSINESS OPERATIONS CONTRIBUTE POSITIVELY TO SUSTAINABLE GROWTH THROUGHOUT OUR VALUE CHAIN IS BUILT ON THE FOLLOWING POLICIES:

- 1

**Environmental Policy:**  
governs all environmental management plans, including soil, water, biodiversity, and good agricultural practices.
- 2

**Social Policy:**  
This policy entails our human resources handbook, training, and occupational health and safety.
- 3

**Human Rights Policy:**  
This policy aims to streamline a clear approach towards the implementation and practice of universal human rights and the dignity of people across our business, operations, surrounding communities and global supply chain.
- 4

**Stakeholder Engagement Policy:**  
This policy requires us to identify and prioritize material issues with every appropriate stakeholder through a number of different communication channels.



# Our Sustainability Framework

**Impact**



Growing into a Sustainable Agribusiness

**Key Areas**



Supply Chain Management



Land & Biodiversity Management



Food Security




Water & Waste Management




Community & Farmer Engagement


**Alignments**



Al Dahra's Vision, Mission & Values



UN SDGs



GRI



# Materiality Assessment

GRI (2-29), (3-1), (3-2)

In 2022, we conducted the materiality assessment, as a revision to update our materiality from 2020. In this process, we also incorporated material topics from the new GRI Agriculture Sector Standards that most align with our sustainability vision.



## RESEARCH AND BENCHMARKING

We conducted the benchmarking exercise against key peers in the industry on a local, regional and global level. This exercise provided a deeper perspective into the various elements of sustainability that are deemed material to the company’s industry. The GRI Standards, the SDGs, and UNGC principles were taken into consideration when attributing relevance to the identified topics. Moreover, the regional context was incorporated in the decision-making process to ensure that the selected topics added value.



## STAKEHOLDER ENGAGEMENT



























The next stage of this process involved engaging with internal and external stakeholders on the selected material topics via a materiality survey to gather their perspectives. To assess the importance of certain topics, rankings were assigned to rate these topics on a specific scale. These rankings were determined based on how relevant the topics were deemed to be for Al Dahra. By utilizing the ratings given by different stakeholder groups, a materiality matrix was created. This matrix plots the different topics based on their relevance to Al Dahra.

The stakeholder groups identified for this sustainability report, included top management, employees, suppliers, customers, community partners, and strategic partners.



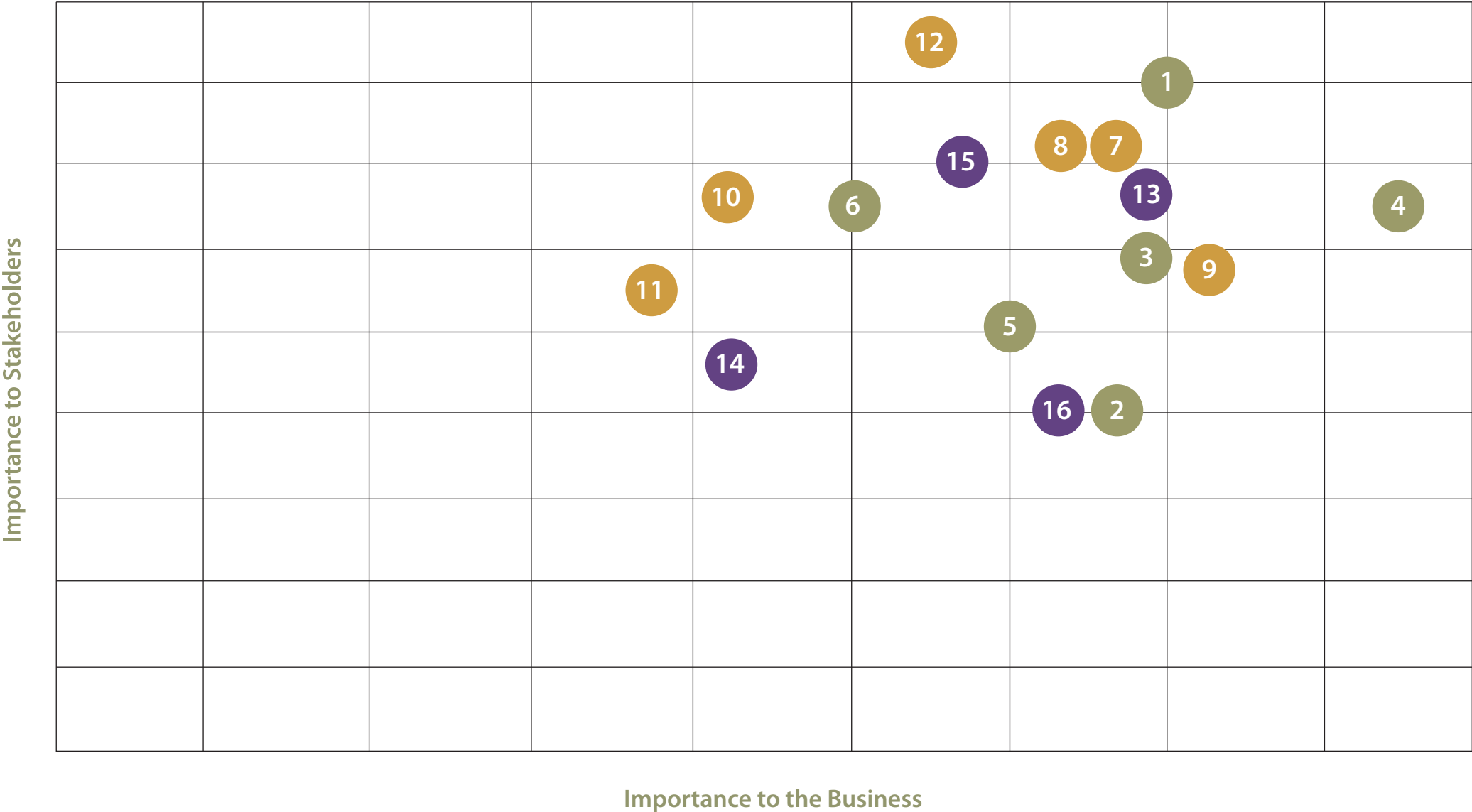
THE TABLE BELOW PRESENTS CONNECTIONS BETWEEN OUR MATERIAL TOPICS AND THE UN SDGs:  
*GRI (3-2)*

MATERIAL TOPIC NO.	MATERIAL TOPIC	SDGs LINKED TO THE MATERIAL TOPICS	AL DAHRA'S AREAS OF APPLICATION	
1	Water Management	<div> <div>6 CLEAN WATER AND SANITATION</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div> </div>	Adoption of water efficient practices and technologies throughout production.	Air-cooled chillers/alternative technology to reduce water usage.
2	Waste Management	<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>	Reusing metals in plant maintenance and recycling unused metals as scraps.	
3	Animal Health & Welfare	<div> <div>15 LIFE ON LAND</div> </div>	Temperature control, and animal health management.	Policies and plans to animal welfare management.
4	Climate Change	<div> <div>1 NO POVERTY</div> <div>2 ZERO HUNGER</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div> </div>	Installation of solar panels to produce solar energy in Morocco, KEZAD, Toshka and Serbia  Use of solar collectors for indoor lights to minimize reliance on fossil fuel generated electricity.	Energy efficient techniques to reduce total energy consumption.  Climate-controlled greenhouse for tomato production.
5	Soil Health	<div> <div>2 ZERO HUNGER</div> <div>15 LIFE ON LAND</div> </div>	Biostimulators and soil activators to replace synthetic chemicals.	solar energy in Morocco, KEZAD, Toshka and Serbia crops and green cover maintenance.
6	Pesticides Use	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>6 CLEAN WATER AND SANITATION</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>15 LIFE ON LAND</div> </div>	Organic pesticides and fertilizers to reduce soil degradation.	Precision farming technology to minimize synthetic chemicals.
7	Human Capital Management	<div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> </div>	Investment in education of employees as well as local communities.	Gradually increasing the proportion of female employees across the organization.

MATERIAL TOPIC NO.	MATERIAL TOPIC	SDGs LINKED TO THE MATERIAL TOPICS	AL DAHRA'S INITIATIVES
8	Human Rights & Labor Conditions	     	Provision of employment, contracts, and tenders to locals and immigrants.
9	Health, Safety & Well-being	 	Strategic investments in different regions to optimize employment and economic output.
10	Customer Engagement	  	Collaboration with major logistic companies on best rates, space and transport for building customer relations. Effective door-to-door delivery process enabled by SAP TMS.
11	Community Relations	      	Diverse set of initiatives based on the needs of the local communities
12	Food Supply	 	Minimization of the volatility of output volumes and quality through investment in irrigation infrastructure.
13	Business Ethics		Ethics and compliance are central to our business strategy to cater to our employees, community, and supply chain.
14	Supply Chain Responsibility	  	SAP Ariba, a single centralized procurement platform.
15	Product Quality, Safety & Responsibility		ISO accreditations and robust supplier code of conduct
16	Technology & Innovation		Deployment of precision and IoT-based farming techniques, drones, robotics, autonomous vehicles, smart sensors and satellite imagery. Robotic technology in the rice mill.

The outcome from our materiality analysis is presented in the Materiality Matrix below:

- Colors and grouping on the matrix**
- The green color indicates Environmental topics
  - The orange color indicates Social topics
  - The purple color indicates Governance topics





# Transparency and Data Reporting Platform

An important aspect of our sustainability vision is to enhance our transparency and publicly disclose key aspects of our sustainability governance, strategy, and targets. This involves reporting on our initiatives and performances while improving our reporting processes and practices.

To achieve this endeavor, we are developing an online ESG reporting platform, which will help us to structure and centralize our monitoring and track several sustainability indicators and identify the changes and fluctuations more promptly. The platform will also cater to ESG accountability, with regular updates to senior management.







**Our Human Resources Investment**



# Our Human Resources Investment

*GRI (2-7), (2-8), (3-3), (205-1), (205-2), (205-3), (403-1), (403-2), (403-3), (403-4), (403-5), (403-6), (403-7), (403-8), (403-9), (405-2), (406-1)*

Al Dahra is a home to employees from over 56 nationalities. It is therefore our priority to provide a thriving and nurturing place for our people to grow to their full potential, without any limitations, bias, or threat to their human rights. We believe that our deeper connection with our people improves their morale and performance.

We prioritize the well-being of our employees by implementing comprehensive human resource management policies. Our aim is to ensure that all employees' rights and freedoms are protected and addressed. As a leading agribusiness with a widespread presence, we recognize that we have the opportunity to positively impact the lives of our employees, regardless of their job level or cultural background.

Since the launch of our reporting commitment in 2020, we have expanded our scope to Egypt and Europe (Spain and Italy) in 2021 and the USA in 2022. Therefore, year-on-year performance comparisons are not applicable to the quantitative data of our human resource indicators.

We follow a consolidated reporting approach to present data as a group and to build stronger synergies in the way we run our operations across the different geographical locations.

