



# SUSTAINABILITY REPORT 2021

GROWING  
TOGETHER EVERY DAY



# CONTENTS

<b>Management's Note</b>	<b>02</b>
<b>Juhayna at a Glance</b>	<b>04</b>
<b>2021 in Review</b>	<b>12</b>
<b>Our Strategy: Creating Shared Value</b>	<b>18</b>
<b>Materiality and Impact Assessment</b>	<b>22</b>
• Engaging our Stakeholders	24
• Materiality Index	28
<b>Economic Impact</b>	<b>30</b>
<b>People</b>	<b>40</b>
<b>Planet</b>	<b>60</b>
<b>Purpose</b>	<b>72</b>
<b>Governance</b>	<b>78</b>
<b>Appendices</b>	<b>84</b>
• Glossary	86
• Materiality Assessment Breakdown	88
• Contribution to the UNSDGs	90
• Summary of Policies, Trainings, and Audits	94
• 2021 ESG Metrics	98
• GRI Content Index	104
• Assurance Statement	112

## About this report (102-1) (102-5)

Juhayna Food Industries is an Egyptian Joint Stock Company performing under the provisions of Investment Law no. 230 of 1989 as replaced by the investment incentives and guarantees law no. 8 of 1997 and the decree of the Minister of Economic and Foreign Trade no. 636 of 1994, approving establishment. The company was registered on the commercial registry under no. 100994 on 10 January 1995.

In this report, "Juhayna", "the group", "the company", and "we", refer to Juhayna Food Industries.

## Reporting Guidelines (102-54)

This report is prepared in compliance with the Global Reporting Initiative's Sustainability Reporting Standards (core option).

## Scope of Reporting Period (102-50) (102-52)

This report covers fiscal year 2021 (01 January 2021 to 31 December 2021); content that describes efforts outside this period is indicated as such.

## Date of Previous Reporting Period (102-51)

Juhayna's previous sustainability report covered fiscal years 2019 and 2020 (01 January 2019 to 31 December 2020), focusing on strategy, innovation, and social contribution.

## Forward-Looking Statements

This report contains goals, plans, forecasts, and other forward-looking language pertaining to Juhayna's operations and the dairy and FMCG industries in Egypt and the region. Such statements are based on the company's assumptions and outlooks and were made in light of information available at the time of the report's preparation. There is no assurance that these statements may occur as described due to the known and unknown volatilities of the markets we serve. Juhayna's actual operational and financial updates are published quarterly and annually on its Investor Relations page, accessible [here](#).

## Mistakes and Typographical Errors

Any errors discovered following the publication of the report will be corrected and displayed in a new uploaded version of the report on Juhayna's website.

Our [sustainability reports](#) are only available online to reduce the amount of paper we print and distribute.

## Inquiries and Additional Information (102-53)

### Passant Fouad

Director - External Communication  
passant.fouad@juhayna.com

### Corporate building (102-3)

Building #2, The Polygon Business Park, SODIC West, Sheikh Zayed City, Giza, Egypt





# MANAGEMENT'S NOTE

We are pleased to share the results of this exceptional reporting period—a fruitful and progressive year that continues to accelerate our journey toward sustainable development. We have made excellent strides across our ESG initiatives, delivering on our strategy to create shared value and on economic, environmental, and social strategies that culminate in win-win solutions.

Our commitment to benchmark our works against top-class industry and ESG standards continues to lead our endeavors. We remain members of a number of national programs and initiatives that support multiple environmental and social efforts, especially ones that bolster the standing of the quality, safety, and nutritional value of our products and ingredients. This was lately crowned by Al-Enmaa's placement on the National Food Safety Authority (NFSA) whitelist, becoming the first farm in Egypt to achieve this. On a global front, we remain a devout member of the United Nations Global Compact (UNGC) and diligently renew our ISO accreditations in keeping with our commitment to embrace the highest industry standards across our operations.

Environmental endeavors continue to make up a substantial part of our agenda for sustainable development, especially with climate risks becoming a central global concern. We have diversified our commitments to not only cover impact assessments and emissions monitoring but also take innovation and special projects into account. Our star emission-reduction project remains Al-Enmaa's 1 MW solar station, which decreases our dependency

on diesel by about 600,000 liters annually, lowers our operational costs, and reduces our carbon footprint. In terms of innovation, we have partnered with the recycling agency Reform to reuse our waste in safe and ethical ways, participated in E-Tadweer to recycle our electronics, and continued to build up our partnerships with Tetra Pak toward a future of fully recyclable product packaging.

On the social front, we continue partaking in multi-faceted projects that serve our people, women in and outside the workplace, and our wider communities, directly and indirectly. From our infrastructure projects and donations in Al-Wahat Al-Bahereya and across the Kafa'a network to our continuing support of Baheya Hospital and the multiple women-centric projects we champion, our willingness to empower our community remains steadfast. As we continue to grow our operations, we remain dedicated to expanding our social projects in tandem, all for the collective benefit of a community that has, over the last 35 years, helped build the Juhayna brand.

Backed by an exceptionally creative team, reliable management structures, solid operations, and an ambitious resolve, we are poised to continue fostering shared value among our stakeholders and communities. Our next chapter sees us persisting in expanding our commitments to sustainable operations and innovation, while further advocating for environmental wellbeing and social development among Egypt's many communities. We look forward to sharing this journey with you.



*Environmental endeavors continue to make up a substantial part of our agenda for sustainable development, especially with climate risks becoming a central global concern.*



# JUHAYNA AT A GLANCE





# AT A GLANCE

Juhayna Food Industries is a leading provider of high-quality packaged dairy, juice and juice concentrates, and home cooking products in Egypt. We have consistently delivered affordable, safe, and tasty products to an increasingly growing base of consumers over our 39-year-long history.

Our investments in innovative product development have permanently changed the use of packaged milk and dairy products in Egypt. This, coupled with our adherence to international best practices, has helped us craft a trusted name, diversify our offerings, and optimize operations at our plants.



### Growing Responsibly

Sustainable and responsible growth is essential to a future where positive industrial contribution extends beyond economic reward. This is why we are committed to measuring and managing our impact, and why we prioritize action plans that address climate challenges, resource scarcities, and communities' rights to supportive and flourishing environments. Toward this, we invest in impactful internal and external programs, both environmental and social, and collaborate with trusted, like-minded partners to collectively advance these plans.



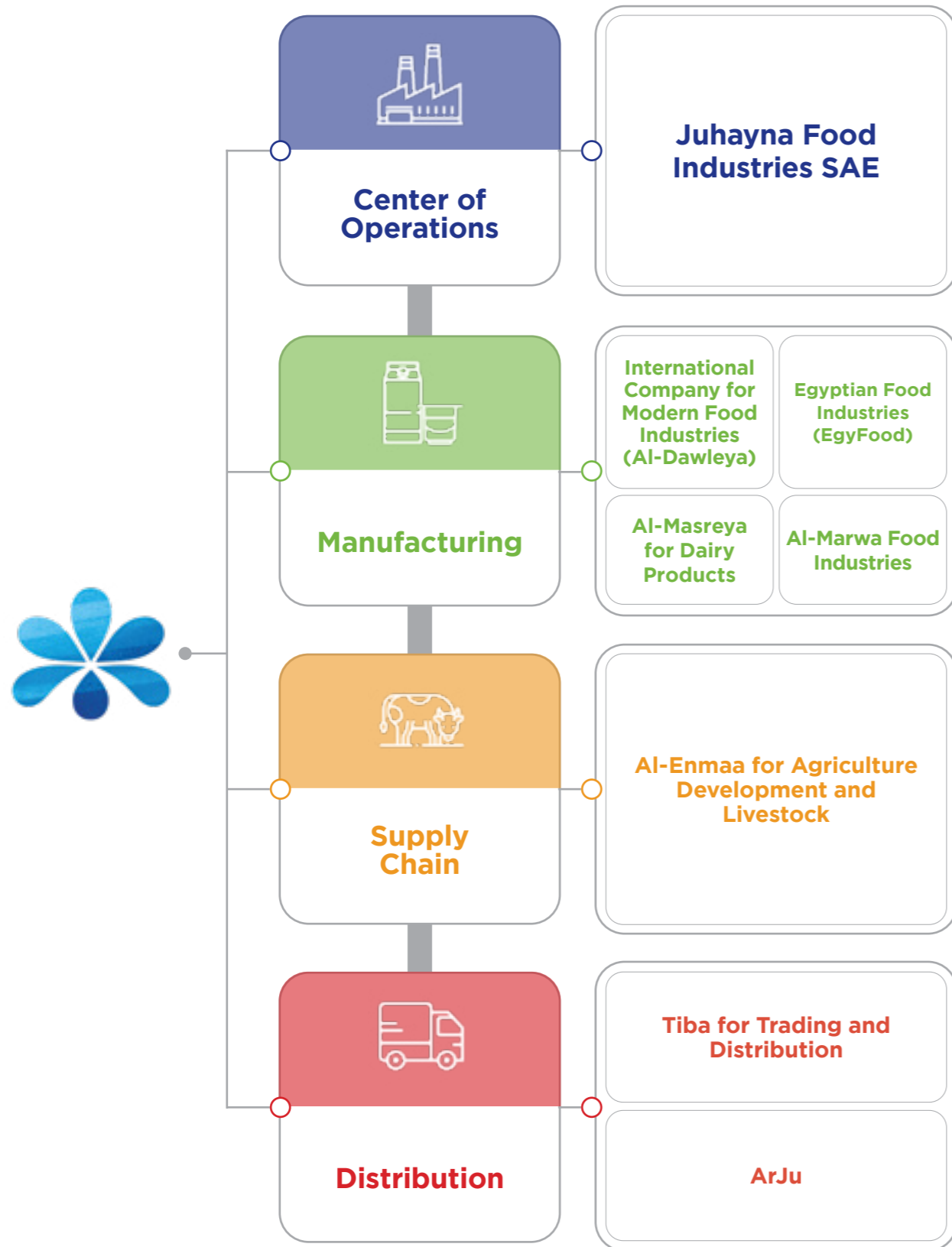
### Close Oversight

Since inception, Juhayna has been guided by leadership that prioritize clear and tangible value generation for stakeholders. Our growth is rooted in ethical and accountable practices that facilitate product and market innovations and enable oversight over the integration of environmental, social, and governance (ESG) practices across our footprint. Management introduces improvements where and when possible, and our teams expertly handle implementation, ushering in new eras in the company's story with every step forward.



### Structure

Juhayna Food Industries and its sister companies form a comprehensive vertical structure that serves a successful value chain and extensively decreases reliance on external resources.





## Purpose-Driven Achievements

**1987**



Introduced Egypt to its very first packaged milk product, increasing consumption safety and permanently shifting the country's dairy sector

**2015**




Inaugurated Al-Enmaa farm, and harnessed state-of-the-technologies and practices to advance dairy farming in Egypt

**2003**



Launched Bekhero for low-income consumers, known for high quality at a more affordable price

**2016**




- Inaugurated a solar energy station at Al-Enmaa farm with the help of KarmSolar
- Launched our state-of-the-art Innovation Center, housing two labs for product and packaging development and two labs that benchmark our operations against global quality standards
- Partnered with Fawry to introduce a creditworthiness system that facilitates digital payments for traders
- Signed a cooperation protocol with the German Agency for International Cooperation (GIZ) to launch a long-term development program for female empowerment in the workplace

**2007**



Consolidated our distribution efforts under Tiba, creating more job opportunities and extending our products' reach to underserved areas

**2012**



Launched the 0% fat milk, setting a new national benchmark and diversifying our product offering to serve changing consumer health priorities

**2013**



Signed a cooperation protocol with the European Bank for Reconstruction and Development (EBRD) to roll out our local farm support program and strengthen Egyptian agricultural production

**2017**




- Joined the UNGC
- Purchased construction and operation equipment worth EGP 40 million, in cooperation with TIA Germany, to effectively treat factory wastewater and convert it to clean water

**2018**




- Launched our 100% natural lactose-free milk as the first local product of its kind in the Egyptian market, further expanding our service of varied consumer health needs
- Joined the United Nations Industrial Development Organization's (UNIDO) MED TEST II initiative, which aims to encourage sustainable consumption and production patterns in the Mediterranean region
- Published our creating shared value (CSV) strategy and relied on its tenets to integrate ESG practices across Juhayna

**2021**




- Launched our plant-based product range, offering multiple non-dairy alternatives to consumers with dietary restrictions
- Published our first carbon footprint report for the year 2020, solidifying our commitment to environmental impact assessment and reporting
- Made donations to Al-Wahat Al-Bahareya Central Hospital to improve health-care services offered to communities surrounding Al-Enmaa farm
- Sponsored Egypt's first International Women's Summit, further cementing our commitment to empowering women across all professional and cultural contexts

**2019**



- Initiated CO<sup>2</sup> reporting

**2020**



- Al-Marwa plant was able to support in optimizing the water efficiency leading to the reduction of water use by 52% and energy consumption decreased by around 5% of the baseline consumption
- Al-Dawleya plant optimized the water use within the production facility, reducing water consumption by 25.3%, with the total anticipated reduction in water consumption is around 92,928 m<sup>3</sup>/year
- Introduced our Greek yogurt products, further diversifying our product mix and catering to evolving consumer tastes and preferences
- Contributed to national COVID-19 relief efforts in collaboration with multiple local networks
- Published our first sustainability report, covering our efforts in sustainable development during 2017 and 2018
- The Juhayna Central Lab acquired the ISO 17025:2017 accreditation, becoming the first dairy and juice lab to receive it among private business in Egypt
- Became a leading recipient of wide scope accreditation in Egypt across private, public, and governmental dairy laboratories
- Collaborated with Reform to sustainably reuse some of the company's waste



# 2021 in Review





# 2021 IN REVIEW

## Setting Precedents with the NFSA

Al-Enmaa became the first farm in Egypt to be listed on the NFSA whitelist. Tiba also registered 10 of its branches on the whitelist in 2021, making it the owner of the highest percentage of whitelist-registered warehouses in Egypt's FMCG sector.

## Recycling Organic Materials

We collaborated with Tagaddod's cooking oil recycling initiative, Green Pan, to provide participating households with rewards. 100 cartons of tomato puree were donated to the initiative in Ramadan 2021.

## Addressing Electronic Waste

We joined E-Tadweer, an initiative launched by the Ministry of Environment and the Waste Management Regulation Authority, to responsibly dispose of our electronic waste. 290 kg of damaged electronics were collected from Juhayna's headquarters and Tiba, Al-Enmaa, and Al-Masreya, with the help of waste recycling company Green Waste, saving 321 kg of CO<sup>2</sup> equivalent.

## Our Journey with Baheya

We maintained our role as the primary sponsor of the Baheya Foundation for Early Detection and Free Treatment of Breast Cancer. In addition to providing quarterly financial support, we collaborated with multiple partners in 2021 to provide the foundation's beneficiaries with emotional support through art therapy and hair and skincare consultancy sessions. We have also redesigned hospital rooms to become more motivational settings and especially uplift spirits during chemotherapy sessions.



*This has been a fruitful and progressive year that continues to accelerate our journey toward sustainable development*

## Women-Centric Initiatives

We collaborated with the National Council for Women to host an employee awareness session on physical, psychological, and verbal violence against women in the home and the workplace. The session also outlined efforts and services available to support women who have experienced or are still subjected to violence in their environments. We also sponsored Egypt's first International Women's Summit, held in recognition of individuals who have executed initiatives that recognize and tackle gender gaps.





## Distinct Product Launches

### Plant-Based Segment

In line with global trends and increasing consumer demand for dairy alternatives as part of their daily diet, we launched our plant-based segment to cater to consumers' varied lifestyles and dietary

restrictions at more affordable price points versus imported alternatives. This launch also positioned us as Egypt's first producer of a full range of UHT plant-based milk range in the local market, launching five stock keeping units (SKUs) under the new sub-brand "N&G" (Nuts and Grains).

Innovation in dairy products and dairy alternatives is core to our portfolio strategy, as well as our sustainability agenda, through developing products that are good for our customers and the planet.

### Flavored Greek Yogurt

Our innovative venture, flavored Greek yogurt was launched in April 2021 as part of our mission to introduce healthy alternatives to the market. The product is representative of the healthy, high quality creations Juhayna seeks to deliver, as the range is made from natural ingredients, free of gluten, and offers 30% of the recommended daily intake of protein per pack.



### COVID-19 Safety Protocols

As the pandemic persisted in 2021, our Steering Committee closely monitored and updated company-wide measures in accordance with statements made by the World Health Organization (WHO). Internal protocols implemented during the height of the pandemic in 2020 remained active, and employees were offered a permanent one-day-per-week work from home allowance. As of 2021, 1,513 of our employees have been vaccinated.

Our priority is the health and wellbeing of our employees while maintaining our

seamless operations and serving our customers. We fully sanitize our work environment across all our premises, and ensure proper ventilation, regular disinfecting of surfaces, and sanitization of all transportation.

Employees are also given safety kits and regularly get their temperature measured upon arrival. Our Steering Committee continues to proactively institute policies and promptly react to the rapidly evolving situation through ongoing awareness campaigns and internal signage.



# OUR STRATEGY





# OUR STRATEGY

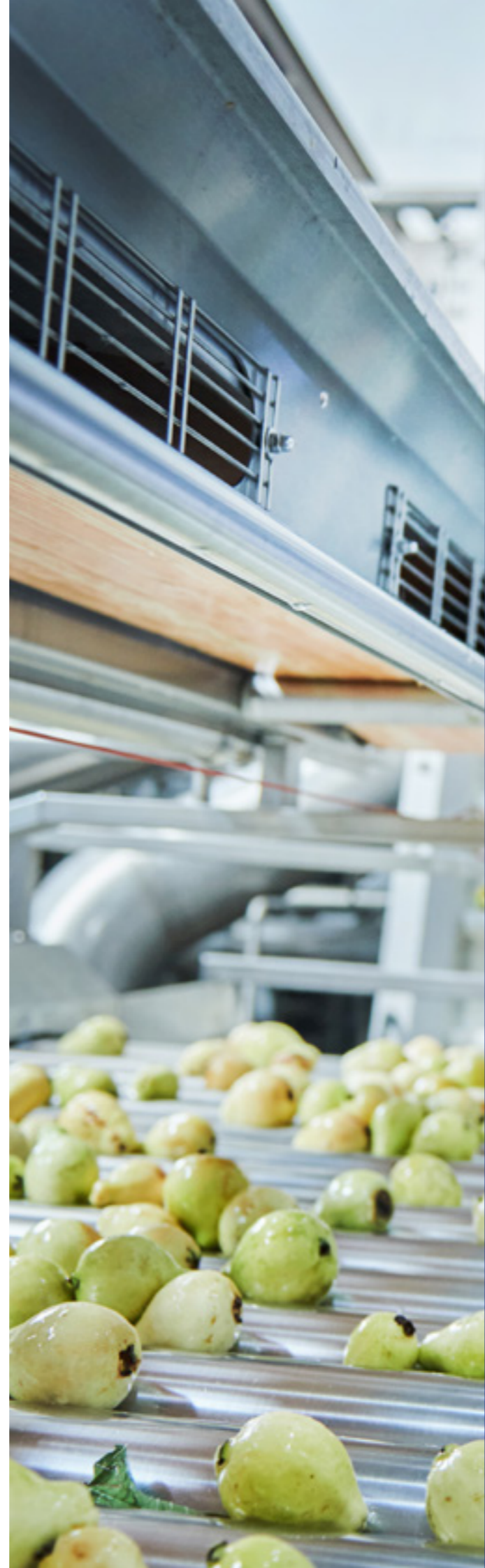
## SUSTAINABILITY IN MOTION SINCE 1983

Juhayna has grown to become a household name on the back of the notion that healthy living is a human right. This notion has led us to put consumer wellbeing at the heart of our operations. Coupled with our desire to alleviate impact on the environment and to always operate with purpose, these prongs now form the foundation of our long-term sustainability strategy.

Our “Creating Shared Value” strategy was developed in 2018 as a consolidated framework that guides the integration of ESG practices across our footprint. This three-pronged approach is implemented by Sustainability Champions, or key internal stakeholders across Juhayna, who work together and directly with the Board of Directors to:

- Develop frameworks that align our business strategies with Egypt’s Vision 2030 and the UNSDGs
- Identify and manage the needs of our stakeholder groups
- Identify key risks and impacts on stakeholders throughout our value chain
- Identify key risks to our sustainable operations
- Internally assure the accuracy, validity, and completeness of the information that forms the basis of the strategy for stakeholder identification, materiality assessment, and the boundaries that govern our impact

The Group CEO also liaises with department heads to account for sustainability objectives across the value chain against the parameters set by our CSV strategy. These groups are considered the key parties responsible for the implantation of Juhayna’s management approach across its footprint.



## CREATING SHARED VALUE



### PEOPLE

Juhayna serves people by offering bespoke products that are crafted with care and quality, and we empower our internal and external communities through multiple programs and initiatives.

- We champion human and employee rights without compromises or exception
- We create job opportunities and cater to underserved areas around Egypt
- We support women’s rights to participate in the workforce in and outside Juhayna



### PLANET

Our energy and resource conservation projects aim to lower the company’s footprint and reduce our impact across key environmental parameters.

- We source our raw materials responsibly and embrace circular economy practices when we can
- We monitor our emissions and actively work to better control and reduce them
- We use biodegradable and recyclable materials to package some of our products



### PURPOSE

We continue to set benchmarks for innovation across the dairy and FMCG industries in Egypt, from pioneering unique product releases to encouraging cross-sector support.

- We share our industry knowledge and experiences with peers and partners
- We build value chains that benefit people, farms, and herds
- We rely on our Innovation Center for substantiated product initiations and problem-solving



# MATERIALITY & IMPACT ASSESSMENT





# MATERIALITY & IMPACT ASSESSMENT

Juhayna’s decision-making processes are largely two-pronged, closely taking into consideration both stakeholders’ input and topics that are globally recognized as essential to our collective wellbeing. These two prongs feed into how we determine the topics we prioritize and the scope and extent of our capabilities when handling each of them. It also helps us use our cyclical reporting efforts to assess areas where we can increase impact, streamline programs, and accelerate our sustainable transitions.

Our sustainability reporting champions, supported by our executive management and Board of Directors, see to the determination, compilation, and analysis of this information. Their efforts cover assessments pertaining to the reporting period, benchmarked against prior achievements outlined in our previous sustainability and impact assessment reports. They also factor in local and global benchmarks set by regulators and standardization organizations, and any updates that may apply to them.

## Juhayna’s Stakeholders

Internal Stakeholders	External Stakeholders				
Employees	Product consumers	Partners	Local Community	Regulators	
Shareholders		Standardization organizations	Suppliers	Beneficiaries	Egyptian Stock Exchange (EGX)
		Industry associations	Retail and trade customers	Civil society organizations	Other government authorities

## Engaging Our Stakeholders

Multiple internal and external stakeholder groups contribute to our sustainable and corporate development agendas, each of whom either impacts or is impacted by one or many facets of our operations. Mindful of the mutual impact

incurred, we closely examine successes, challenges, concerns, and suggestions posed during our communication with each group and immediately map out short- or long-term action plans to tackle them.





### Communication Channels

We rely on tailored channels to communicate with and gather feedback from our stakeholders. We remained cautious as we gradually lifted some of the communication policies imposed during the height of the COVID-19 pandemic. We also continued to, whenever possible, rely on virtual meetings due to their proven efficiency in streamlining interactivity while reducing infection risks.

Stakeholder	Channel	Frequency	
<b>Employees</b>	Team meetings (general updates and inquiries)	Daily, weekly, and monthly	
	Select top managers/CEO meeting (strategic updates)	Daily	
	All top managers and CEO meeting (Overall business updates and inquiries)	Weekly and monthly	
	All top managers/select middle managers/CEO (Important issues, announcements, and updates)	Quarterly	
	Select top managers meeting (Sales and operations planning)	Monthly	
	Supply chain and Tiba managers meeting (Manufacturing review)	Monthly	
	Internal Branding Announcements	As needed	
	Newsletter	Monthly	
	SMS	Weekly	
	Email announcements	Weekly	
Communication through internal application "Kaizala"	As needed		
<b>Customers</b>	The Hotels, Restaurants, and Catering (HORECA) sector	Individual meetings Follow-ups and inquiries through the phone or emails	4-5 times/year Weekly
	Hypermarkets	Business reviews to examine performance against forecasts	Every quarter
	Supermarkets	Sales representatives visits to discuss any inquiries or challenges	Twice/week
	Product consumers	Digital platforms, corporate website, and emails (mutual communication)	+4-5 times/month (as needed)

Stakeholder	Channel	Frequency	
<b>Shareholders</b>	General assembly	Annually	
	Requested meetings	As needed	
	Investor conferences	As needed	
	Roadshows	As needed	
<b>The EGX and the Financial Regulatory Authority (FRA)</b>	Disclosure requirements and mandates	Quarterly or annually, as mandated	
<b>Other governmental authorities</b>	NFSA	Members of the Scientific Committee on Food Additives	Meetings as scheduled
	Chamber of Food Industries (CFI)	Members of the dairy products division; the juices, drinks, and water division; and the special foods, yeast and food additives division	Meetings as scheduled
	Egyptian Organization for Standards and Quality (EOS)	Member of 13 F&B committees, including the Codex Alimentarius	Meetings as scheduled
	The Federation of Egyptian Industries (FEI)	Meetings with the CEO	Three times a year
	Others	Meetings with the requested representative	As needed
	<b>Business partners and suppliers (farmers and small holders)</b>	Meetings with each supplier or partner, with additional phone calls and emails as needed	1-2 times per month
<b>Local community</b>	Conferences and initiatives	Subject to annual agenda	
<b>Civil society</b>	Conferences	Subject to annual agenda	
<b>Industry and trade associations</b>	Conferences	Subject to annual agenda	
<b>Standardization organizations</b>	Audits, renewals, report submissions	Annually	



### Challenges and Action Points in 2021

The below points were raised, discussed, and resolved over the course of the year, with some extending beyond 2021 based on scope and requirements.