# Diversity & Inclusion

We view diversity and inclusion as a key pillar of our growth and value what each individual brings to our team. We celebrate the diversity of our workforce, welcoming people from diverse backgrounds and inclusive of all genders, race, ethnicity, working and thinking styles, religious background and more. We endeavor for our workplace to be an environment that embraces the uniqueness of every individual.

Employees at Al Dahra			
	2020	2021	2022
Total Workforce	3,792	3,987	4,177
Number of Full Time Employees	3,326	3,550	3,599
Number of Part Time Employees	466	428	578

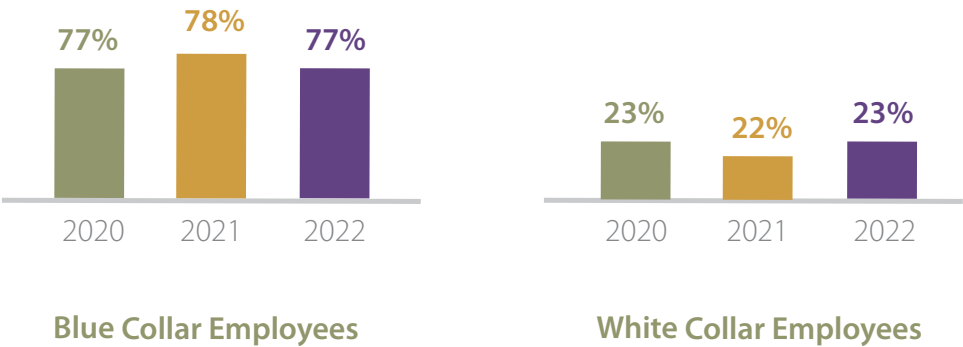


# Diversity by Skill

As an agribusiness, our operations are labor intensive in nature, encompassing the cultivation, production, and trading of animal feed and essential food commodities with end-to-end supply chain management across all business locations.

As a result, a higher percentage of our workforce comprises blue collar workers compared to white collar workers.

## EMPLOYEES BY SKILL

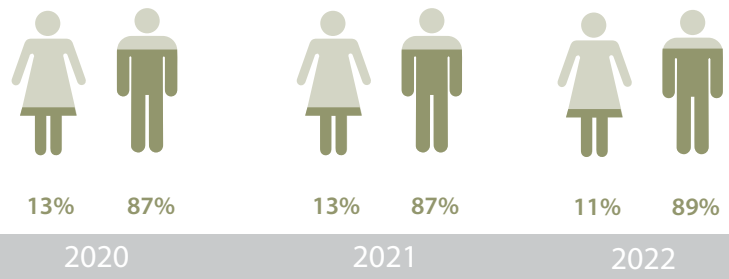


# Diversity by Gender

At Al Dahra, we are committed to increase the representation of women throughout the organization, including leadership roles, encouraging their ability to play an influential role in strengthening our inclusive work culture. We have a heritage of a high percentage of male employees and aim to recruit more women. We take proactive measures to support women’s rights and economic inclusion, including support for equal pay.

We are also committed to respecting the privacy of our female employees and customers through our grievance mechanisms and data privacy efforts, respectively. Our goal is to provide a work environment that empowers women to reach their full potential.

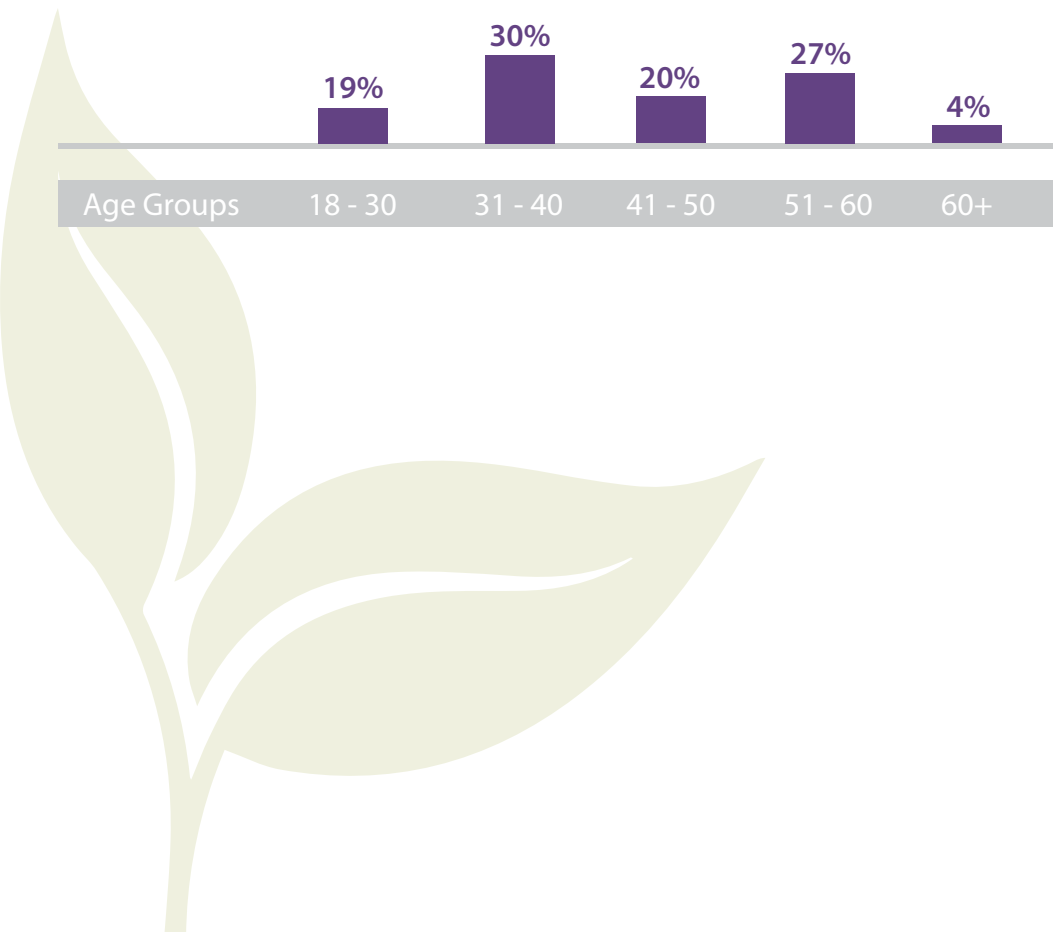
Employees by Gender



# Diversity by Age

At Al Dahra, we value age diversity and welcome employees of different age groups. We strictly prohibit discrimination in our workplace and strive to maintain a balanced age structure within our workforce. We believe that age diversity creates a more dynamic organization, bringing numerous benefits such as innovation, expertise, mentorships and skill-sharing.

EMPLOYEES BY AGE GROUPS IN 2022

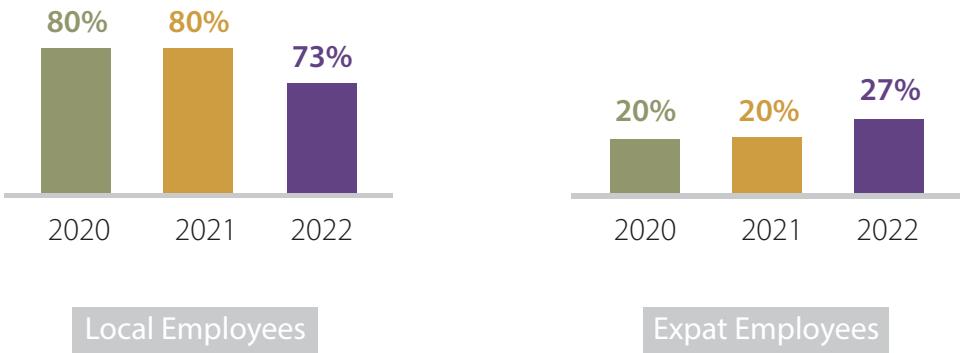


# Diversity by Nationality

Our definition of local employees varies depending on the location of our operations. The local employees data for the UAE, Serbia, Romania, and Egypt includes the proportion of local nationals, which are Emiratis, Serbians, Romanians, and Egyptians respectively. For Europe, Spain, Italy and the USA, local employees are referred to individuals who have obtained permanent residencies.

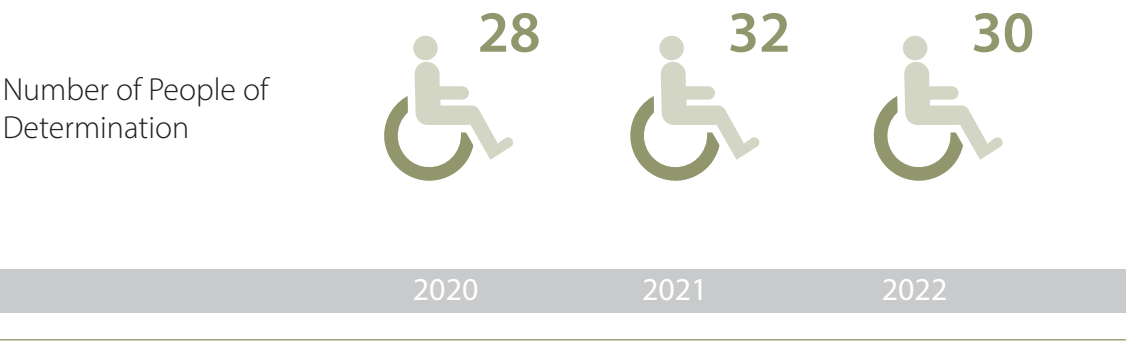
One of the development programs that we have implemented in the UAE to enhance our efforts towards the Emiratisation process is the 'Nafis program'. This federal program is a set of 13 initiatives that aim to increase the competitiveness of Emirati human resources, empowering them to secure jobs in the private sector. The Nafis program is part of 'Projects of the 50' to accelerate the UAE's development journey and boost the national economy.

EMPLOYEES BY ORIGINS



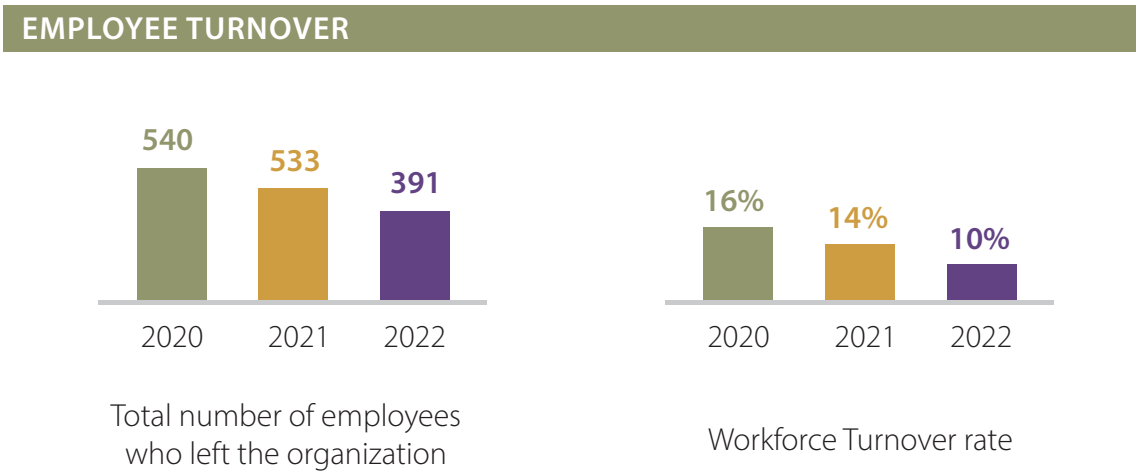
# Inclusion of People of Determination

At Al Dahra, we are committed to promoting the inclusion and professional development of individuals with disabilities, whom we refer to as "people of determination" in alignment with the norms of the UAE. We uphold this commitment by adhering to all relevant national laws and regulations in the countries where we operate. We provide equal employment opportunities to people of determination, ensuring that they receive fair treatment and are not subjected to discrimination of any kind.