Stakeholder	Challenge/Risk	Action Taken/Planned
Shareholders	Margin contraction due to increased commodity prices	Improved costs through cost optimization strategy and localizing raw materials, including successful deleveraging efforts and introducing new high-margin innovations to the market
Suppliers	Global supply chain disruptions: border closures and repetitive delays in raw material arrival dates	We further increased efficiencies and cost-cutting efforts and secured more favorable contracts with suppliers

### Materiality Index

As outlined above, stakeholder engagement, research, and data analysis play the main role in mapping out material issues and impact across our footprint. Through these efforts, we assess the weight that each topic holds based on its importance to stakeholders and how it is set to drive long-term value, and we

set priorities and action plans accordingly. In 2021, our material topics continue to cover the same scopes outlined in our last reporting period. We reframed the issues to increase precision and clarity in communicating them, as seen in our [Materiality Assessment Breakdown](#).

#### Importance to Stakeholders





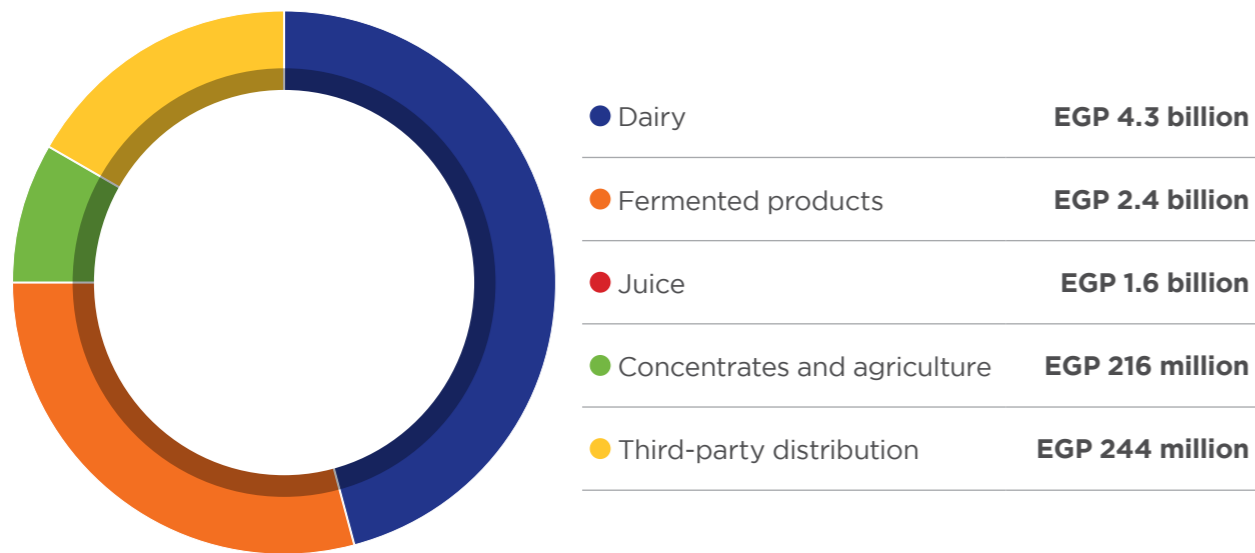
# ECONOMIC IMPACT





# FY2021 ECONOMIC PERFORMANCE

## SNAPSHOTS



### Highlights (201-1)

The pandemic uncovered new avenues for growth in 2020, making 2021 a solid recovery year. Our revenues increased in FY2021 despite COVID-19 restrictions on the back of concentrated human efforts led by our management and sales force, our innovative product mix and agile business model, and robust consumer demand recovery.

The company saw exceptional sales growth across all segments in 2021 and recorded a 17% y-o-y increase in its revenues, following a 0.1% y-o-y growth in FY2020. Our net profit increased by 23% y-o-y in FY2021,

with gross profit and EBITDA margins slightly decreasing as a result of global supply chain disruptions and increases in raw material prices. This, however, triggered cost saving and deleveraging efforts that contributed to our supply chain optimization. Substantial net debt reduction also reflected positively on our financial costs for the year. As we consolidate these results into solid next steps, we will aim to maintain a controlled capital expenditure policy while raising the company's brand value through premium, high-margin product launches in the upcoming stretch.

For more information on financial updates, check our [Earnings Releases](#) or [Financial Statements](#).



<sup>1</sup> Juhayna uses the Egyptian Accounting standards for financial reporting, a hybrid of cash and accrual accounting.



# OUR APPROACH

One of Egypt's largest business operations in the FMCG and F&B markets, Juhayna drives substantial direct and indirect economic impact across its footprint for the benefit of people and their wellbeing. We drive these outcomes by aligning with market trends to maximize profits, enable development across the value chain, boost local employment, and transfer knowledge and skills.

Efficiency of our financial performance is measured through returns on investment, equity, and assets, as well as sales growth against profitability forecasts. We also rely on our robust internal audit function and research analysts to provide recommendations based on our past financial performance and management plans. The Finance and Sales departments also set quantitative targets for the year, and then evaluate our actual performance at year end to evaluate the effectiveness of our plans and forecasts and how we can fine-tune them in the upcoming years.

The responsibility to ensure the successful implementation of this approach falls upon the key responsible parties outlined under our strategy.

## Impact on Stakeholders

Our economic performance impacts each and every group we consider a stakeholder through many direct and indirect avenues. Through increases in our capital income, we are able to continue to make our diverse products available to consumers, maximize shareholder returns, and boost employment compensation and benefits. We are also able to expand the roster of suppliers and business partners we collaborate with and, therefore, enhance their own and their people's economic wellbeing. Economic successes also help us maintain the ability to contribute to



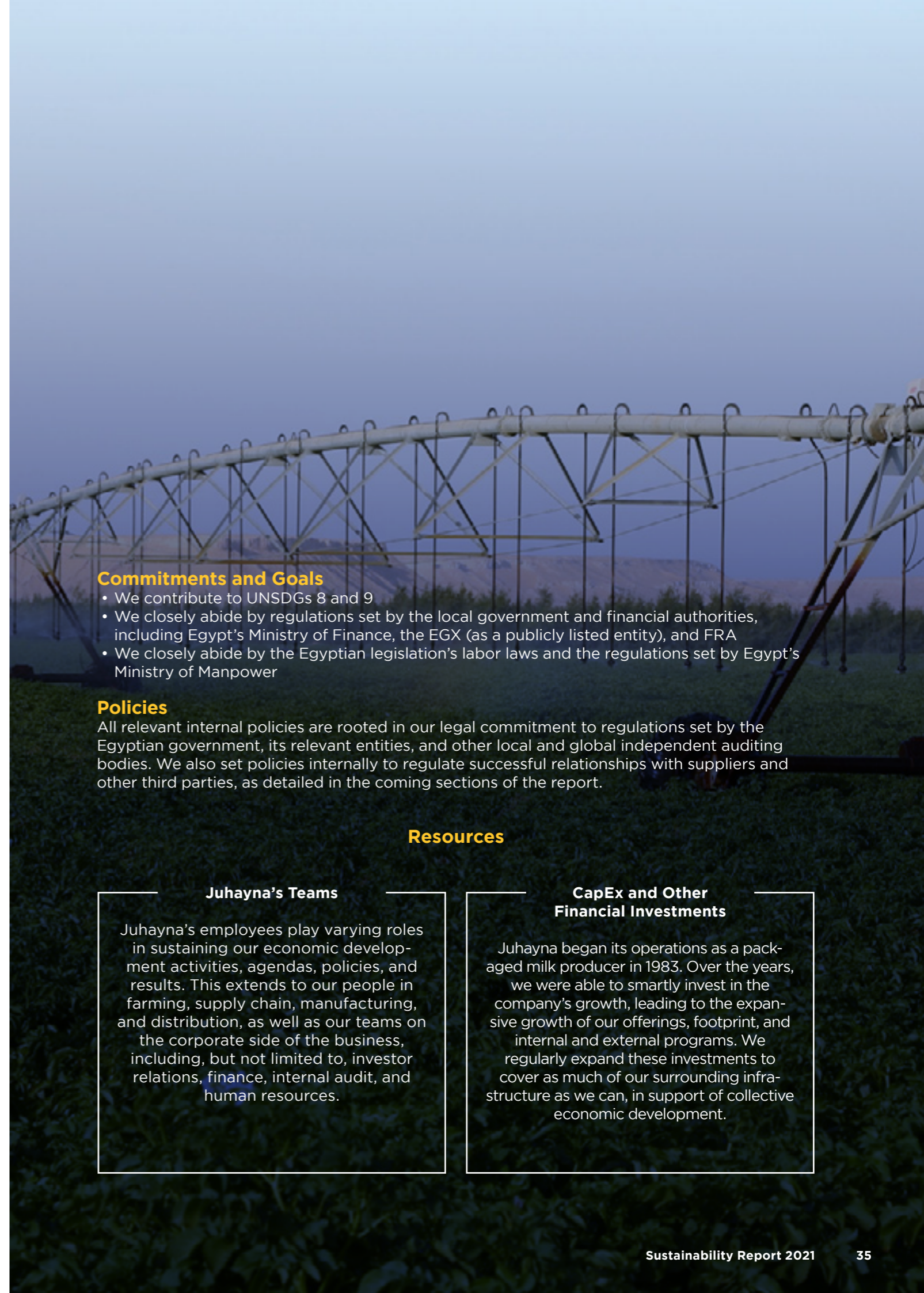
*We aim to drive positive outcomes across the sectors we directly and indirectly impact by fostering strong economic conditions that enable collective development*

local community development and launch programs that benefit people's personal and professional progress.

In other words, our revenues do not simply reference Juhayna's success as a business but the collective successes of our stakeholder groups and the profound direct and indirect impacts that the company's performance has on boosting Egypt's gross domestic product (GDP).

## Our Methodology

Next to maintaining exceptional standards across the business and its various arms, we also prioritize bilateral agreements that contribute to the development of persons, opportunities, and infrastructure. Our commitments to sound financial practices go hand in hand with our dedication to raise quality of life, work, and community everywhere we go.



### Commitments and Goals

- We contribute to UNSDGs 8 and 9
- We closely abide by regulations set by the local government and financial authorities, including Egypt's Ministry of Finance, the EGX (as a publicly listed entity), and FRA
- We closely abide by the Egyptian legislation's labor laws and the regulations set by Egypt's Ministry of Manpower

### Policies

All relevant internal policies are rooted in our legal commitment to regulations set by the Egyptian government, its relevant entities, and other local and global independent auditing bodies. We also set policies internally to regulate successful relationships with suppliers and other third parties, as detailed in the coming sections of the report.

### Resources

#### Juhayna's Teams

Juhayna's employees play varying roles in sustaining our economic development activities, agendas, policies, and results. This extends to our people in farming, supply chain, manufacturing, and distribution, as well as our teams on the corporate side of the business, including, but not limited to, investor relations, finance, internal audit, and human resources.

#### CapEx and Other Financial Investments

Juhayna began its operations as a packaged milk producer in 1983. Over the years, we were able to smartly invest in the company's growth, leading to the expansive growth of our offerings, footprint, and internal and external programs. We regularly expand these investments to cover as much of our surrounding infrastructure as we can, in support of collective economic development.



## Programs and Initiatives



### Collaborations with local businesses

We collaborate with dairy farmers and traders to increase productivity, storage, logistics and market efficiency, and we strive to empower them to enter and remain in the company's value chain at competitive prices. We also provide them with technical training to increase their chances for decent work.



### Supporting local dairy farms

We provide financial support to farms in the form of in-advance capital to develop their farms, purchase cows, and increase productivity. We also pursue investments in all physical infrastructure required to support the development of dairy farming and markets, covering water, technology and connectivity, roads, storage logistics, and more.



### Trainings for Low-Pay Workers

We provide specialized trainings for low-paid workers to develop their skills and help them gain access to improved professional opportunities and, by extension, higher salaries.



### Supporting Youth

We support talented youth in further developing their skills and training them for successful lifelong careers. We do so using internship programs, which were offered in 2021 to 70 interns during July and August across all departments. Separately, we also offer training programs for younger farm workers on responsible production and upkeep methods in agriculture.



### Employee Contributions

We provide incentive programs that encourage employees to bring their ideas to the table in support of our cost-saving and optimization initiatives. In 2021, we cut costs by c. EGP 50 million by implementing employees' ideas.



### Diversified Investments

We invest in and support initiatives targeting social enterprises and impact investment ventures for their critical role in providing jobs.





# INDIRECT ECONOMIC IMPACT

## Investments in Infrastructure and Services

Infrastructure investments and services that provide a public benefit are part and parcel of our performance culture. Both allow us the opportunity to create programs that produce long-term economic, social, and environmental benefits on local and national scales. It is worth noting that we generally contribute to developing the infrastructure of our cities of operation in support of employees and the local communities surrounding our factories and farms.

### Supporting Kafa'a

Throughout the years, we have prioritized investing in our network of farms, known as "Kafa'a" (or Aptitude) to enable their advancement in dairy farming and to help them transition their operations using more current and sustainable frameworks. We continue to do so this year through an ongoing, special agreement struck with the network, which stipulates that loans are presented to farms without interest and that repayment is made solely in the form of milk supply.

This barter agreement alleviates the financial burden usually involved in such transactions, allowing the network farm to quickly overcome such burdens, make additional profits, create job opportunities, practice sound biodiversity and animal welfare practices, transfer its knowledge to other farms in its area, and positively impact its community's overall economy and wellbeing.

### Why Indirect Impact Matters (203-2)

Traditional means of measuring Juhayna's growth are no longer an accurate gauge of how expansive the company's impact is on its wider environments and peoples. Positive indirect impacts that occur as an

intentional or unintentional result of our operations factor greatly into how we assess our success and value among our communities. Negative indirect impacts help us unlock new avenues for environmental and social investments that we can take on to alleviate these impacts, turning many of them to direct opportunities for sustainable development.

A notable example to cite here is our work in Al-Bahereya Oasis, where our farm Al-Enmaa is located. To facilitate logistics and general business conditions in the area—namely general movement, delivery and distribution efforts, and the overall quality of life of our people—we built roads, introduced security measures, and accelerated the supply of electricity and water to the farm. This served our surroundings by extension, introducing benefits that were scarce beforehand and generating job opportunities for members of the local community. In 2021, we also contributed to developing the area's general hospital for the benefit of our people, as well as the surrounding areas.

Understanding the overall impact of our operations has also helped us become better assessors of our contributions to ESG targets and general sustainability goals set by local and global entities, which:

- Improves our standing with current and future investors and shareholders
- Allows for more conversations between Juhayna and stakeholders on opportunities to grow our business and non-business operations sustainably
- Helps us mitigate risks that the company may or may not face due to changing environmental and social conditions in our areas of operation



EGP 7 MN  
SPONSORED DEVELOPMENTS  
AT BAHEYA

EGP 350 K  
INFRASTRUCTURE INVESTMENTS IN  
AL-WAHAT HOSPITAL



PEOPLE





# CONSUMER PROTECTION

## Food Safety and Quality

Food safety and exceptional quality levels are the beating heart of the Juhayna brand. Beyond the products we offer, this also extends to closely inspecting the ingredients we source, as well as contributing to the preservation of our network herds' wellbeing to improve the volume and quality of their yield. To that end, we monitor all ingredient acquisition steps; all processing steps, from semi-finished to finished products; and all handling steps, from storage, to transport and distribution. This goes hand-in-hand with our strive to improve quality at every possible opportunity, and assess our performance using a tailored methodology.

The responsibility to ensure the successful implementation of this approach falls upon the key responsible parties outlined under our strategy.

## Impact on Stakeholders

We produce and sell over six million consumer-ready products every day. Our cooking products and some of our concentrates are also sold to members of the HORECA sector, playing a major role in supporting the country's hospitality and tourism industries, and the rest of our concentrates are exported to over 25 countries in the EU, GCC, North Africa, and Central and North America. The growing reach of our products impacts millions of individuals on a daily basis, and food safety and quality are an integral part of ensuring the continuation of this mission.

If stakeholders have grievances to report on food safety and quality, they can get in touch through direct messaging any of the company's digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website.

## Our Methodology

All of Juhayna's products are made from materials sourced per closely defined food safety

*" We adhere to the highest standards of quality to maximize food safety and regularly improve the condition and shelf-life of our products "*

**+ 3 MILLION**  
QUALITY TESTS CONDUCTED/YEAR  
(+9,000 DAILY)

and quality specifications, which are updated when needed per local and global advancements in food health and safety standards. We put our suppliers through rigorous evaluations, technical assessments, and auditing prior to joining our network, and we closely monitor them on a monthly basis after that. Moreover, and to decrease human intervention in the manufacturing process, we equipped most of our factories with state-of-the-art, fully automated technologies that require no manual handling.

## Commitments and Goals

- We contribute to UNSDGs 2, 3, 8, and 12
- We conduct regular testing on milk, as well as annual quality control audits and external audits
- We train our traders to enroot proper storage and shelving techniques in their day-to-day operations to improve their handling of Juhayna's products specifically and chilled or dry products generally
- We conduct wholesaler trainings on storage techniques for our Bekhero milk line every six months to ensure compliance with our standards
- We conduct audits based on consumer complaints on purchases they made





### Policies

Outlined in our corporate policy is our dedication to thoroughly apply and embed quality, food, health and safety, environment, and energy management systems in our daily operations. Our Quality Management System is the platform we count on to guarantee food safety, as well as to ensure that we are compliant with the relevant standards, legislations, and laws. Our supply chain generally undergoes rigorous audits<sup>2</sup> by internal and independent auditing bodies that confirm our compliance or make recommendations to improve our performance.

### Programs and Initiatives

#### Corporate Quality Management System

We built the system to manage our food safety and quality agenda across the group and provide a safe and healthy work environment for our people. The structure is managed by teams based in our factories, branches, farms, and corporate center. To maintain food health and safety, it mainly stipulates:

- Full compliance with relevant external legislations and regulations and internal requirements
- Implementing an integrated system for quality, food safety, health and safety, and the environment per the requirements of ISO 9001, FSSC 22000, ISO 14001, OHSAS 18001, and ISO 50001
- Implementing “Quality and Food Safety Management” standards
- Reducing food safety risks through hazard analysis and critical control points (HACCP), which are defined across the entire supply chain
- Managing the relationship between suppliers and service providers in line with Juhayna’s requirements
- Developing our people’s skills by providing appropriate and relevant training programs
- Developing a communication strategy that transfers our knowledge in these areas of expertise

### Resources

#### Quality Teams

Responsible for setting up quality management systems and regularly revising them against local and international benchmarks; internally assessing factories, branches, farms, and labs against the management systems; and conducting supplier assessments and monitoring.

#### Quality Training Academies

Integrates learning in our day-to-day work, with training champions selected across the group and materials developed to cater to team needs. SO far, materials cover quality, production, maintenance, warehousing, and sales.

16

TAILOR-MADE COURSES

18

TRAINING CHAMPIONS



<sup>2</sup> Appendices, Summaries of Policies, Trainings, and Audits, Planned Annual Reviews



# NUTRITION & HEALTH

We are committed to improving lives by creating healthy foods and beverages, which is why we prioritize the careful sourcing of raw materials and minor ingredients that meet the nutritional value we are looking to deliver. Toward this, we collaborate with suppliers that promise the delivery of naturally sourced materials and who abide by environmental legislations across their supply chain. We also constantly look for opportunities to improve our offerings through a careful and extensive methodology.

The responsibility to ensure the successful implementation of this approach falls upon the key responsible parties outlined under [our strategy](#).

## Impact on Stakeholders

Our product portfolio of over 200 SKUs addresses various nutritional needs. Juhayna's dairy products cover an individual's recommended nutritional daily intake of calcium, protein, vitamin B12, and zinc, and our juice products are rich in potassium, vitamins C and A, and dietary fiber. In 2021, we furthered our commitment to nutrition and health by launching N&G, a non-dairy, plant-based product line that caters to consumers with lactose intolerance or who follow a non-dairy diet. We clearly state these details as part of each product's nutritional profile, package and market them to this effect, and ensure that they are widely accessible across our markets through extensive distribution efforts.

If stakeholders have grievances to report on food safety and quality, they can get in touch through direct messaging any of the company's digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website.

## Our Methodology

We work closely with healthcare practitioners and nutrition specialists to create healthy and delicious products that consumers can rely on. Our extensive product development programs constantly seek new ingredients that improve

*“ We aim to continue standing out as a source of healthy and nutritious products for all family members and to make our products widely accessible across the MEA region ”*

the the nutritional value of our dairy, juice, and cooking products without compromising their trademark taste and quality. We also rely on our Regulatory Affairs and Nutrition Team to not permit the use of ingredients without receiving comprehensive details on their composition, nutritional information, GMOs, allergens, and quality criteria, including microbiology and chemical analyses. Toward expanding our reach, we make sure that our products are widely accessible to consumers of all backgrounds, whether by making different SKUs available at different price points or by increasing our access to urban and remote areas that are typically underserved.

Moreover, we are committed to scaling up the Nutrition Business Network. This is why we collaborate with peers, partners, governmental entities, and civil society organizations to identify new, inclusive, and sustainable shared value in product health and nutrition.

## Commitments and Goals

- We contribute to UNSDGs 2, 3, 9, and 12
- We uphold our commitments as members of
  - NFSA's Scientific Committee on Food Additives
  - Multiple specialized divisions and committees

## Policies

Our products comply with local and international policies, standards, and regulations<sup>3</sup> on food health with respect to taste, color, smell, and fulfilling the promised nutritional value. We also undergo extensive annual reviews<sup>4</sup> and audits covering safety, quality, and nutrition.

<sup>3</sup> Appendices, Summaries of Policies, Trainings, and Audits, Nutrition Policies

<sup>4</sup> Appendices, Summaries of Policies, Trainings, and Audits, Planned Annual Reviews



**100%**  
NATURAL INGREDIENTS

**ZERO**  
PRESERVATIVES

## Resources

**Innovation Center**  
The center helps us accelerate the development of new products and explore new technologies. It evaluates concepts on a small scale and moves successful concepts to a pilot plant scale, helping us identify requirements and accelerate cycle speed, efficiency, and cost.

**Technical Trainings**  
We conduct local and overseas trainings to ensure that our Research and Development Team gains world-class education and knowledge in support of the business.

**Event Participation**  
We participate in significant events, including technical committees held on nutrition. These include local events, such as those pertaining to the Egyptian Organization for Standardization and Quality, or international events hosted by entities like the Codex Commission and IFU. Our experts also attend international food expeditions.

## Programs and Initiatives

### Sehetak Fi El Elba Di

We launched the campaign to promote and advocate for packaged milk's nutritional value. The campaign continues to have great positive impact and has been a key contributor to the significant increase in demand for packaged milk since 2017.

### El Commanda

Products delivered by El Commanda drivers—who are all members of rural communities—are sold at more competitive prices, and we aim to extend the reach of our nutritious products to underserved villages and remote areas through them. The UN started backing El Commanda mid-2021. Sales in Beni Suef and Minya, our governorates for the program, have increased by 137%, with over 15 women drivers now leading the program in the area.



# RESPONSIBLE MARKETING & LABELING

We operate with integrity and remain uncompromising when ensuring the honesty, accuracy, and fairness of our actions. This encompasses the honest marketing and correct labeling of all our products and ingredients, as well as regularly and effectively revising our processes against new regulations and market progressions. A central aspect of this approach is ensuring that our communication materials—product labeling, advertising, and any marketing or promotional items—do not mislead consumers and are contextualized in a manner that is fair, straightforward, and easy to grasp. Toward this, and as of now, our plain yogurt labels 100% adhere to global clean label practices, with plans in place to expand this endeavor to include all Juhayna products.

The responsibility to ensure the successful implementation of this approach falls upon the key responsible parties outlined under our strategy.

## Impact on Stakeholders

Consumers and business partners rely on the accuracy of our labeling to correctly estimate how they will go about using our products, as well as to correctly estimate an individual's intake when it comes to serving dietary lifestyles and needs, creating recipes, and more. Moreover, and specifically with regards to end consumers, all marketing and advertising campaigns geared toward promoting our products have a profound impact on establishing relationships of trust and accountability. This feeds into our commitment to make sure we only communicate complete and accurate information and facilitate feedback and grievance mechanisms with our stakeholders to fortify our relationships with them.