## Turnover Rate

At Al Dahra, we consider our turnover rate a critical factor in assessing the effectiveness of our business operations and human resource management processes. We monitor this rate to evaluate our employee engagement and retention initiatives. By doing so, we can identify areas where we need to improve our practices and develop strategies to enhance our employees' overall job satisfaction. Our ultimate goal is to create a positive work environment that fosters employee loyalty and reduces staff turnover, contributing to the long-term success of our business.



In 2022, Al Dahra initiated a transition, encompassing organizational restructuring, a re-evaluation of our priorities and portfolio, and an overall focus on professionalization. We are committed to taking additional measures to support our employees and cultivate a nurturing workplace.



# Talent Attraction and Recruitment

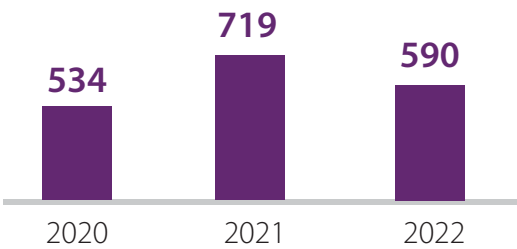
To encourage young people to consider a career at Al Dahra, we have established partnerships with various educational institutions. Through these partnerships, we aim to motivate students to apply for the jobs we advertise and prepare them for the corporate world.

As part of our efforts to attract a diverse pool of talent, we are actively recruiting fresh graduates and providing them with comprehensive training. Additionally, through our recent partnership with Pure Harvest, we are focused on hiring graduates and training them with skills that will benefit our organization in the long term.



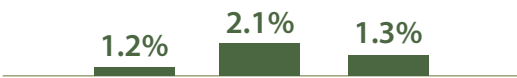
## NEWLY HIRED EMPLOYEES

Total number of new employees who joined the organization

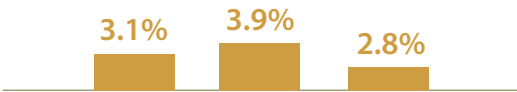


## BY LEADERSHIP

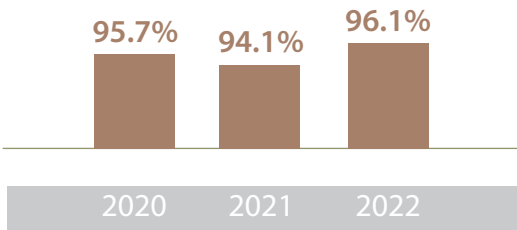
New employees who joined the organization (Senior Management)



New employees who joined the organization (Middle Management)



New employees who joined the organization (Staff)





# Learning & Talent Development

Learning and talent development opportunities are an integral part of our mission to maintain a high standard of corporate culture. We are dedicated to improving the performance of our people at the individual, group and departmental level.

To fulfill this purpose, we conduct skill development sessions and provide our employees with access to high-end training. We acknowledge that raising the learning bar within an organization improves productivity and effectiveness, which in turn impacts the performance of our business at all levels.



Nurturing our people with regular performance and career development reviews allows us to evaluate our people’s performance and understand their expectations from us and how they wish to curate their careers. It also gives us opportunities to improve our performance as an employer and identify training and development needs, areas of improvement and goal setting. While these reviews are standard procedures at Al Dahra, the percentage of employees receiving regular performance and career development reviews is 100% for our offices in Egypt, Romania, and USA.

**IN 2022, TRAINING WE PROVIDED TO OUR EMPLOYEES INCLUDED:**

<b>Chartered Institute of Personnel and Development (CIPD)</b>	<b>Project Management Professional (PMP) certifications</b>
<b>Association of Chartered Certified Accountants (ACCA)</b>	<b>ICA International Diploma in Governance, Risk, and Compliance</b>
<b>SAP IBP for Supply Chain and Integrated Business Planning</b>	<b>Commercial Contract Training for comprehensive understanding of procedures and practices</b>
<b>Solicitors Qualification Exam</b>	

Additionally, we conducted select training for UAE employees, which included Finance for non-financial professionals (including an executive course held at the London Business School), English courses to help them enhance business language skills, and professional courses on project management.

**Al Dahra Europe’s efforts to elevate the learning curve of employees is reflected by the 45.4 average hours of training invested per year per female employee and 14.9 for male employees.**

**At Al Dahra, we are proactive in our efforts to empower youth professionals by providing diverse internship opportunities to candidates. Our internship programmes in 2022 supported 33 individuals in achieving practical experience in their areas of interest, including crop production, livestock production, finance, information technology, logistics, field work, and marketing.**

# Labor Practices & Decent Work

We know that long-term success starts with a company’s value system and a principled approach to doing business. Our Human Rights Policy communicates how we define, approach, govern, and support universal human rights and dignity of people throughout our operations, the communities in which we operate, and our global supply chain.

We acknowledge internationally recognized human rights principles and are informed by the United Nations Guiding Principles on Business and Human Rights and its foundational principles for business enterprises, including those expressed in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

As part of our company policy, we comply and expect our suppliers and other business partners to comply with laws that promote safe working conditions and individual security, laws prohibiting forced labor, prohibitions on the employment of underage children, prohibitions on human trafficking and harassment and unlawful discrimination.















Our grievance management and policy enables our people to express their concerns and seek resolutions at the point of registering their issues. Our whistleblower reporting platform, Tawasul is available on our website for easy accessibility, with a QR code that leads to the reporting form. We follow a strict no retaliation policy for whistleblowers.



# Employee Benefits

We regard human rights as a fundamental responsibility and strive to give our people a rewarding and respectful experience. In addition to competitive compensation, we offer additional benefits to our employees that enable us to establish a healthy employer-employee relationship. We believe that the additional benefits strengthens our business value and enhances our relationship with our employees.

## The key benefits we offer include

 Performance Bonuses	 Furniture Allowance	 Mobile Allowance	 Life Insurance
 Disability coverage	 Medical insurance	 Statutory benefits including EOS	 Paternity & Maternity leave
 Pilgrimage leave	 Remote work	 Skill development leave	 Club Allowance

Our ‘Reward and Recognition Framework’ covers our performance-based incentive program, and promotion and salary revisions based on a market benchmark. Supervisors follow SMART objectives (Specific, Measurable, Achievable, Relevant, and Time-Bound) to review and appraise the performance of their employees. To reward our employees, we have an employee of the year program and celebrate employees who complete 20 years of service with us.



# Health, Safety and Wellbeing

GRI (13.19.1), (13.19.2), (13.19.3), (13.19.4), (13.19.5), (13.19.6), (13.19.7), (13.19.8), (13.19.9), (13.19.10)

We are committed to providing a safe and healthy workplace for all of our employees. As part of this commitment, all of our facilities comply with workplace safety laws. Employees are expected to perform their duties in a safe manner at all times, including wearing appropriate gear, operating machinery according to instructions, and taking appropriate action when a safety hazard arises. We prohibit our people from working under the influence of any substances that qualify as drugs or alcohol.

OUR OCCUPATIONAL HEALTH AND SAFETY PLAN (OHS) IS SUPPORTED BY A SUITE OF OHS PROCEDURES, WHICH PROVIDE ADDITIONAL DETAILED OHS REQUIREMENTS IN RELATION TO PARTICULAR OHS HAZARDS, NAMELY:



Machinery and Vehicles



Confined and Restricted Space Entry



Dust Exposure, Combustibles, and Silo Safety



Operational Workplace Hazards



Chemical Hazards



Biological Hazards

We also conduct employee wellbeing sessions every month to promote mental and emotional wellbeing as part of our commitment to health and safety.

HEALTH AND SAFETY METRICS			
	2020	2021	2022
*Total hours worked	5,727,441	5,401,706	4,822,113
*Number of lost time injuries (LTIs)	45	55	57
*Lost Time Injury Frequency Rate (LTIFR)	1.57	2.04	2.36
Number of lost days from LTIs	1,414	3,205	2,255
Average number of health and safety training hours per employee	8	8	18
Number of toolbox training attendees	1,110	1,050	1,176

*\*Data for total worked hours, number of lost time injuries (LTIs) and Lost time injury frequency rate (LTIFR) does not include information from Italy, Spain, and USA operations due to non-availability . The remaining health and safety do include Italy, Spain and USA operations.*



**Our Production  
& Supply Chain Excellence**



# Our Production & Supply Chain Excellence

## GRI (3-3)

At Al Dahra, we are proud of the achievements we have made in production and supply chain management. Our commitment to adopting best-in-class processes, state-of-the-art equipment, and practical innovative solutions has been instrumental to our success. As part of our purpose to sustainably feed a growing world, we collaborate with stakeholders to promote sustainable agriculture and optimize our supply chain. By working with partners who share our values and vision, we can enhance our ability to deliver high-quality products and services that meet the evolving needs of our customers.

We are committed to continue growing as a sustainable agricultural and food products provider and partner, ensuring supply sufficiency, high quality of farming and production operations, affordability of distribution logistics, and protection of the environment and natural resources. Our leadership has been driving the importance of using technologies to bring automation to the processes and streamlining the various stages involved in the cultivation, production, logistics and trading of our products.

With a diverse portfolio of production activities, we are conscious of our heavy reliance on energy and take proactive measures to limit our negative impact on the climate. Some of the key steps that we incorporate include internal energy audit, deployment on low-energy consuming, and low-GHG emitting machinery, optimizing irrigation hours, improving lighting efficiency, and reducing energy consumption in our industrial buildings, ensuring longevity of our existing equipment and prioritizing renewable energy sources as well as train and barges over trucking transportation.

# Production and Technology

In this Decade of Action towards achieving the Sustainable Development Goals and limiting the global temperature rise to 1.5 degree celsius, a focus has been placed on investments and use of technology by businesses. At Al Dahra, we are deploying techniques and equipment in the irrigation and agriculture space with the aim to reduce, prevent, and eliminate any negative impact our business process might have.

We are adept at capitalizing on opportunities that enable us to use either nature-based solutions or high-tech automation technologies in our production and trading activities. For example, at Al Dahra Romania, we perform low-tillage and precision farming technology that enable us to reduce CO2 emissions.

Additionally, we have implemented robotic technology in the rice mill (KEZAD UAE) introducing automation to the processes and strengthening food safety measurements. At our dairy farms in the UAE, our priority is to protect the health and wellbeing of our herds, while meeting the needs of our community with high-quality dairy products. To achieve this, we have invested in a modern climate system to maintain herd health and increase milk efficiency, especially during summer months. We are also equipped with the latest forage processing and packing equipment to efficiently satisfy the needs of dairy products and animal feed companies.

One of the significant decisions made in 2022 was the consolidation of our food businesses under one division. This was aimed to have a unified leadership for all our farms, enhance the exchange of best practices, and emphasize our commitment towards continuous improvement.

Another milestone was establishing a partnership with PureHarvest to drive forward our efforts towards resilient food systems. An alliance for Al Dahra BayWa was formed with Pure Harvest Smart Farms. This partnership aims to advance our commitment towards the UAE's food security and sustainability objectives. We are also aiming to develop renewable energy projects to power AgTech through this partnership.



We follow a rigid process for tracing the source, origin, or production conditions of the products sourced (such as raw materials and production inputs purchased). For instance, Al Dahra Europe adheres to specific quantities in contracts with farmers, which encompasses all the specifications of the product and its origin.

Farmers are required to follow all regulations and legal procedures detailed in the contract. Once we receive our products, we subject them to rigorous laboratory analysis to verify their quality. Our stringent laboratory processes are designed to ensure that our products meet the highest standards of excellence, and we take care to document our results. As part of our quality control measures, we save samples of our products for future tracing and analysis, enabling us to identify and address any issues that may arise.



**Al Dahra Europe has laboratory accreditation of ISO 17025.**

**TAPPING INTO DIGITAL FARMING**

Digital farming is defined as the utilization of technology and its solutions to enable accurate and reliable monitoring and management of farms. Additionally, it is the science of enhancing crop yields and aiding management decision-making via high-tech sensors and analysis tools. Process automation is applying technology to replace manual, mundane, repetitive tasks with automated workflows in doing so enabling more accuracy.

At Al Dahra, we are embracing digital farming and seek to expand our efforts in this area in the coming years. We currently use precision and IoT-based farming techniques in our farms. This includes leveraging advanced technologies such as satellite imagery, drones, robotics, autonomous vehicles, and smart sensors. In line with our commitment to innovation, we are exploring the potential of precision livestock farming, which involves using technology for real-time and continuous monitoring of the behavior, health, and production of livestock. By adopting these advanced digital farming practices, we can improve the efficiency and sustainability of our operations while maintaining high levels of quality and safety for our products. We remain committed to leveraging cutting-edge technology to drive the continued growth and success of our business.

**AL DAHRA IS POISED TO DERIVE SUSTAINABLE BENEFITS FROM DIGITAL FARMING IN VARIOUS AREAS, INCLUDING:**



# Supply Chain Management

At Al Dahra, we source raw materials from more than 40 origins and trade in more than 40 markets and regions and over 200 port pairs.

Our long-standing relationships with suppliers and our commitment to responsible value chain practices have helped us establish a leading position across Asia, the GCC, and the Middle East region. We have implemented a robust Supplier Code of Conduct and entered into contractual agreements with our preferred suppliers for each product category, enabling us to operate ethically and sustainably.

We recognize the importance of global relationships with major logistics companies, as they enable us to expand our logistics solutions and access new markets for sourcing and sales. By partnering with these companies on a global level, we can leverage our position to negotiate the best rates, space, and support, allowing us to improve our logistics capabilities and optimize our supply chain. Through these collaborations, we can also enhance our ability to meet the evolving needs of our customers and respond to changing market conditions.

Our Code of Conduct for our suppliers and vendors is inclusive of the elements required to create a positive impact in every activity and process encompassed by our business. The due diligence criteria in our Supplier Code of Conduct follows a strict requirement and therefore, allows our suppliers and contractors to adhere and conform to our standards of ethics and compliance. The Code of Conduct is an integral part of our commercial agreements with suppliers, business units, and affiliates.



All our vendors and suppliers are required to comply with our procurement policy and are strictly informed under obligation to report any breach or violation of the terms of the policy. The procurement contracts are reviewed by our General Counsel before they are sent to any supplier and then again prior to the contract being finalized and signed by both parties.

We continue to deploy SAP Ariba, a cloud technology to centralize procurement services to help promote food security and farming sustainability.

# Global Logistics Excellence

We have made significant investments in the logistics sector to establish a robust network of land transportation and sea shipping services for our products. To further enhance our logistics capabilities, we have implemented the SAP Transportation Management System (TMS), which provides us with standard solutions while also allowing us to customize it to offer efficient door-to-door delivery options.

By leveraging this technology, we can optimize our supply chain and improve our ability to deliver products in a responsible and sustainable manner. Our investment in logistics reflects our commitment to operational excellence and our dedication to meeting the evolving needs of our customers.



**Together with SAP Ariba, Al Dahra sows the seeds for long-term growth and sustainability by having a single procurement platform that enables greater options of supply, optimized management of buyer and supplier ecosystem, and achieving benefits and efficiencies.**

Al Dahra Global Logistics is committed to reducing the carbon footprint of our business, and we have undertaken several projects in this regard. Some of these projects include:



Introducing electric barges and pushers for river transportation to reduce emissions and improve efficiency.



Transforming truck transportation to rail transportation or barges to reduce the carbon footprint of our logistics operations.



Re-opening an old rail ramp in Spain in partnership with the Spanish Government and private entities to facilitate the movement of 95% of our volume to ports by rail.



Increasing the use of rail and barges for exports in Romania, with the aim of achieving 80% utilization by 2023.



Expanding the use of rail transportation in Italy, allowing us to access more ports, improve efficiency, and reduce our carbon footprint.



Signing memorandums of understanding in Serbia to develop rail connectivity to our Belgrade plant, reducing road traffic, improving efficiency, and increasing output throughout the year.



Exploring opportunities for rail transportation in Egypt in partnership with the government to connect our farms to ports in the North and Red Sea.



Mapping and understanding rail connectivity in the USA and Canada to expand our sourcing areas, improve efficiencies, and reduce emissions.



Connecting the Baltic region to Southern Europe by train to reduce transit time, cost, and provide alternatives to standard maritime services from the Eastern Baltic Sea.



Creating new hubs in South Africa to expand our sourcing areas with rail connectivity to the Durban and Port Elizabeth for the first time in this region.



In 2022, Al Dahra made the strategic decision to expand its role to include customs clearance services in the UAE. This decision was driven by several factors, including the diversity of goods imported, the size of our business, the expertise of our team, and our unique relationships with government and private entities involved in the customs clearance process.

By taking on customs clearance services ourselves, we were able to achieve lower costs and establish a more efficient and proactive approach. This has added significant value for our company and our customers, while also preventing demurrage and other extra costs at the end of the day.

Despite our strong relationships with logistics companies and customs brokers, we saw an opportunity to improve our processes and provide a higher level of service to our customers.

At Al Dahra, we believe that developing close relationships with our suppliers is essential for developing new solutions for our business and improving our supply chain. By working closely with our suppliers, we can create specific roles in our organization that align with the roles of logistics companies.

This approach allows us to speak the same language, understand their pain points, and close the gap between our operational needs, their operational capacity, and long- and short-term requirements.

For example, we have dedicated a resource to work on allocation and planning, which has already brought significant benefits. This role allows us to have the necessary logistics resources, such as rail, trucks, containers, and space on vessels, to meet our operational needs. By taking this approach, we can optimize our supply chain, reduce costs, and improve efficiency, while also fostering strong relationships with our suppliers.

This is part of our unique business model (*mentioned in About Al Dahra chapter of this report*) that is aimed at globalizing our logistics capabilities and relationship with ports and terminals, logistics companies and shipping lines.





An aerial photograph of a tropical landscape. In the foreground, a dense grove of coconut palm trees is visible. Behind them, a large red building with a tiled roof and a smaller white structure are situated. The ground around the buildings is a reddish-brown color, possibly a cleared area or a field. In the background, there is a line of trees and distant hills under a blue sky with light clouds.

# Our Environmental Management



# Our Environmental Management

*GRI (3-3), (13.1), (201-2), (305-1), (305-2), (305-3), (305-4), (13.5), (13.6), (13.7), (303-1), (303-2), (303-3), (303-4), (303-5), (13.8), (306-1), (306-2), (306-3), (306-4), (306-5), (13.11)*

Environmental sustainability in the agricultural sector is critical for ensuring resilient stewardship of the natural systems and resources that farms and facilities rely on. With rapid population growth and increasing demand for food to achieve food security, the agricultural sector plays a vital role in meeting these demands while also minimizing its impact on the environment.

Globally, environmental and climate-related risks are among the top concerns, including climate action failure, extreme weather, and biodiversity loss. It is essential that the agricultural sector takes a proactive approach to address these risks and promote environmental sustainability.

**Managing risks to climate is a key driver in Al Dahra's ESG initiatives. Al Dahra's corporate strategies embed actions that aim to reduce environmental impact.**

We follow the guidance provided by the United Nations Sustainable Development Goals, the Paris Agreement, and GRI Sector Standard for Agriculture, Aquaculture, and Fishing in order to enhance and improve our business operations and practices.

Our environmental, social, health and safety (ESHS) policy outlines two broad environmental commitments

- 1. Protecting the environment throughout the lifecycle of our operations, including preventing pollution, responsible use of water and soil, protecting natural habitats, promoting biodiversity, application of responsible fertilizer and pesticide products, and minimizing waste.
- 2. Supporting global action to tackle climate change, working to reduce greenhouse gas emissions from our operations and our supply chain, and adapting our operations and those of our suppliers to be more resilient to a changing climate.

In 2022, we developed and executed environmental and climate change initiatives in our facilities, enhancing various elements of our operations, including our agricultural practices, energy savings, renewable energy, climate change, and GHG emissions to improve our transparency and build an equitable workplace.

We are currently developing a platform that will enable us to further structure KPI monitoring and oversee our ESG performance more closely and accurately. This platform represents an important step in our commitment to transparency and sustainability, as it will allow us to track our progress and identify areas for improvement.



**Al Dahra is committed to addressing climate change and promoting environmental stewardship through five key pillars, which are outlined below:**

Regenerative Agriculture/ Carbon Farming	Greener sources of fuel and inputs, reduce energy use	Water Conservation by leveraging technology & soil health	Mitigating livestock emissions by adopting new technology and products	Recycling of Organic & Non-Organic Waste
<ul style="list-style-type: none"><li>• Minimum or no tillage</li><li>• Adopt cover or perennial crops</li><li>• Increase biodiversity</li><li>• Minimize input</li></ul>	<ul style="list-style-type: none"><li>• Adoption of greener electricity sources</li><li>• Adoption of greener fuel (ex: biofuel, electric fuel, hydrogen fuel)</li><li>• Implementation of energy efficiency and saving initiatives</li><li>• Routing efficiency and reduce energy usage</li></ul>	<ul style="list-style-type: none"><li>• Adopt precision farming and automation</li><li>• Undertake investment to conserve water</li><li>• Increase water holding capacity of soil (Regenerative agriculture)</li></ul>	<ul style="list-style-type: none"><li>• Adoption of precision livestock management and automation</li><li>• Increase production efficiency and lower herd numbers</li><li>• Adoption of additives and other solutions</li><li>• Undertake manure management and biogas generation</li></ul>	<ul style="list-style-type: none"><li>• Conversion of organic waste to compost or animal feed</li><li>• Adopt packing materials that are biodegradable</li></ul>



To advance our strategic efforts, we will be adopting EU Eco-schemes for the next 5 years. The Eco-schemes are aimed at promoting environmental protect and climate change mitigation by encouraging and incentivizing sustainable agricultural practices.