*“ We make sure that all marketing and labeling efforts associated with our products and ingredients are factual and informative at all times ”*

If stakeholders have grievances to report on improper marketing and labeling, they can get in touch through direct messaging any of the company's digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website. Internal stakeholders are asked to raise any concerns with their heads of department, who immediately follow investigation and assessment protocols.

## Our Methodology

Automation continues to play a major role in how we increase the dependability of our labeling and tracking systems. We place traceability codes on our product packaging that help us identify, authenticate, and track products across our supply chain. This facilitates the elimination of any products determined as “not up to Juhayna's standards”, protecting both the company and its consumers.

We also closely adhere to local laws and regulations when releasing marketing and advertising campaigns and adhere to family-friendly messaging that reflects the values of the brand.



## Commitments and Goals

- We contribute to UNSDG 12
- We are aligned with the UNGC's guide “A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains” to improve traceability of products, parts, and materials, and boost reliability in catering to human rights, labor, anti-corruption, and environmental claims

## Policies

We comply with and abide by local and global regulations on product labeling, specifically:

- Egyptian Standard ES 1546/2011, General Standard for the Labeling of Prepackaged Foods
- Codex Standard CXS 1-1985, General Standard for the Labeling of Prepackaged Foods

We also adhere to policies and regulations for ethical marketing and advertising practices set by NFSA, EOS, CFI, and MoH.



## Resources

### Internal Teams

Responsible for monitoring labeling practices and communicating any errors to the heads of departments.

### Marketing Department

Responsible for Juhayna's online and offline marketing, advertising, and promotional campaigns. The team manages budgets earmarked for Juhayna's marketing practices and oversees implementation from start to finish.

### Marketing and External Communication Agencies

Plush	Leo Burnett Cairo	Flavor Republic	Team Créatif	AWE Research	Nielsen Market Research	
Design - packaging	Advertising and creative agency	Content creation	Design - packaging	Market research	Market research	
Hub	Mediacom	Influence	Touch Media	Red Square	2611	Alpinguino
Social media agency	Media buying and management	PR agency	BTL agency	BTL agency	On-ground experience - design	Content creation

■ Agency     ■ Scope of work

## Programs and Initiatives

### “Every Drop Is Natural” Campaign

The 2021 campaign tackled concerns that our products' long shelf life indicates the use of preservatives. Through the campaign, we explained our manufacturing process and ultra-heating technology used to eliminate the need for preservatives.

### “Mix Is Always Better” Campaign

Following COVID-19 recovery, we relaunched our Mix Vanilla and Caramel flavored milk through a digital campaign in 2021 that emphasized the products' packaging revamp in 2019, so consumers can associate the new package with the longstanding product they've come to trust.

### Higher E-Commerce Penetration

We focused on establishing our presence on digital and e-commerce platforms during 2021 to increase our reach among young, tech-savvy audiences and establish channels that serve mutual, continuous communication with our entire consumer base.





# EMPLOYEE RIGHTS

Juhayna's people are the driving force behind its successes, and preserving their rights in the workplace is among the group's top priorities. These rights are not limited to wages and compensation; they extend to an employee's right to a safe work environment and opportunities for learning, development, and career progression, all of which we provide to our people through multiple programs and initiatives.

The responsibility to ensure the successful implementation of this approach falls upon the key responsible parties outlined under our strategy.

## Impact on Stakeholders

Employees across Juhayna's footprint have come to expect exceptional support from the company. These expectations are built on the back of our unwavering focus on their wellbeing, fiscal and otherwise, as well as our profound understanding of and ability to maneuver social and cultural barriers across our sector. While we sometimes have to make compromises in the face of these barriers, we have succeeded time and time again in introducing programs and initiatives that break them down, especially for the sake of women, youth, people with disabilities, and generally underserved members of the community.

If any of our people have grievances to raise regarding work conditions and environment, they are asked to raise these concerns with their heads of department, who immediately follow investigation and assessment protocols. We are currently working on developing a reporting mechanism that will give employees the chance to report grievances anonymously and without fear of retribution.

*“ We necessitate exceptional work conditions for our employees to protect their rights to a healthy and safe environment; foster equity, diversity, and inclusion among them; and provide development opportunities that accelerate their careers ”*

## Our Methodology

We preserve the rights of our employees by adequately rewarding their work per labor law and rights, as well as our own compensation and benefits framework. This is particularly important across our farming operations, as we secure minimum wage above national requirements and permanent contracts for our farmers and adapt our employment policies per the local areas where our remote facilities are situated.

Additionally, we use extensive pre-hiring assessments, policies, systems, and mechanisms to create a supportive and conducive work environment that is free from discrimination, prejudice, harassment, physical hazards, and other undue pressures that may impact an employee's performance or wellbeing. Moreover, and to accelerate progression at Juhayna, we build calibers that aren't just fit to grow across our many career paths but also create spaces for innovative contributions that bring new ideas to the company's sustainable development agenda.

<sup>5</sup> Appendices, Summaries of Policies, Trainings, and Audits, Compensation and Benefits

<sup>6</sup> Appendices, Summaries of Policies, Trainings, and Audits, Code of Conduct

<sup>7</sup> Appendices, Summaries of Policies, Trainings, and Audits, Equal Opportunity and Anti-Harassment Policy

## Commitments and Goals

- We contribute to UNSDGS 5 and 8
- We aim to raise fair employment across the agriculture and dairy farming industry and encourage other companies within the value chain to pay or raise living wages
- We are committed to facilitating work conditions for people with disabilities and reserving a 5% (of Juhayna's total workforce) hiring rate for them in compliance with Egypt's labor laws

## Policies

Relevant policies cover Juhayna's entire ecosystem:

- Compensation and benefits<sup>5</sup>, a framework detailing employees' rights to wages and additional benefits set by the company
- Our code of conduct<sup>6</sup>, inclusive of non-discrimination policies, grievance mechanisms, and more
- A standalone equal opportunity and anti-harassment policy<sup>7</sup> to further safeguard employees against acts of harassment, vilification, bullying, and victimization

## Resources

### Human Resources Department

The central unit responsible for employee affairs and for implementing the company's anti-discrimination and equal opportunity policies, especially during the hiring process.

### Training Academies

Providers of various learning and development opportunities for employees in multiple areas of expertise.

### Legal and Internal Audit Department

Closely involved in the creation of policies and monitoring their effective implementation across the company's footprint.

## Programs and Initiatives

### The GIZ Protocol

We signed a protocol of cooperation with the German Agency for International Cooperation (GIZ) in 2016. The agency agreed to provide us with financial advisory and support toward strengthening gender equality in the workplace. The grant was presented to us after winning the "Diversity in the Workplace" competition, being the first company in the Egyptian food industry to implement the program.

We worked on two projects with the GIZ in 2021:

- Creating and launching a virtual tour that helps our website visitors dive into Juhayna's operations and gain insights into how the company operates.
- Our continued participation in "Pro Girls", an initiative that provides young women with employment support, promotes female leadership, and encourages women to pursue managerial positions across traditional and innovative sectors. Through the program, we provided four young women with internship programs across the company's different departments in 2021.



# EMPLOYEE HEALTH AND SAFETY

We maintain exceptionally tight controls over the health and safety of our environments to safeguard our people against manufacturing and dairy farming hazards, the ongoing ramifications of COVID-19, and other perils. Our occupational health and safety management system was implemented based on multiple local and global policies, as shown under our policies below.

The responsibility to ensure the successful implementation of our health and safety protocols falls upon the key responsible parties outlined under our strategy, as well as our health and safety committee.

## Impact on Stakeholders

Occupational hazards may affect employees; contractors, and consultants working on our sites, facilities, and farms, as well as visitors temporarily present at Juhayna's sites. This impact also indirectly extends to our suppliers and vendors, who may be affected by occupational health and safety hazards or require support to decrease, if not eliminate, the potential impact of these issues on their operations.

We have created an internal mechanism for the immediate reporting of any operational irregularities or employee concerns. We have a Behavioral Observation System (BOS) in place that allows employees to submit any observations, complaints, or positive/negative remarks, which can be made either anonymously or not. Additionally, each factory's administration meets monthly under the supervision of the management to discuss any points raised from the BOS system.

## Our Methodology

Mindful of the risks that manufacturing environments pose on individuals operating within them, we exercise diligence in following local and global protocols for occupational health and safety and apply personalized regulations that accommodate

*“ We consistently strive to maintain the highest health and safety standards across our operations for the benefit of our people ”*

the nature of each of our internal environments. Moreover, a specialized team was appointed to follow up on medical complaints submitted by our employees and their family members, and a full-time medical administrator was appointed to ensure round-the-clock availability for any queries or medical emergencies.

## Commitments and Goals

- We contribute to UNSDGs 3 and 8
- We assess factory operations through internal audits on a monthly basis and external audits on an annual basis, and we implement any upgrades or changes necessary

## Policies

We comply with and abide by local and global regulations for health and safety standards and policies, specifically:

- Local government and healthcare authorities' regulations, including Egypt's Ministry of Health and Population, particularly labor law no. 12 of 2003 and the civil defense
- Regulations set by the WHO
- OHSAS 18001 and ISO 45001
- OSHA Standards
- Industry best practices, including good manufacturing practices, good warehouse practices, good lab practices, good hygiene practices, and good agricultural practices
- An integrated management system for quality, food safety, health and safety, and environment
- Internal policies for protection against chemical, environmental, and operational hazards; noise controls; and emergency occurrences, such as fires



## Resources

### PPE

All employees on manufacturing sites are required to wear personal protection equipment at all times and submit requests for new equipment in case of damage.

### Trainings and Audits

Employees undergo varying health and safety trainings, mostly determined per the nature of their roles, for their protection on the job.

### Medical Teams and HR

We provide employees with on-site and long-term medical assistance and ensure they receive required support during their down time. Employees also receive annual medical examinations.



## Programs and Initiatives

### Sedex Ethical Trade Membership

Al-Marwa and Modern Concentrate remain members of Sedex, which we consider crucial in advancing the plant's plans for optimizing its supply chain practices and handling high-caliber clients. The organization's audit methodology, known as Sedex Members Ethical Trade Audit (SMETA), provides a compilation of best practices for ethical auditing techniques. It is designed to help auditors conduct high-quality reviews that encompass all aspects of responsible business practices, covering Sedex's four pillars of labor, health and safety, environment, and business ethics. Sedex also provides access to a secure online platform for sharing industry-wide views on these pillars with over 150 other members.

### The Black Box

The Black Box project was introduced at El-Dawleya plant in 2018. It is a fully automated warehouse machinery system that handles and stores pallets during the processing and loading phases. Throughout 2021 and in continuation of this same record since its inception, zero fatalities and 100% on-time-in-full deliveries have been recorded thanks to this new system.

### Internal Controls Post COVID-19

Many of the initiatives imposed during the height of COVID-19 continue to be implemented where viable and needed across the company's footprint today, including:

- Upgraded sanitization procedures: We clean offices and work areas three times a day, employee buses twice a day, and restroom facilities once every hour. We also installed hand sanitizer dispensers by all entrances and in every operational location and fleet vehicle.
- Physical presence and interactions: We mandate the use of PPE on-site and grant two-week leaves to employees experiencing flu symptoms. All non-essential physical meetings are replaced with virtual conferences and online communication, and essential meetings are limited to less than 10 individuals. Visitors are not allowed except on a case-by-case basis and are required to adhere to our internal precautions.
- Work from home policy: Employees receive an allowance of one day per week to work from home.

### Work-Related Injuries in 2021

We conduct regular risk assessments for each operational task to determine work-related hazards that pose a risk of high-consequence injury. Hazards that have resulted or contributed to these injuries in 2021 include medical and chemical hazards, as well as unsafe acts. Actions taken or underway to manage these hazards include our worker trainings on occupational health and safety<sup>8</sup> as well as engineering control and the provision of adequate personal protection equipment at all times.



<sup>8</sup> Appendices, Summaries of Policies, Trainings, and Audits, Worker trainings on occupational health and safety



# HUMAN RIGHTS

Our fundamental duties toward people dictate our human rights activities, which are essentially every investment in policy, program, or initiative that benefits Juhayna's people, communities, and vulnerable beneficiaries. We take this commitment very seriously and consider it the root of all our communication with people across and beyond our value chain.

The responsibility to ensure the successful implementation of our human rights approaches falls upon the key parties responsible for advancing our ESG agenda, as outlined under our strategy.

## Impact on Stakeholders

Human rights preservation is closely tied to how we handle our stakeholders in general and our employees, farm network, and members of the local community in particular.

Egypt's complex cultural heritage create many unusual work environments across its ecosystems. Some of these can be found in rural areas, where workers below the age of 18 are allowed to work in fields, and education systems have evolved over centuries to accommodate the industry. While we fully understand the cultural implications, we do not adopt or endorse this ideology, and we audit farms and retailers in our network to ensure their compliance with our policies against child labor.