WE HAVE IDENTIFIED THE FOLLOWING FOCUS AREAS AS PART OF THIS INITIATIVE:



Carbon Farming and Sequestration



Precision Farming and Satellite Imagery



Feed Additives



Organic Farming Practices

Our compliance to the ISO and alignment with international best practices across our business units and operations drive us to comply with regulations and evolve our sustainability objectives:



# Our Environmental Vision

Al Dahra has set a long-term vision for the environment, methods and approaches to attain the environmental goals. Our approach includes a structured process to identify risks and opportunities.

STRATEGIC FOCUS/OPPORTUNITIES FOR AL DAHRA



Regenerative Agriculture



Emission Reduction



Water Conservation & Optimization



Carbon Farming



Biodiversity Conservation



Renewable Energy



Digital Farming example, Farming satellite control



Circular Economy Model for waste and reduce use of virgin material



Management of Livestock through the adoption of feed additives and emission reduction

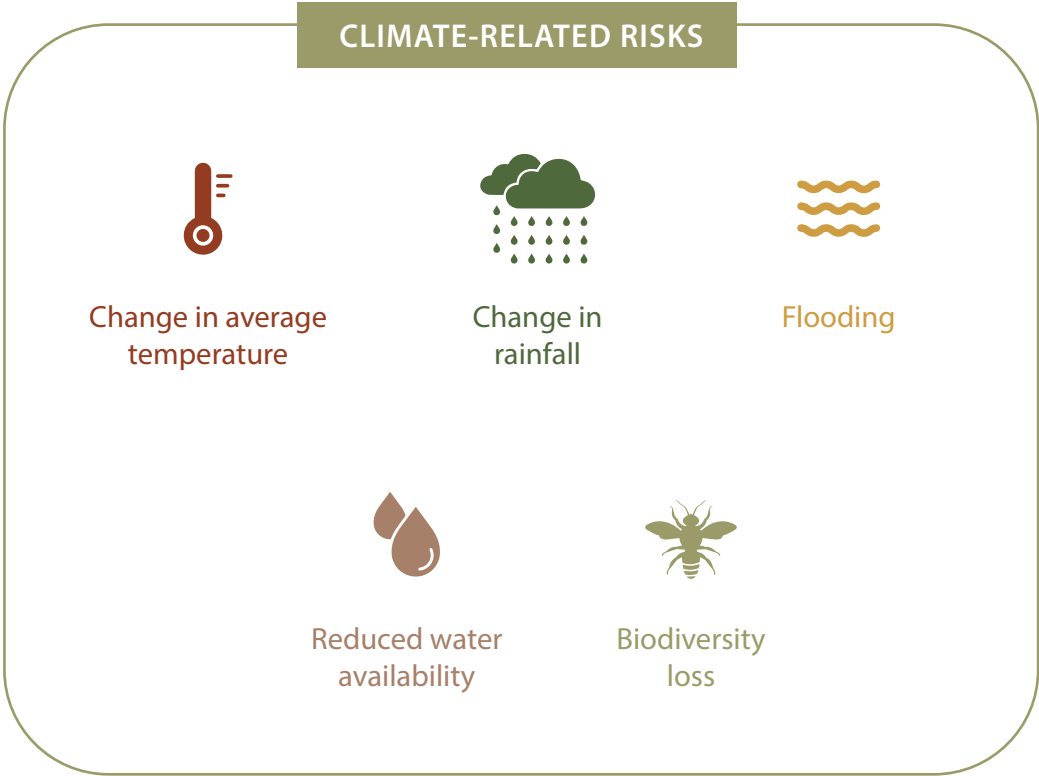


Fertilizer reduction & Green fertilizers/ chemicals implementation





The key elements identified upon conducting the assessment of environment and climate related risks and opportunities.



# Environmental Footprint & Land Use

In order to mitigate various environmental issues, we have put a variety of management plans in place. These plans cover different elements and provide minimum mitigation, management, and monitoring requirements. They are being adopted across all regions and business units. Each plan includes an action plan to guide ESHS management across our sites and tracks Al Dahra's progress on the addressed elements.

## THE MANAGEMENT PLANS IN PLACE INCLUDE THE FOLLOWING ENVIRONMENTAL ELEMENTS:



Biodiversity



Soil



Pests



Fertilizers



Water



Crop Residue and Waste

## BIODIVERSITY MANAGEMENT PLAN (BMP)

At Al Dahra, we are committed to preserving biodiversity and minimizing the impact of farming on local flora and fauna, while also maintaining crop biodiversity on our farms. Biodiversity is crucial in developing resistance to pests and disease due to the varied levels of susceptibility and resistance. To ensure that our processes consider this, we have implemented a Biodiversity Action Plan (BAP) template as guidance for site-specific ESHS management. The BAP captures essential information to ensure that biodiversity management is adequately addressed. This plan requires the participation of all direct and indirect company employees, including direct-hire employees, consultants, contractors, and subcontractors.

## SOIL MANAGEMENT PLAN (SMP)

The Soil Management Plan (SMP) addresses sustainable land management for all of Al Dahra's soil management activities across each of our sites and project facilities. The SMP combines fundamental socio-economic principles with environmentally sensitive technologies, policies and activities. In order to ensure sustainable land management (SLM) in agriculture, we have identified the pillars below to be regularly assessed, tested and monitored throughout the implementation of the SLM.



PILLARS OF LAND MANAGEMENT AND TARGETS TO MAINTAIN SUSTAINABILITY:



Efficiency

Refers to the benefits that will be obtained from the protective, health and esthetic purposes of land use as well as the financial gains of SLM



Security

Refers to acquiring the balance between current environmental conditions and the commercial pressure regarding land use.



Protection

Refers to the need to protect soil, water, genetic diversity, and threatened species for their intrinsic value and accessibility to future generations.



Vitality

Refers to the extent to which the applied land use aligns with the local environmental conditions, as if it does not, the use is not sustainable.



Acceptability

Refers to the notion that the adopted land use methods should be deemed socially acceptable for the practice to endure, if not it is inevitable to fail over time

THE ESHS MANAGEMENT TEAM USES THE PLAN'S REQUIREMENTS AS GUIDANCE FOR THEIR OWN ACTION PLANS TO ENSURE THEY ARE ADOPTED THROUGHOUT THE PROCESS.

THE MANAGEMENT OF SOIL ENCOMPASSES CRITICAL ISSUES OF THE AGRIBUSINESS:

Erosion	Over-compaction	Salinisation
Diseases	Reduction of organic matter through intensive farming	

To ensure healthy soil at our Al Dahra sites and facilities, we have adopted various methods. Minimum tillage practices have been implemented to conserve soil and minimize soil disturbance. We also use tractors and combines equipped with tracks and GPS systems to reduce soil compaction, restore and improve soil structure and protect against erosion.

Additionally, we have introduced more leguminous plants, such as alfalfa and soya, as stabilizers to boost soil structure and stability, increase cohesion between soil particles, improve water retention capacity and increase biological nitrogen content in the soil.

To further enhance our soil quality, we have increased the organic matter content in the topsoil layer up to 8-10 cm and encouraged microbial activity. Our nitrogen fertilization program involves the use of nitrogen-based fertilizers applied through fertigation, along with biostimulators to improve fertilizer efficiency and reduce soil pollution. Additionally, we have adopted various other practices such as crop rotation, leaving plant residues after harvesting for organic matter, minimizing inversion tillage, and managing nutrients.



PEST MANAGEMENT PLAN (PMP)

Managing pests is important in maintaining healthy soil. Pesticides are used to prevent diseases, weeds and pests, which increases productivity and yields. However, overuse of pesticides can lead to negative impacts such as contamination of land and groundwater, which can affect soil fertility in the long run. Pesticides can be applied directly to livestock or structures, or used to control pests using dipping vats, sprayers, and foggers. They can also be used to control predators, waterborne diseases, and virus transmission.

The use of pesticides requires careful attention to avoid potential risks to health and safety, nuisance risks, and third-party liability issues. Misapplication of pesticides can disrupt the relationship between microorganisms and plant roots, affecting their long-term health. If not managed correctly, damages can spread to neighboring crops, habitats, and residential areas through spray drift.

To ensure the safe and effective use of pesticides, all Al Dahra facilities follow a rigorous approach that aligns with ISO 22000. At the start of each season, we provide training on pesticide use to our employees, technologists, and tractor drivers. Further, before resorting to pesticide use, we prioritize three basic principles of pest management.

THREE PRINCIPLES OF PESTICIDE MANAGEMENT:

1. Prevention

First stage wherein practical measures are implemented to prevent the development of pests, weeds, and diseases.

2. Monitoring

Second stage where crops are constantly monitored to prevent the development of potential pests, weeds, and diseases in order to control them through natural mechanisms (ex: integrated pest control)

3. Intervention

Final stage wherein pesticides are used only to the minimal extent that does not compromise the economic value of the crops, while also considering the potential environmental impacts.

At Al Dahra, we aim to reduce our reliance on pesticides at our farms and facilities by eliminating their unjustified usage. We select pesticides based on their potential risks to human health and the environment, opting for those with the lowest risk from the registered list of pesticides. Our pesticide application practices align with national regulations and international standards.

We also prioritize non-chemical pest management practices as part of our sustainable crop production and integrated vector management approach. In some facilities, we use water treatment plants to reduce pesticide use for phytosanitary treatments. Nitrogen fumigation is also used as a technique to control pests. This method uses a type of pesticide that turns into a gas. In the future, we aim to transition to biopesticides to mitigate risks.

KEZAD UAE’s pesticide usage in 2022 was 3.406 MT of Aluminium phosphide and 7,616 Magnesium plates.

Al Ain Farms UAE in 2022 reported its pesticides usage of 12 kgs of wax block and 364 liters of Ko Ban CS, Tetracip, Cipekill EC, Aqua K Othrine, Suredis VT1, Divosan VT50 and Viroid.

CROP RESIDUE AND WASTE MANAGEMENT (CRWM) PLAN

Through our CRWMP we are building activities to address the common farm waste issues, which include:



Unwanted crop residue



Expired agro-chemicals such as pesticides



Scrap vehicles, machinery & materials




Expired containers with pesticide and oil residue


WATER MANAGEMENT PLAN (WMP)

The management of water resources is a critical aspect of our Environmental, Social, Health, and Safety (ESHS) plan, as sustainable water management involves balancing the needs of current and future generations for drinking and using, irrigation, industrial, and recreational water conservation.