Any grievances or matters of non-compliance can be reported to Juhayna through direct messaging any of the company's digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website. Internal stakeholders are asked to raise any concerns with their heads of department, who immediately follow investigation and assessment protocols.

*"We adhere to policies that safeguard the wellbeing of our people and communities and invest in initiatives that advance their rights"*

## Our Methodology

We have long welcomed reviews and audits by our partners to ensure compliance with human rights standards. Moreover, and as an active member of the UNGC, we conduct regular self-assessments with focus on several areas, including the principles of human rights. This, coupled with our rigorous auditing of our own and our network's operations, constitutes the key mechanisms behind our due diligence in protecting human rights.

## Commitments and Goals

- We uphold the UNGC's principles on human rights and are committed to their full scope of action
- We are committed to increase the integration of human rights and environmental metrics into our supplier assessment strategies and conduct more audits across our supply chain
- We commit our sales representatives, in charge of our relationship with retailers, to conduct themselves per our Code of Ethical and Responsible Conduct

## Policies

- We adopt a no-compromise policy against hiring individuals under the age of 18
- We adopt a no-tolerance policy against general infringements of human rights across our footprint, inclusive of our suppliers, networks, and members of our community
- We expressly forbid any and all forms of forced or bonded labor, and we outline this in our employment contracts

## Resources

Juhayna's teams are its main resource in upholding human rights tenets across its operations and in monitoring our own and our networks' performance to ensure compliance with our policies. These teams include our Human Resources and Sales departments, as well as our sustainability champions.

### Programs and Initiatives

We manifest our support of human rights by initiating programs that cater to what we believe are the basic rights that every community member deserves. This ranges from launching health, education, and food safety programs to making donations in support of these rights.

### Supporting Baheya

Juhayna has been Baheya's main sponsor since its inception in 2015. We consider it our flagship CSV project, and we prioritize supporting its endeavors to alleviate the pressures women with breast cancer face on a daily basis. In 2021, we pledged EGP 7 million to the hospital and sponsored multiple events in support of the patients, as highlighted in the beginning of the report.



PLANET





# CLIMATE RISK MITIGATION

Climate change is an unavoidable reality that we must face head-on. Understanding our emissions profile and resource consumption patterns, and identifying areas for mitigating and improving them, has become a necessity. This is set to help us understand how we can maintain operational success without harming the planet. Our approach also extends to our network, whose members we encourage to adopt environmentally friendly practices at every possible point.

The responsibility to ensure the successful implementation of our climate risk mitigation practices falls upon the key parties responsible for advancing our ESG agenda, as outlined under [our strategy](#).

## Impact on Stakeholders

There are many specific areas set to withstand the harshest impacts incurred by climate change, but the overarching fact is that climate risks impact our collective wellbeing as a planet. Vast changes across our ecosystems are gradually changing the world as we know it, with increasing temperatures and odd weather phenomena associated with these changes already impacting lives and livelihoods today. Our responsibility toward ourselves, our people, and our communities lies in managing our own impacts and leading by example across our value chain to vastly expand these positive contributions.

Any grievances regarding Juhayna’s environmental performance can be communicated to us directly through our digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website.

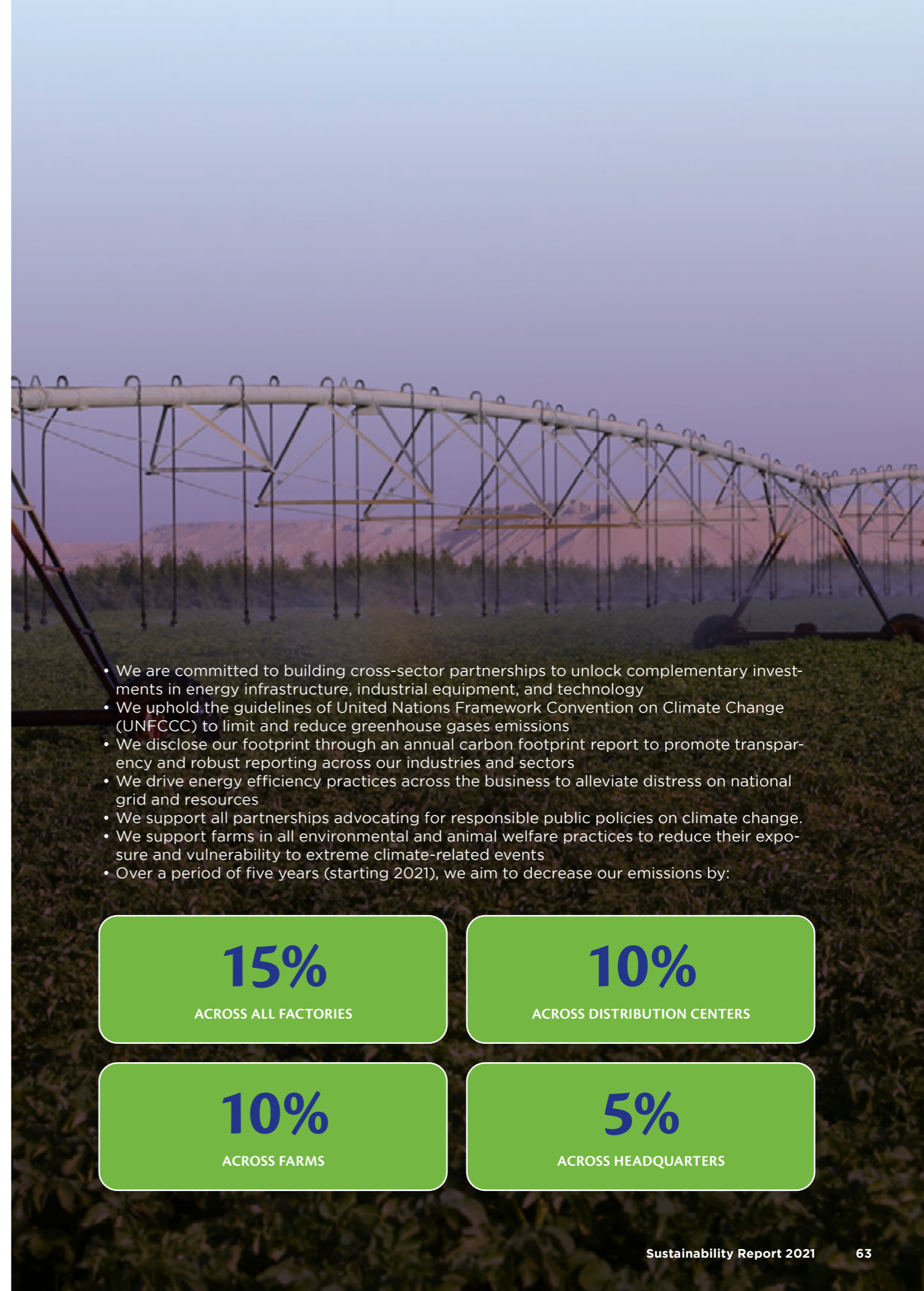
*“ We are committed to alleviating the impact of our industrial footprint by assessing and understanding it and adopting advanced reduction practices that help us manage it ”*

## Our Methodology

Our role in reducing the industry’s impact on the environment starts at home, which is why we implement a range of programs, systems, and policies to start from within. These implementations come on the back of extensive research, internal and external environmental impact assessments, and resource conservation evaluations, all geared toward managing our energy consumption and decreasing resulting emissions. It is worth noting that upon releasing our first carbon footprint report, we deduced that our emissions are less than industry average. We are, however, committed to further lowering them, in an effort to encourage peers and partners to follow suit.

## Commitments and Goals

- We contribute to UNSDGs 7 and 13
- We uphold the UNGC’s principles on environmental action and are committed to their full scope of action
- We regularly measure our emissions and analyze gaps to improve our performance
- We comply with regulations set by the local government and environmental authorities, including Egypt’s Ministry of Environment



- We are committed to building cross-sector partnerships to unlock complementary investments in energy infrastructure, industrial equipment, and technology
- We uphold the guidelines of United Nations Framework Convention on Climate Change (UNFCCC) to limit and reduce greenhouse gases emissions
- We disclose our footprint through an annual carbon footprint report to promote transparency and robust reporting across our industries and sectors
- We drive energy efficiency practices across the business to alleviate distress on national grid and resources
- We support all partnerships advocating for responsible public policies on climate change.
- We support farms in all environmental and animal welfare practices to reduce their exposure and vulnerability to extreme climate-related events
- Over a period of five years (starting 2021), we aim to decrease our emissions by:


**15%**  
ACROSS ALL FACTORIES

**10%**  
ACROSS DISTRIBUTION CENTERS

**10%**  
ACROSS FARMS

**5%**  
ACROSS HEADQUARTERS





**Policies**

- **ISO 14001 for Environmental Management Systems**  
We regularly measure our emissions and analyze gaps to improve our performance.

**Resources**

<p><b>Consultants</b></p> <p>External consultants that help us assess our carbon footprint and determine areas for improvement.</p>	<p><b>Financial Investments</b></p> <p>Budgets allocated to investments in renewable or alternative, less harmful energy sources.</p>	<p><b>New Technologies</b></p> <p>Environmentally friendly technologies that help us reduce our impact, such as solar panels and LED lights.</p>
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**Programs and Initiatives**

**Switching to LED**

We began installing LED lights across our plants to tackle high electricity consumption. The project has been successfully completed at Al-Dawleya, Al-Masreya, and EgyFood, with Al Marwa completing 60% of the process in 2021.

**Selling Excess Solar Energy**

We also continue to honor the Purchase Power Agreement (PPA), drafted with KarmSolar in 2016, to supply electricity to the private sector, and we have sold 1.702.1 kW/year throughout the reporting period.

**Reducing Herd Emissions**

To reduce methane emissions from cows, we began creating rations that are specifically designed to reduce these emissions without compromising the wellbeing of the herd.

**Reducing Vehicular Emissions<sup>9</sup>**

All Juhayna vehicles are substituted after 10 years of use. During their lifetime, monthly consumption cards are kept to help us track each vehicle's operation and consumption levels, which are benchmarked against a preset average. Preventative and corrective maintenance is conducted to mitigate deviations.

**Al-Enmaa's Solar Power Station**

Our farm's 1 MW solar energy station, established through a cooperation agreement with KarmSolar, remains fully operational and covers around 15.6% of the farm's energy needs. The station reduces emissions by c. 1.62 tons of CO<sup>2</sup> per year and decreases our dependency on diesel by about 600,000 liters annually, simultaneously lowering our operational costs and reducing our carbon footprint.

<sup>9</sup> Appendices, Summaries of Policies, Trainings, and Audits, Vehicular Performance Checklist

**MED TEST II Initiative**

We joined the UNIDO's MED TEST II initiative in 2017 to learn about best practices in resource efficiency and integrated environmental management systems. This helped us increase productivity, grow profit margins, and reduce our environmental impact.

<p><b>Al-Marwa:</b></p> <p><b>52%</b></p> <p>OVERALL WATER USE REDUCTION 5% OVERALL ENERGY USE REDUCTION</p>	<p><b>Al-Dawleya:</b></p> <p><b>25.3%</b></p> <p>OVERALL WATER USE REDUCTION (AN ESTIMATED 92,928 M3/YR)</p>
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**Financial Opportunities and Risks Incurred by Climate Risks (201-2)**

The short-term climate-related opportunities and risks that we foresee impacting Juhayna's operations in the next stretch are two-pronged:

**Regulatory Opportunities**

Mandatory ESG reporting requirements for Egyptian companies have already been announced in a decree issued by the FRA, forcing corporates to report on key ESG and TCFD metrics quarterly and annually with their financial statements. The FRA is positioning the requirements as part of a long-term strategy to position Egypt as a sustainable finance hub.

We look at this as an opportunity for positive impact because mainstream investors are increasingly making ESG a part of their investment decisions. We are one of the few companies in Egypt that have a sustainability and carbon footprint report, which is set to facilitate fulfilling these requests in 2022. The financial implications are minimal; they only relate to the expenses of issuing the annual sustainability report, which the company has been publishing even before the FRA mandated ESG reporting.

ESG and TCFD reporting is managed by our IR Team.

**Physical Risks**

The rise in temperature as a result of climate change can positively or negatively affect our business. The very concerning droughts occurring in both Italy and Spain negatively affected the countries' ability to grow tomatoes, thus increasing demands for our tomato concentrates. This unfortunate event have given us an opportunity to increase the volumes of our exports of concentrates, leading to revenue increases and the generation of new revenue streams. Our Exports Team now remains in contact with customers around the world to bridge gaps across the concentrate exports market.