In the agribusiness sector, there are a number of potential challenges related to water resource management, including:



Strains on local water supply



Use of poorly designed, operated and managed irrigation schemes




Agricultural runoff containing high concentrations of organic material and toxic substances such as pesticides, chemical fertilizers and other agricultural inputs


Soil moisture and water content are key variables in controlling the exchange of heat energy and water and maintaining sustainable agriculture. Thus, the effect of soil moisture on the yield is vital and the repercussions to the soil's chemical and physical properties are at stake if irrigation is not done meticulously. Inadequate or too much soil moisture in the plant root area usually results in a decrease in yield.




IN ORDER TO INCORPORATE THE SUSTAINABILITY OF WATER RESOURCES, AL DAHRA TAKES THE FOLLOWING ASPECTS INTO ACCOUNT:




Control of irrigation systems to ensure water measurement and evenness in distribution




Avoiding irrigation during heavy winds and midday




Avoiding discharge of untreated farm wastes and wastewater into natural water bodies




Preventing leaks and closely monitoring pipes



Determining the water requirements of the plants



Optimum performance of pumps (working at optimum pressure as well)



Efficient production planning

Al Dahra has adopted various technologies to ensure the use of efficient water management and effective irrigation methodology. Soil moisture sensors are used to determine the soil water potential. We also make use of variable-rate irrigation programs that consider the type of crop, weather data and weather forecasts. Drip irrigation technology is also present within our facilities and enables the precise and even distribution of water and nutrients, directly to the root of the plant, at a low pressure level and in small quantities. With the use of this technology, the optimal water requirement for the plant's development is ensured while utilizing smaller volumes of water and nutrients.

**FERTILIZER MANAGEMENT PLAN (FMP)**

At Al Dahra, we establish soil fertilization plans for each crop with the aim of optimizing the use of mineral fertilizers to obtain high crop yields and without the risk of damaging soil health in dry season conditions. Based on the results of a soil analysis, performed in Al Dahra's agrochemical laboratory, each crop is attributed fertilizer as much as is necessary for the scheduled production.

Al Dahra follows the following steps regarding fertilizer application strategy to ensure sustainable and environmentally-friendly practices when utilizing fertilizers.



Soil testing produces a depiction of the nutrients present in the soil that is utilized to recommend a quantity of fertilizer.



Manure testing estimates the availability of nutrients in manure thus providing information needed to determine an application rate based on crop nutrient requirements.



Realistic crop yield targets are set by using farm and field records to define the attainable target yields while taking limitations into consideration.



Record keeping involves documenting the process to improve fertilizer management and monitoring environmental risks.



Realistic crop nutrient requirements are distributed to the crops in order to achieve an economic yield and a reasonable return for the fertilizer.



Calibration, timing and placement of nutrients are specified for efficient fertilization. This includes ensuring the application equipment disperses the product at or near the target application rate. In addition, aligning nutrient application with the time of crop nutrient uptake to reduce the risk of nutrient loss to the environment and banding fertilizers below the soil surface enhance effectiveness.



# Climate and Energy

GRI (13.1.2), (13.1.3), (13.1.4), (13.1.5), (13.1.6), (13.1.7), (13.1.8), (13.2.2)



Climate change poses significant risks to the agricultural sector including reduced yields, decreased livestock productivity, and decreasing the efficiency of crop production. Investments in order to adapt to the continuous changes are essential to maintain the yields, quality of food, and address food security. Among the potential risks of climate change to the agriculture field include increase in average temperature, change in rainfall, rise in sea levels, geographical diversification, droughts, and desertification.

The direct risks specific to the agricultural sector include decrease in agricultural land, less water resources available for farming, decreased funds for agriculture, and transportation costs. Al Dahra is making efforts to mitigate against the potential risks of climate change through planning scenario planning, conducting risk assessments, managing water resources efficiently, utilising farming satellite control and increasing renewable energy usage.



	2020	2021	2022
<b>PETROL (GJ) Includes:</b> <ol style="list-style-type: none"> <li>1. Used for On-road Vehicles Owned or Leased by the company,</li> <li>2. Used for Off-road Machinery Owned or Leased by the company</li> <li>3. Used for Stationary Machinery or Generators</li> </ol>	14,621	16,040	19,750
<b>DIESEL (GJ) Includes:</b> <ol style="list-style-type: none"> <li>1. Used for On-road Vehicles Owned or Leased by the company,</li> <li>2. Used for Off-road Machinery Owned or Leased by the company</li> <li>3. Used for Stationary Machinery or Generators</li> </ol>	390,750	403,170	595,180
Natural gas Consumption (GJ)	160,046	212,900	101,950
Electricity Consumption (GJ)	606,772	639,590	587,472

*\*The data presented for energy consumption is not subject to comparison. Since the start of our reporting commitment in 2020, we have expanded our reporting scope to Egypt and Europe (Spain and Italy) in 2021 and the USA in 2022. However, USA operations are excluded from the energy consumption data due to unavailability and incompleteness of information.*



The energy consumption attributable petrol and diesel usage shows an increase in 2022 due to the data included by Al Dahra Serbia operations for this reporting period.



Al Dahra Europe's diesel consumption in on-road vehicles owned or leased accounted to be 27% less as compared to 2021.



Al Dahra UAE reported 36% less consumption of electricity in 2022 with 18,034,346 kWh usage against 28,338,601kWh in 2021.

In Etihad Mills UAE, the electricity consumption reduced as a combined result of less volume throughout at Fujairah Terminal compared to 2021, introduction of technical improvements for energy efficiency in the electric power network of Fujairah Terminal and improved strategy of fumigations versus energy consumption for cargo cooling.

East Owaynat Egypt reduced its Butane gas usage with 190 gas cylinders in 2022, as against 300 cylinders in 2021.

# Carbon Reduction Initiatives

Al Dahra has taken measures to reduce emissions production and to meet national and global targets when it comes to mitigating GHG emissions. One project already implemented in Egypt is built on a capacity of 20MW. We have also applied for an International Renewable Energy Certificate (I-REC) from Dubai Carbon.

The 20 MW solar plant in Toshka, Egypt is our primary initiative towards decarbonisation efforts at Al Dahra. It covers 85% of energy consumption in the Toshka facilities during the year. In doing so, we are proudly and effectively contributing towards the achievement of SDG 7 (Affordable and Clean Energy) and strive towards expanding the operations of this project geographically to our other entities.



	2020	2021	2022
Solar Energy Production in Al Dahra Toshka (in kWh)	38,656,175	35,933,686	36,381,541

## Solar Photovoltaic Rooftop at Al Dahra Foods KEZAD



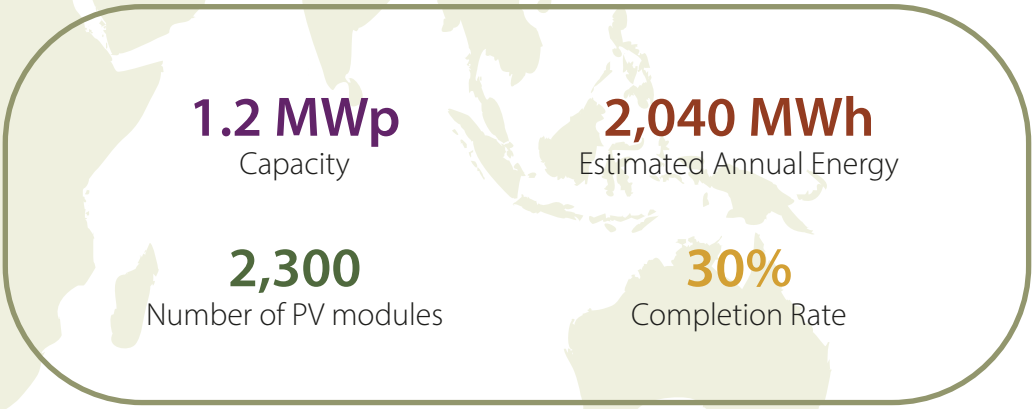
Al Dahra exercises ownership of a **rice factory in KEZAD**, the Gulf region's largest and sole rice factory of this standard.



It produces **120K MT of rice per annum** while simultaneously implementing a multitude of energy-saving metrics and sustainable practices.

At KEZAD, Al Dahra is currently working on a renewable energy project that is in its early stages. The project involves installing solar panels on roof tops, which will cover 40% of the factory's energy consumption.

Upon its completion, the project will result in a total capacity of **1.2MWp** and an estimated annual energy of **2040 MWh**.



Other sustainable practices adopted by Al Dahra at KEZAD include installing more energy-efficient motors to reduce long term costs, air tightening of the bottom cones of the silos to reduce the energy required for rice cooling, and installation of CO2 sensors in the silos to ensure regulated cooling thus less energy consumption.



In order to further enhance our practices given our commitment towards sustainable agriculture, as of 2022, we implemented the following changes at Al Dahra Agricost.



We established a “no-till” where in soybeans were cultivated across a 2,500 ha area of land.



As a part of our processes, we also conducted an analysis of the soil organic carbon content for 19,000 ha in our own Agrochemical Lab.



We have also enhanced the microbiological activity in the soil by increasing the products of decomposition of vegetal residues in the field test batches.



In addition, we have strived towards improving our water management in 2022 through digitalization and the installation of sustainable irrigation systems.



### The Regenerative Agriculture Project in Romania

Regenerative Agriculture contributes towards sequestering carbon back into the soil which leads to overall CO2 reduction, improved soil health and better resilience to drought and erosion.



This practice was adopted on our farm at Al Dahra Agricost in Romania, and will be extended to over 50,000 hectares of farm land in 2023.



## Greenhouse Gas (GHG) Emissions

Tonnes of CO2e	2020	2021	2022
Scope 1 Emissions	43,413	40,565	51,758
Scope 2 Emissions	106,142	113,308	104,687
Scope 3 Emissions	111	126	310
Total Emissions	149,666	153,999	156,755

*\*The data presented for GHG emissions cannot be compared year-on-year as, since the start of our reporting commitment in 2020, we have expanded our reporting scope to Egypt, Spain and Italy in 2021 and the USA in 2022. USA operations are, however, not included in these GHG emissions data.\**

### Scope 1

Emissions are obtained from all direct consumption of energy, with emission factors calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

### Scope 2

Emissions are derived from all purchased energy consumption, thus, indirect energy not in our control. The approach employs country specific emission factors derived from the International Energy Agency for country/regional electricity database.

### Scope 3

Emissions are external to our direct control. They are linked to activities in our value chain, specific to air travel by our employees.

This year, we have also calculated the emissions intensity to estimate GHG emissions per production unit.

**The estimated emissions intensity comes to 75 Kg CO2e/Tonne of Production.**

Scope 1 accounts for emissions from petrol and diesel usage in farming and production. Emissions in 2022 appear higher than previous years due to change in scope of operations included.