An example of negative impacts that have increased our costs is the effect of increased temperatures on our dairy farms. The milk yield from cows typically decreases during times of higher temperature, so milk volumes are affected and the cost of utilizing cooling systems increases. In this case, we may also have to increase our dependency on sourcing raw milk from external farms, which is more expensive than sourcing it from our own. Al-Enmaa team currently tracks the daily yield of each cow and adjusts the temperatures of the cooling systems if needed.



# WATER STEWARDSHIP

Our operations rely on water for producing juices and other beverages, as well as for farming and manufacturing purposes. We therefore exercise extreme caution in rationing our water use and find convenient alternatives when possible to decrease our reliance on natural resources.

The responsibility to ensure the successful implementation of our water stewardship practices falls upon the key parties responsible for advancing our ESG agenda, as outlined under our strategy.

## Impact on Stakeholders

Water use directly impacts operations across our farms and facilities, and therefore has significant bearing on our production capabilities. Any grievances regarding our water use can be communicated to us directly through our digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website. Internal stakeholders can also communicate concerns to their heads of departments, who immediately follow investigation and assessment protocols.

## Our Methodology

Municipal water is stored in tanks and used in production activities, cleaning, heating, and cooling. We have substantially reduced water needed during the production process by integrating advanced water recycling technologies into our production system. This helps us reuse water during the manufacturing cycle for purposes such as cooling.

## Commitments and Goals

- We contribute to UNSDG 12
- We comply with local regulations to efficiently manage our water dependency (environmental law 44/2000)
- Our distribution arm only uses water for non-industrial purposes, such as drinking and housekeeping

*“ We aim to reduce water consumption across our value chain and ensure responsible and sustainable withdrawals for increased efficiencies ”*

- Al-Dawleya is looking into the viability of safely using treated wastewater in irrigation practices
- We reward employees who come up with ideas on how to save water across our footprint
- We aim to reduce water use by 5% y-o-y every year, and we were successful in doing so in 2021.
- Internal standards and guidelines:
  - Water and wastewater station standard sheet (across all plants)
  - In/out samples analysis tests (PH, TDS, COD, temp)

## Policies

- We abide by ISO 14001 for Environmental Management Systems in managing and assessing our water use

## Resources

### Financial Investments

Budgets allocated to investments in wastewater treatment and water recycling technologies.

### New Technologies

Technologies that help us reduce, reuse, recycle, and treat water used across our operation.

## Programs and Initiatives

### Wastewater Treatment

In partnership with TIA Germany, we equipped our factories with wastewater treatment facilities and equipment worth over EGP 32 million to efficiently manage specialized water needs. The facilities produce over 2,000 liters of treated water every day. We also installed an ultraviolet (UV) system for water treatment at Al-Dawleya in 2020 that eliminates harmful microorganisms from treated water without adding chemicals or changing the water's taste or odor, as well as new automatic nutrients dosing systems at EgyFood, Al-Dawleya, and Al-Masreya.





# RESOURCING EFFICIENCY AND WASTE CONTROL

The depletion of natural resources and the irresponsible disposal of materials are major threats to our ecosystems' wellbeing. There are many points across the supply chain where responsible use of resources and strict waste control play an important role in helping us manage this impact. To that end, multiple initiatives and policies come into play as we steer away from casual use of materials and toward innovative, environmentally friendly practices. These practices are closely monitored by key parties responsible for advancing our ESG agenda, as outlined under [our strategy](#).

## Impact on Stakeholders

Being an FMCG producer, our waste extends beyond the manufacturing cycle and to our product packaging and how consumers choose to dispose of it. We assume responsibility over this fact with limitations, because we are unable to control the behaviors of end consumers but do everything we can to guide them toward responsible practices.

If stakeholders have grievances to report on improper marketing and labeling, they can get in touch through direct messaging any of the company's digital platform accounts, email, hotline, or our WhatsApp number, all of which are published on our website. Internal stakeholders are asked to raise any concerns with their heads of department, who immediately follow investigation and assessment protocols.

## Our Methodology

Our first prong here is closely monitoring and ensuring that our resources are being used responsibly and with waste minimization in mind, bringing our manufacturing practices under review to determine areas for improvement. The second prong comes with adopting

*“ We monitor, report on, and manage our resourcing and waste management efforts to decrease wasted raw materials, encourage responsible disposal of our packages, and promote circular economy practices ”*

sensible waste disposal techniques that minimize hazards to the environment and to people exposed to this waste at any point of its lifecycle. The final prong addresses methods used to either re-utilize this waste or upgrade it to a biodegradable nature that does not harm the environment even when disposed of.

## Commitments and Goals

- We contribute to UNSDG 12
- We actively aim to reduce milk and solid waste during production and throughout the supply chain
- We remain dedicated to creating product packaging that bears minimal undesirable impacts on the environment and carton packaging that can be easily collected and recycled
- We source all packaging from Tetra Pak and Combi, both FSC compliant companies
- We dispose of hazardous waste through trusted companies that are licensed, monitored, and penalized, if needed, by the Environmental Affairs Agency
- We aim to make 100% of our packaging for yogurt and dairy cartons recyclable and increase our r-PET by at least 25 by 2030
- We plan to move toward a mono-material plan strategy to increase packaging recyclability by 2022



## Policies

We adhere to internal, local, and some global regulations, including:

- Standard operation procedures for best practices in waste minimization
- Standard operation procedures for best practices in resource efficiency
- Regulations set by the Ministry of Environment and other relevant government authorities
- ISO 50001:2018

## Resources

Quality Control Teams	Consultants	Financial Investments
Our teams monitor and manage the effective use of resources, as well as proper waste disposal across our footprint.	External experts who assist us in maintaining compliance with and renewing certifications, such as the ISO 50001:2018.	Investments made in upgrading parts of our packaging materials to more sustainable (recyclable or biodegradable) alternatives.



## Programs and Initiatives

### Partnership with Tetra Pak

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Our packaging materials company, Tetra Pak, is 100% FSC certified, which means that its entire value chain is certified as compliant with responsible forestry practices and forest management. We also began sourcing biodegradable spouts for some of our products, furthering our commitment to steadily introducing more sustainable packaging to our portfolio.

### “Push the Straw Back”

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We launched the “Push the Straw Back in the Pack” initiative in partnership with Tetra Pak to encourage consumers to push the straw back into our Mix milk line pack or re-attach the cap when they are finished. This is to ensure all parts of the package go through the proper waste disposal process.

### Changing Rayeb Caps

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We upgraded Rayeb plastic caps to environmentally friendly, plant-based caps made of sugarcane and certified by the Bonsucro standards.

### Partnership with Reform

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We partnered with the recycling company Reform to reuse company waste ethically and sustainably.

### Reducing and Recycling Efforts

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We use advanced technologies to reduce food losses during the packaging process. We also launched our first pilot project in 2021 to recycle more of our fruit byproducts during the production process.

### Dairy Science and Technology Conference

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We collaborate with the Egyptian National Research Center to organize and participate in the annual Dairy Science and Technology conference. Through the event, we highlight our belief in the necessity of Public Private Partnerships (PPP) to upgrade industry standards.





# PURPOSE





# BIODIVERSITY, BIOSECURITY, AND ANIMAL WELFARE

Operating agriculture and dairy farming practices can trigger concerns regarding the preservation of our ecosystems, and how our practices impact the wellbeing of our immediate environment, as well as the animals involved in our operations.

It is important to note that Egypt makes for an excellent locale to develop said operations due to the extensive desert areas that can be reclaimed without disturbing the biodiversity of the salvage area. This, coupled with our profound dedication to animal welfare, made for an excellent start as we founded Al-Enmaa, Juhayna's well-developed farming operation, located in Al-Esseila, Bahareya Oasis.

A leading performer in the agricultural sector in Egypt, Al-Enmaa is the first farm in Egypt to be listed on the NFSA whitelist. It has also secured the ISO 22000 certification for food safety management.

## Impact on Stakeholders

### Al-Enmaa

Al-Enmaa's primary stakeholders are occupants and surrounding communities in the area. The farm fosters an exceptional environment by adopting the Food and Agriculture Organization (FAO)'s good dairy farming practices and uses innovative, state-of-the-art practices in animal care and raw materials preservation. Juhayna's team at Al-Enmaa is comprised of experts and highly trained technicians who understand the importance of preserving environmental and animal health. To that end, we would like to affirm that the safe, pain-free, and healthy life of herds across our network is central to us. Not only does this help us

*“Our responsible dairy farming practices go hand-in-hand with our commitment to protecting biodiversity, biosecurity, and animal welfare in Egypt”*



preserve animals' basic rights, in keeping with the FAO's Five Freedoms for Animals, but it also improves the volume and quality of each animal's yield.



### Al-Enmaa's Supplier Network

Al-Enmaa's secondary group of stakeholders are occupants and surrounding communities of farms comprising the rest of our supplier network. Next to committing them to strict supplier policies and regulations, we provide our network with knowledge transfer and operational support opportunities, all benchmarked against Al-Enmaa advances in the field. This then contributes to their development and, by extension, the development of their surrounding communities.

If any of our network farms want to report grievances witnessed across the agriculture value chain, they can get in touch through email, hotline, or our WhatsApp number, all of which are published on our website and communicated directly to them. Al-Enmaa employees are asked to raise any concerns with their heads of department, who immediately follow investigation and assessment protocols.

### Our Methodology

When we originally founded Al-Enmaa, we made sure to select livestock that can withstand Egypt's environmental conditions, and thus decided on Friesian Holsteins. We then proceeded to develop the



farm's capacities in ways that maximize the herd's life expectancy and quality of yield, then proceeded to transfer these learnings to other members of our farming networks to improve their capacities.



### Commitments and Goals

- We align with UNSDGs 2 and 15
- We follow strict safety protocols to reduce harm and the spread of diseases across our network
- At Al-Enmaa, we set annual goals based on the performance of the prior year, and reassess them on a monthly basis based on performance and prevailing conditions
- We have annual plans in place to ensure that Al-Enmaa’s herd is properly vaccinated
- We require all farms across the network to provide certificates proving their herds are free from Brucella and Bovine Tuberculosis on a semestral basis (biannually)
- We regularly set plans to measure and closely address our herd’s GHG emissions

### Policies

- We conduct regular testing<sup>10</sup> on milk to ensure its safety and quality
- Two external audits are conducted annually by the Ministry of Agriculture in Egypt at Al-Enmaa and the rest of our network to ensure herd wellbeing
- Performance assessments are conducted at the end of every month at Al-Enmaa to assess forecasts against results, as well as determine next steps
- Al-Enmaa visitors are required to fill a health assessment form to confirm adherence to the farm’s hygiene rules prior to entering the premises
- Ensuring that Mandisha Farm is complying with NFSA regulations in terms of all hygienic procedures, systematic processes, engineering designs, and reporting and documentations. The NFSA audit process is based on announced and unannounced visits and Al-Enmaa (Mandisha) has been consistently on the top of the whitelist.

### Resources

#### State-of-the-Art Resolutions

We use advanced technologies to maintain our herd’s wellbeing and maximize its ability to tolerate shocks resulting from extreme climate events and changes. We also use strong flushing systems to keep parlors clean and contract specialized pest control companies, when needed, who use materials that do not compromise herd health.

#### R&D Efforts

We rely on R&D efforts to improve genetics among the herd and decrease culling rates. As a result, reproduction rates have increased by 4-5% in 2021.

#### Expert Team Members

We rely on our team of expert technicians and consultants to assess our and our network’s adherence to animal welfare standards, monitor herd health, and identify areas of improvement.

#### Rigorous Training Programs

Our farming team members undergo extensive trainings that cover the scope of our agricultural and dairy farming practices at Al-Enmaa, as well as soft skills trainings.

<sup>10</sup> Appendices, Summaries of Policies, Trainings, and Audits, Frequency of Herd Testing



### Programs and Initiatives

#### The Animal Health Management Program

The program primarily entails providing secure boundaries and fencing around each farm, avoiding direct contact between visitors and the herd to limit concerns, and implementing biosecurity measures that limit the transfer of diseases from farm to farm and from animal to animal.

#### Herd Monitoring

Programs and initiatives pertaining to animal welfare and healthy yields are monitored by our Farm Development Department. Our experts assess our network’s adherence to animal welfare standards and monitor herd health to identify concerns and recommend improvements.

#### Maximizing Environmental Benefits

Using effective circular techniques, we use manure and recycled water in our agricultural processes at Al-Enmaa to minimize waste and reuse resources at every possible opportunity.



# GOVERNANCE





# GOVERNANCE

Juhayna fosters a culture of innovation and collaboration that is built on the tenets of ethical and transparent business practices. This facilitated our Board of Director's oversight of the group's management, from operational and ESG-centric viewpoints, and it majorly contributed to our operational sustainability, especially during challenging times.