Our Scope 3 is currently Category 6 of GHG Protocol - emissions related to Business Travel. Al Dahra has been reporting on emissions associated with business travel by air since our first reporting cycle. With companies gradually coming back to business-as-usual since the COVID-19 pandemic, the business travel has also resumed year-on-year. This has resulted in the increasing Scope 3 emissions data for Al Dahra in 2022.

# Farm Carbon Calculator

Our goal as an agribusiness and farming sector is to minimize our carbon emissions and maximize carbon sequestration, whilst producing quality food. Among the most critical aspects of striving towards reduction is GHG accounting or quantifying emissions in order to track progress. To that effect, we are happy to announce our collaboration with Farm Carbon Calculator UK as a means to measure emissions and report on them more accurately and precisely.

Created by farmers for farmers, the tool also helps understand the emissions in the agricultural sector in order to act on them and in the long term improve their business resilience. This tool is still under implementation at Al Dahra, but is bound to yield positive results once it is in full effect.

This collaboration is a major milestone to measure Al Dahra’s greenhouse gas (GHG) footprint in a seamless and user-friendly manner aligned with the universally-accepted Greenhouse Gas Protocol. The calculator is managed by Al Dahra, but built using the expertise of Farm Carbon Calculator, who have been helping farmers in the UK for over 12 years to measure, understand and reduce their carbon footprint.

The Farm Carbon Calculator has the capability to measure GHG emissions for farming, livestock, factory and sequestration activities which suits unique features of Al Dahra business model.

# Feed Additives in Cattle Farming



Animal agriculture is responsible for 16.5% of greenhouse emissions produced worldwide. A majority of those emissions are produced by cattle.



At Al Dahra, we are aware of the substantial impact of cattle herding on the environment and are committed to mitigating the emissions. In the foreseeable future, we aim to adopt and incorporate feed additives that would reduce GHG emissions in our animal agriculture practices.

- Feed additives would provide the cattle with nutrients and vitamins and simultaneously could avoid bowel stress and digestion issues making animal feed more digestible for the cattle.
- The additives also aid in improving environmental sustainability as the improved digestion could result in a decrease in GHG production more specifically methane.
- Indeed, feeding cows Asparagopsis, a form of seaweed that contains a high concentration of bromoform which plays the role of an inhibitor, reduces the production of methane in the cow's rumen.



# Using Water Responsibly

GRI (13.7.1), (13.7.2), (13.7.3), (13.7.4), (13.7.5), (13.7.6)

Agriculture is overall a water-intensive industry, and although agribusinesses have been striving to increase their yields to attain food security, there is an even more drastic need to address water security. Water supply and food production are inextricably linked in the agricultural sector, thereby, making responsible water management imperative.

## WATER CONSUMPTION AT AL DAHRA

	2020	2021	2022
Utility Water Consumption (Thousand Cubic Meters)	99	146	173
Ground Water Consumption (Million Cubic Meters)	102	99	208
Surface Water Consumption (Million Cubic Meters)	204	204	186
Total Water Consumption (Million Cubic Meters)	305	305	394

*\*The data presented for water consumption cannot be compared year-on-year as, since the start of our reporting commitment in 2022, we have expanded our reporting scope to Egypt, Spain and Italy in 2021, and the USA in 2022.*



# Waste Management

GRI (13.8.1), (13.8.2), (13.8.3), (13.8.4), (13.8.5), (13.8.6)

As a leader in agribusiness, we at Al Dahra are committed to the notions of the circular economy with aims to reduce waste while simultaneously reusing and recycling of resources. As a result, we strive to divert our waste from landfills by implementing waste management techniques and adhering to methods such as reuse, recycling and recovery. In the long term, we aspire to reduce waste across the board. In order to guide our entities and their activities, a Crop Residue and Waste Management Plan (CRWMP) was developed.



Waste Types	Disposal Method	Volume of Waste (KG)		
		2020	2021	2022
By-products	Reused for Animal Feed	31,410	46,420	180,200
Transformers & Capacitors, Batteries NiCd, Packaging, Oil Filters	Extermination	4,500	17,520	17,400
Cartons, General Waste, Machinery Oils, Storage Waste	Other	379,075	293,170	30,689

*\*The data presented for waste consumption cannot be compared year-on-year as, since the start of our reporting commitment in 2022, we have expanded our reporting scope to Egypt, Spain and Italy in 2021, and the USA in 2022. USA operations are, however, not included in this data.*

Our operations manage the generated wastes through municipality waste collection and third-party collection companies, wherever applicable. Recycling, segregation and storage of all e- waste gets approved by E-waste collection companies. Metals are reused in plant maintenance, whereas unused metals are recycled as scrap.

**In KEZAD, paper consumption was reduced by 53% in 2022 as compared to 2021.**

The key mitigation and management requirements for crop residue and waste management in order to meet our Policies and Standards can be categorized as follows:

**WASTE CHARACTERIZATION AT AL DAHRA INCLUDES,**

- Waste characterization
- Avoidance and minimization of the production of hazardous waste
- Treatment and disposal of waste in an environmentally sound manner
- Assessment of risks and impact related to crop residue and waste
- Recycling or recovery of waste, or its use as a source of energy
- Identification of opportunities and alternatives for resource efficiency

Our work on waste management has drastically improved throughout the recent years. There has been a development in our recycling programmes wherein we have pushed forward waste segregation and asked employees to follow color codes when classifying their wastes into recycling boxes.

Over the last 4 years, we have been transitioning towards digitalization which facilitated the reduction in carton packaging and eliminated paper consumption in our facilities. Metal, plastic and containers are also reused to serve a multitude of purposes.

In hopes to enhance our performance with regards to waste management, we aspire to train our employees to ensure that the personnel involved in the development and implementation of the site-level CRWMP showcase an awareness of the procedures and an understanding of what is required on a routine basis as well as during emergencies.





An aerial photograph of a vast agricultural field, likely a cornfield, showing numerous parallel rows of green crops. Several red tractors are visible, moving through the rows, likely performing maintenance or harvesting tasks. The perspective is from directly above, looking down on the field.

Our Community Engagement



# Our Community Engagement

GRI (3-3), (413-1), (413-2)

Our approach towards community welfare is to identify the most pressing needs of the community where we operate and accordingly, construct plans to make effective contributions. Al Dahra believes in fostering relationships with the local community and engaging in the activities that hold high value to them. Irrespective of our geographic locations, all the business units and entities of Al Dahra have synergies in the way we connect with the community.

Our aim is to consistently explore multiple socio-economic benefits to the communities while pursuing our strategic objectives, particularly in the developing countries we are operating in. This includes creating new jobs, offering employment to people from isolated communities, facilitating the access to a proper education, financially supporting social, sports and cultural events.

Our common goal is also composed of preserving the environment of the local community. In addition to these, we actively look for more opportunities to make Al Dahra a part of the community and uplift their lives in any way we possibly can.

Al Dahra's local and group leaders have built strong relationships with the local and central authorities that enable us to understand the communities' expectations and needs. Our risk team has a stakeholder policy and grievance process to facilitate our activities to achieve our community commitments.

# Food Supply

GRI (13.9.1)

Al Dahra is aware that our dependence on biodiversity, soils, and ecosystems for our agribusiness activities play a huge impact. Our focus is to partner with governmental and commercial entities in realizing strategic food supply and achieving long-term growth and sustainability.

Therefore, we have been implementing sustainable practices as a core and fundamental strategy for secure food supply. Apart from climate change, the world has also been facing severe repercussions due to the geo-political crises that pose challenges in the food supply chain and thus, reversing the progress that were made towards food security in recent years.

According to the Food and Agriculture organization (FAO), food security means that people have physical and economic access to sufficient, safe, and nutritious food that is acceptable within a given culture and meets people's dietary needs and food preferences for an active and healthy life. Adequate food is a human right and is crucial to the enjoyment of all rights.

## ON A GLOBAL LANDSCAPE, THE MAIN CAUSES OF FOOD INSECURITY ARE ATTRIBUTED TO THE FOLLOWING KEY AREAS,



Climate change and global warming



Scarcity of land for farming



Technological barriers



Inadequate supply of water for irrigation



Geopolitical challenges and volatility



Economic related crises

AL DAHRA’S FOOD SECURITY STRATEGY IS DEFINED BY THREE STRONG PILLARS THAT CEMENT OUR CONTRIBUTION IN REDUCING THE RISK OF INCREASED FOOD INSECURITY



**Energy Consumption Optimization:** This is defined by our efforts towards zero carbon farming projects, use of renewable energy and emissions reduction in our global business units.



**Water Consumption Optimization:** This includes our innovative irrigation systems such as precision farming, satellite-controlled farming, drip irrigations and initiatives to optimize water consumption.



**Fertilizer Consumption Optimization:** This entails the use of organic fertilizers and pesticides to protect soil health and crop production.

We are on our mission to be an innovation-driven farming and food supply company, a leading exporter of commodities with a strong belief that food security as a global issue that can only be solved through technology, investment, and collaboration.

We are consistent in our commitment towards reliable and sustainable food supply through our active leadership in the sector as well as impact-driven collaborations and partnerships. One of the recent example is our partnership with Pure Harvest.





# Community Initiatives

GRI (13.12.1), (13.12.2), (13.12.3)

**Al Dahra UAE** engages with the community by supporting local initiatives, enriching the lives of people with special needs and providing educational support to underprivileged segments of the society. Our mission for the community stems from our genuine responsibility of giving back to the community.

In 2022, Al Dahra UAE translated its community commitments into positive impacts with a monetary contribution in the following community partnerships,

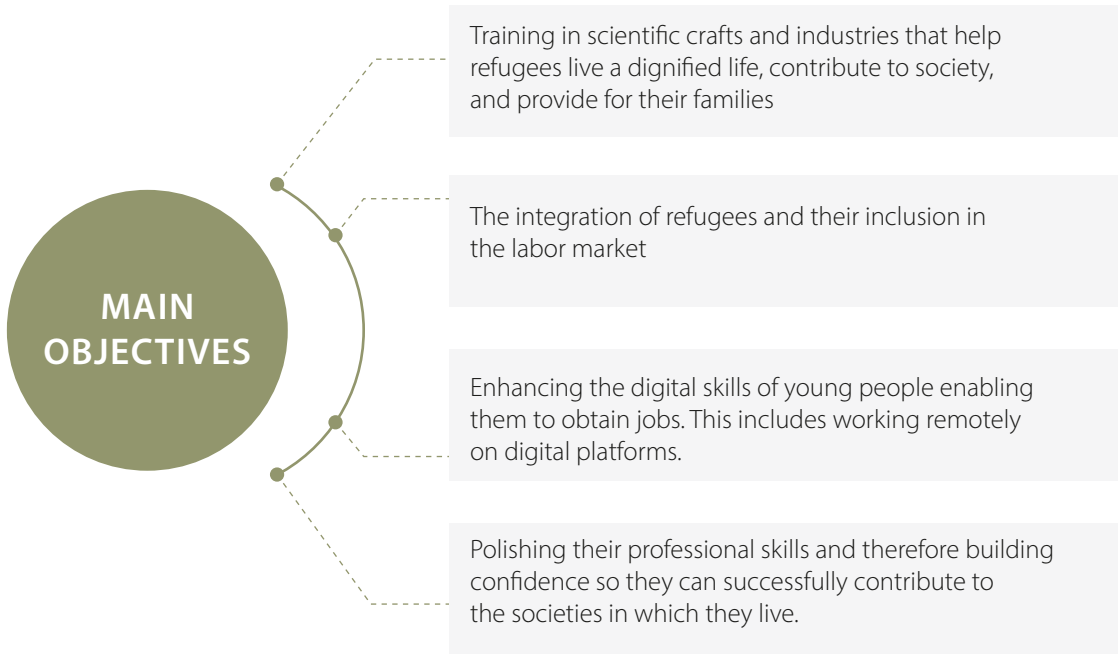
Community Partnerships	Impact
Emirates Nature WWF	Supported and volunteered in the 'Leaders of Change' initiative to contribute towards environmental enrichment
Rashid Center for People of Determination	Continued our impact through education and social engagements
Al Hanan Center for People with Disabilities	Supported the construction of occupational clinic
Advance Scientific Group	Supported football team to advance culture of sports and well-being among youth
Medical & Education Support	Continued our support in providing medical and education assistance to our communities in need.

## Ataya Exhibition

Al Dahra has a long-standing partnership with Emirates Red Crescent and on the 11th edition of the exhibition in 2022, we were proud to reaffirm our collaboration and extend financial sponsorship on the theme of 'Empowering refugees to build a brighter future'.

This year, the revenue was dedicated to supporting and empowering refugees around the world by helping them build a stronger and sustainable future for themselves. The economic and living difficulties that refugees are facing hinder their positive engagement in societies. Therefore, Ataya 2022 aspired to empower refugees and include them in the labor market by providing professional and vocational training in line with their skill set and educational qualifications.

The initiative was implemented with four main objectives,



# Leaders of change

Al Dahra has been partnering with Emirates Nature WWF over the past years and we are elated to see the impact that our partnership has created in the country. As an agribusiness and with our close interaction with the natural system, we are glad to associate with Emirates Nature to build nature-positive impacts.

In 2022, our collaboration for ‘Leaders of Change’ advanced the vision of driving the UAE community to take a hands-on collaborative approach to conservation action for the Next 50 years of the UAE.



Our employees also volunteered to make personal and societal transformational impact through skills training, ideating solutions and taking action in nature, through on-the-ground activities.

These activities included contribution to the 921 hours of training to master environmental issues, 96 kms hike to survey the UAE’s rich landscapes, exploring 819 different species including the fascinating Jayakar’s Sand Boad and Orb Spiders, restoration of 5 different habitats including mangroves, wetlands, falaj, desert and mountain, collection of 346 kgs of litter, developing new ecotourism destinations.



**Al Dahra Spain and Italy** contributes to the community welfare by investing in culture and literature, sports and foundation donation. Our community budget in Spain and Italy is split between the seven workplaces, with an intention to support the local community in the villages where we have factories. Our focus is to prioritize the activities where we can make a bigger impact and reach more people.

**Al Dahra Serbia** engages with the local community through education, health, culture and sports. Our goal is to support in improving the infrastructure of open classrooms and achieve cooperation with secondary vocational schools towards holistic growth of the school-going children.



CSR Initiative of Al Dahra Serbia PKB

	Impact	Beneficiaries in 2022
Funding the local cultural and artistic society	Reducing juvenile delinquency by engaging the younger generation in arts and culture	170 individuals
Donations for NGO that support children cancer patients	Providing comfort hospitalization and uplifting morale of the patients	43 patients
Donations for NGO "Volim Padjak"	Acceptance and normalcy towards Attention deficit syndrome (ADS)	9,000 individuals
Renovation of the primary school building	Providing students with infrastructure to enhance their educational experience	715 children



**Al Dahra Egypt** supports the community by providing jobs, meal boxes, donations for building a prayer house and medical units.



**Al Dahra Romania** plans the community activities around the following two focus areas,



Sports (sponsorships for local handball, football team and chess championships)



Education (sponsorships for high school students)

**Al Dahra USA** contributes to the community through junior livestock related events sponsorships such as local sports and by providing internship programmes to students from the local high schools.





# Events & Exhibitions

In 2022, we continued on our legacy of networking with the industrial peers and bringing visibility to our products on national, regional and global platforms. Our participation in the esteemed events and exhibitions create a pathway to inspire and get inspired by the innovations and sustainable practices.



GulFood



Food for Future Summit



Equestrian Procurement Forum (EPF)



National Service Career Fair (NSCF)



Liwa Dates Festival



Thessaloniki International Fair



Saudi Agriculture



AgraME



Umm Al Emarat Park



Abu Dhabi International Food Exhibition (ADIFE)

More details are available at <https://www.aldahra.com/resources/events-and-exhibitions>

# GRI Content Index



Statement of use	Al Dahra has reported in accordance with the GRI Standards for the period starting January 2022 to December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022
GRI Service Statement	the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI Standard	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation	GRI sector standard ref. no.
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	3				
	2-2 Entities included in the organization's sustainability reporting	3				
	2-3 Reporting period, frequency and contact point	3				
	2-4 Restatements of information	3				
	2-5 External assurance	3				
	2-6 Activities, value chain and other business relationships	9,13				
	2-7 Employees	36				
	2-8 Workers who are not employees	36				
	2-9 Governance structure and composition	21				
	2-10 Nomination and selection of the highest governance body	21				
	2-11 Chair of the highest governance body	21				
	2-12 Role of the highest governance body in overseeing the management of impacts	7				
	2-13 Delegation of responsibility for managing impacts	21				
	2-14 Role of the highest governance body in sustainability reporting	7				

GRI 3: Material Topics 2021	2-15 Conflicts of interest	21				
	2-16 Communication of critical concerns	21				
	2-17 Collective knowledge of the highest governance body	21				
	2-18 Evaluation of the performance of the highest governance body	21				
	2-19 Remuneration policies		Confidentiality Constraints			
	2-20 Process to determine remuneration		Confidentiality Constraints			
	2-21 Annual total compensation ratio		Confidentiality Constraints			
	2-22 Statement on sustainable development strategy	28				
	2-23 Policy commitments	21				
	2-24 Embedding policy commitments	21				
	2-25 Processes to remediate negative impacts	21				
	2-26 Mechanisms for seeking advice and raising concerns	21				
	2-27 Compliance with laws and regulations	21				
	2-28 Membership associations	9				
GRI 3: Material Topics 2021	2-29 Approach to stakeholder engagement	28, 30				
	2-30 Collective bargaining agreements			Collective bargaining is not permitted in the UAE		
	Material topics					
	3-1 Process to determine material topics	30				
	3-2 List of material topics	31, 32				
	13.1 Climate change					
	3-3 Management of material topics	31, 51				13.1.1
	305-1 Direct (Scope 1) GHG emissions	52, 62				13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	52, 62				13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	52, 62				13.1.4
	305-4 GHG emissions intensity	52, 62				13.1.5
	305-5 Reduction of GHG emissions.	52, 62				13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)	52, 63				13.1.7
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	52, 58, 59				13.1.8



GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	52				13.2.2
	13.5 Soil health					
GRI 3: Material Topics 2021	3-3 Management of material topics Additional sector recommendations - Describe soil management plan	31, 52, 57				13.5.1
	13.6 Pesticides Use					
GRI 3: Material Topics 2021	3-3 Management of material topics Additional sector recommendations - Describe pest management plan	31, 52, 59				13.6.1
	13.7 Water management					
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 52				13.7.1
	303-1 Interactions with water as a shared resource	68				13.7.2
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	68				13.7.3
	303-3 Water withdrawal	68				13.7.4
	303-4 Water discharge	68				13.7.5
	303-5 Water consumption	68				13.7.6
	13.8 Waste					
	3-3 Management of material topics	52				13.8.1
GRI 3: Material Topics 2021	306-1 Waste generation and significant waste-related impacts	52				13.8.2
	306-2 Management of significant waste-related impacts	52				13.8.3
GRI 306: Waste 2020	306-3 Waste generated	69				13.8.4
	306-4 Waste diverted from disposal	69				13.8.5
	306-5 Waste directed to disposal	69				13.8.6
	13.9 Food Security					
	3-3 Management of material topics	28, 32, 72				13.9.1
	13.11 Animal health and welfare					
	3-3 Management of material topics	28, 31				13.11.1
	-13.12 Community relations					
	3-3 Management of material topics	32, 72				13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72				13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	72				13.12.3
	13.15 & 13.26 Human capital management					
	3-3 Management of material topics	31, 36				13.15.1 13.26.1
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men			Confidentiality constraints		13.15.2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	36				13.15.5
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	24, 36				13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	24, 36				13.26.3
	205-3 Confirmed incidents of corruption and actions taken	24, 36				13.26.4

GRI 3: Material Topics 2021	13.19 Health, safety and wellbeing					
	3-3 Management of material topics	32, 36, 44				13.19.1
	403-1 Occupational health and safety management system	36, 44				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	36, 44				13.19.3
	403-3 Occupational health services	36, 44				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	36, 44				13.19.5
	403-5 Worker training on occupational health and safety	36, 44				13.19.6
	403-6 Promotion of worker health	36, 44				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36, 44				13.19.8
	403-8 Workers covered by an occupational health and safety management system	36, 44				13.19.9
	403-9 Work-related injuries	36, 44				13.19.10
GRI 403: Occupational Health and Safety 2018	Business ethics					
	Disclosure 3-3 Management of material topics	21, 26, 32				
	Human rights and labor conditions					
	Disclosure 3-3 Management of material topics	28, 32				
	Customer engagement					
	Disclosure 3-3 Management of material topics	28, 32				
	Technology and innovation					
	Disclosure 3-3 Management of material topics	28, 32, 46				
	Product quality, safety and responsibility					
	Disclosure 3-3 Management of material topics	28, 32				
GRI 3: Material Topics 2021	Supply chain responsibility					
	Disclosure 3-3 Management of material topics	28, 32, 48				

Circular economy	
Disclosure 3-3 Management of material topics	31, 69
Topics in the applicable GRI Sector Standards determined as not material	
Topic	Explanation
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	
Biodiversity	It does not represent our most significant impacts at present. We have implemented a Biodiversity Action Plan (BAP) template as guidance for site-specific ESHS management and it is a well-established process.
Natural ecosystem conversion	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Food safety	Our focus is concentrated towards food security based on the nature of our business. We may consider food safety in our next materiality assessment.
Land and resource rights	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Rights of indigenous peoples	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Forced or compulsory labor	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Child labor	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Freedom of association and collective bargaining	It does not represent our most significant impacts. Additionally, collective bargaining is not permitted in the UAE.
Living income and living wage	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Economic inclusion	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Public policy	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.
Anti-competitive behavior	It does not represent our most significant impacts at present. We may consider it in our next materiality assessment.