*“ We ensure honesty, accuracy, and accountability across our operations and engage in fair competition across the markets we participate in ”*

## Impact on Stakeholders

Juhayna's successful governance practices impact its entire stakeholder network. Driven by product innovation and financial accomplishments, as well as developments in the areas of environmental consciousness and social responsibility, these practices maximize both shareholder returns and the overarching value presented to our employees, business partners, and consumers. Over the years, we have continued to align our corporate governance framework with local and global benchmarks that set the tone for strong, honest, and fair operations.

## Our Methodology

We have adopted a number of key policies that incorporate sustainability and integrity across our operations and value chain to promote ethical, long-term growth for the company. These policies are part of our corporate strategy, and they center around creating shared value for all stakeholders.

## Commitments and Goals

- We align with UNSDG 16
- We are re-committing to the UNGC and its 10 principles, and are devoted to their full scope of action
- We aim to introduce an automated whistleblowing mechanism that will allow employees everywhere, including sites in rural areas, to communicate grievances in a transparent, secure, and confidential manner
- We annually assess complaints received by the HR and Internal Audit departments and constantly monitor the number and nature of received complaints to analyze reasoning and corrective action
- We oversee the development of new policies as needed, from drafting to assurance and approval

## Policies

Some of the policies contributing to effective governance and oversight at Juhayna include:

- Code of Conduct<sup>11</sup>
- Conflict of Interest Policy<sup>12</sup>
- Equal Opportunities and Anti-Harassment policies



## Resources

### Internal Departments

Includes departments in charge of monitoring any policy implementations, as well as the HR and Legal Affairs teams.

### External Audits

Two external auditors (KPMG and Grant Thornton) revise our financial statements in line with relevant laws, regulations, and procedures to help protect the company against corruption.

### Board's Audit Committee

As tasked by the Board of Directors, the committee oversees any audits or financial performance reviews that the company is undergoing.

### Whistleblowing Policy

Our current primary grievance mechanism is to be replaced with an automated, facilitated, and more confidential platform.

## Programs and Initiatives

### Changes to the Board of Directors

Juhayna's Board of Directors underwent adjustments in 2021, all of which were approved in the Ordinary General Meeting held in November 2021. The resolutions summary of the meeting can be viewed [here](#).

<sup>11</sup> Appendices, Summaries of Policies, Trainings, and Audits, Code of Conduct

<sup>12</sup> Appendices, Summaries of Policies, Trainings, and Audits, Conflict of Interest Policy



## Board Structure



**Ahmed El-Wakil**  
Independent Chairman

Appointed Chairman of the Board in November 2021 and previously appointed Independent Non-Executive Member in January 2021.



**Seif El-Din Thabet**  
Previous Group CEO

Served as Group CEO until 2021.



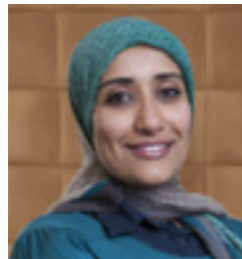
**Jan Anders Lindgren**  
Non-Executive, Independent Member

Appointed Non-Executive Independent Member of the Board in June 2021.



**Heba Thabet**  
Executive Member

Appointed Executive Member of the Board in February 2007.



**Mariam Thabet**  
Non-Executive Member

Appointed Non-Executive Member of the Board in May 2010.



**Amr Madany**  
Executive Member

Appointed Executive Member of the Board in November 2021.



**Mahmoud Abd El-Wahab**  
Non-Executive Member

Appointed Non-Executive Member of the Board in November of 2021.



**Mesheal Al-Doghiem**  
Non-Executive Member

Appointed Non-Executive Member of the Board in November 2021.



## Board Committees

### Audit Committee

Assists the Board of Directors in overseeing the integrity of Juhayna's financial statements and financial reporting processes. It also monitors the independence of our internal and external auditors, as well as our general compliance with all binding legal and regulatory requirements.

3

MEMBERS IN 2021

### Remuneration Committee

Consults and advises on financial and non-financial compensation for both executive and non-executive board members. The recommendations of the committee are then presented at the company's General Assembly for approval.

3

MEMBERS IN 2021

For more on our Board Members' credentials, [click here](#).  
For more on the Board of Directors' mandates, [click here](#).



# APPENDICES





# GLOSSARY

## General Terms

Term	Common Abbreviations	Quick Definition
Environmental, Social, and Governance	ESG	A set of indicators that represent a company's commitments to sustainable and ethical impact through environmental action, social contribution, and good governance.
Hazard Analysis and Critical Control Points	HACCP	A preventative approach against biological, chemical, and physical hazards that can impact food safety and quality during production.
Task Force on Climate-Related Financial Disclosures	TCFD	A task force responsible for developing climate-related financial risk disclosures that companies, banks, and investors can use to increase the reliability of the information they share with their shareholders.
United Nations Global Compact	UNGC	A global initiative for collective action that calls companies to align with 10 principles that aim to advance societal goals. The principles are rooted in human rights, labor, environment, and anti-corruption topics.
United Nations Sustainable Development Goals	UNSDGs	A global call to action comprised of 17 goals that collectively meet urgent environmental, social, governance, and economic targets.

## Juhayna's Terms

### Sustainability Champions

Sustainability Champions are key members of our teams who work with each other and our Board of Directors to monitor and report on the implementation of our CSV strategy. Sustainability champions are selected from within every department across Juhayna, and they are relied on to represent these departments or functions in line with our mission to boost our ESG performance.





# MATERIALITY ASSESSMENT BREAKDOWN

Material Issues	Stakeholders Prioritizing the Topic	Scope	Priorities (X/Y) <sup>13</sup>	Our Response (Page #)
<b>Biosecurity, biodiversity, and animal welfare</b>	Shareholders	<ul style="list-style-type: none"> <li>• Farm operations and impact</li> <li>• Relevant supply chain impact</li> <li>• Ecosystem impact and risks</li> </ul>	High	74-77
	Regulators		High	
	Local community		High	
<b>Resource efficiency and waste control</b>	Shareholders	<ul style="list-style-type: none"> <li>• Ethical resourcing of materials</li> <li>• Circular economy practices</li> <li>• Waste disposal and reduction</li> </ul>	High	68-71
	Regulators		High	
<b>Employee rights, inclusive of preserving high working standards, diversity, and staff development</b>	Internal Shareholders	<ul style="list-style-type: none"> <li>• Juhayna employees</li> <li>• Farm network employees</li> </ul>	High	52-53
	Regulators		High	
	Civil society organizations		High	
<b>Ethical business practices</b>	Shareholders	<ul style="list-style-type: none"> <li>• ESG oversight</li> <li>• Anti-corruption efforts</li> <li>• Internal audit controls</li> </ul>	High	80-81
	Regulators		High	
<b>Nutrition and health</b>	Customers	<ul style="list-style-type: none"> <li>• Nutrition profile</li> <li>• Product accessibility</li> </ul>	High	46-47
	Local community		Medium	
<b>Climate risk mitigation</b>	Shareholders	<ul style="list-style-type: none"> <li>• Emission control</li> <li>• Renewable energy use</li> <li>• Resource use</li> </ul>	High	62-65
	Regulators		Medium	
<b>Water stewardship</b>	Regulators	<ul style="list-style-type: none"> <li>• Responsible use of water</li> <li>• Impact on water sources</li> <li>• Wastewater treatment</li> </ul>	High	66-67
	Local community		Medium	

<sup>13</sup> X = Importance to stakeholders  
Y = Importance to sustainability











Material Issues	Stakeholders Prioritizing the Topic	Scope	Priorities (X/Y) <sup>13</sup>	Our Response (Page #)
<b>Employee health and safety</b>	Employees	<ul style="list-style-type: none"> <li>• Protecting employees</li> <li>• Standards set for suppliers</li> </ul>	High	54-57
	Local community		Medium	
<b>Food Safety and Quality</b>	Customers	<ul style="list-style-type: none"> <li>• Manufacturing control</li> <li>• Product safety</li> <li>• Safety of ingredients</li> </ul>	High	42-44
	Local community		Medium	
<b>Preserving human rights</b>	Regulators	<ul style="list-style-type: none"> <li>• Rights of stakeholders who are impacted directly and indirectly</li> </ul>	Medium	58-59
	Shareholders		Medium	
<b>Economic welfare</b>	Regulators	<ul style="list-style-type: none"> <li>• Direct economic impact</li> <li>• Indirect economic impact</li> </ul>	Medium	32-39
	Shareholders		Medium	
	Local community		Medium	
<b>Responsible communication and labeling</b>	Regulators	<ul style="list-style-type: none"> <li>• Ethical marketing</li> <li>• Product labeling</li> <li>• Investor communication</li> </ul>	Medium	48-50
	Customers		Medium	











# CONTRIBUTION TO THE UNSDGs

SDG	Target	Our Contribution
		<ul style="list-style-type: none"> <li>We provide in-advance capital loans to develop farms.</li> <li>We collaborate with local farms using long-term procurement contracts that bolster their performance through our specialized network, Kafa'a.</li> </ul>
		<ul style="list-style-type: none"> <li>We adopt good dairy farming practices, improve genetics among the herd, and minimize culling rates to maximize herd wellbeing and dairy production.</li> <li>We work to mitigate the impact of climate risks on our herd, protecting the animals and their yields.</li> <li>We invest in the development of farms across our network and in the development of our farm, Al-Enmaa, to bolster its infrastructure and maximize its production.</li> </ul>
		<ul style="list-style-type: none"> <li>We train low-pay workers to improve their capabilities and increase their salaries.</li> <li>We conduct local and overseas trainings to ensure that our R&amp;D team receives world-class education that supports sustainable development across the business.</li> <li>We offer internship programs across Juhayna's departments for women through our participation in the "Pro Girls" initiative.</li> <li>We offer trainings for younger farm workers on responsible production and upkeep methods in agriculture to boost knowledge and productivity.</li> </ul>
		<ul style="list-style-type: none"> <li>Our Code of Conduct includes a strict, no-tolerance non-discrimination and anti-harassment policy.</li> <li>We exercise equal opportunity hiring and do not discriminate between men and women in pay.</li> <li>We host awareness sessions on violence against women and recommend services that help women experiencing violence at home or in the workplace, and our Code of Conduct includes a strict policy against violence in the workplace.</li> <li>We empower women looking to transition to leadership positions in Juhayna and generally support women looking to become leaders through our participation in "Pro Girls".</li> </ul>

SDG	Target	Our Contribution
		<ul style="list-style-type: none"> <li>We equipped our factories with wastewater treatment facilities to efficiently manage our specialized water needs.</li> <li>We ration our fresh water use and seek convenient alternatives at every possible point.</li> </ul>
		<ul style="list-style-type: none"> <li>We constructed a 1MW solar station to partially power our dairy farm, Al-Enmaa, and sell any excess to the private sector through a PPA with KarmSolar.</li> <li>We increase energy efficiency by implementing permanent changes across our operations to decrease our carbon footprint and alleviate pressures of the national grid.</li> </ul>
		<ul style="list-style-type: none"> <li>We build cross-sector partnerships to improve our energy infrastructure, industrial equipment, and technology.</li> <li>We employ over 4,000 individuals and emphasize offering job opportunities to young people starting their careers.</li> <li>We provide a safe and constructive work environment that upholds labor rights and protects employees' wellbeing.</li> <li>We strictly exercise pay equity across our footprint.</li> <li>We monitor and ensure the efficient use of resources to maintain the company's economic wellbeing while minimizing our impact on the environment.</li> </ul>
		<ul style="list-style-type: none"> <li>Over 1,086 of our employees work in manufacturing capacities.</li> <li>We support local farms through loans without interest to help increase their capabilities and productivity, and repayment is fully made in the form of dairy supply.</li> <li>We regularly introduce technological upgrades to our plants to improve performance, increase resource efficiency, and maximize energy efficiency to reduce our carbon footprint.</li> <li>Our innovation center maximizes our research and development efforts, and helps us build newer, better, and more efficient products.</li> <li>We invest in infrastructure developments that have direct economic impacts on Juhayna and indirect economic impacts on our surrounding communities.</li> </ul>



SDG	Target	Our Contribution
		<ul style="list-style-type: none"> <li>• We promote diversity and inclusion across Juhayna and are dedicated to fostering a non-discriminatory work culture.</li> <li>• We are an equal opportunity employer and do not differentiate on any bases other than professional qualifications during the hiring process.</li> <li>• We strictly exercise pay equity across our footprint.</li> </ul>
		<ul style="list-style-type: none"> <li>• We actively work to reduce milk loss, food loss, and solid waste across our supply chain, from raw material acquisition to manufacturing and packaging.</li> <li>• We use recyclable and biodegradable materials to package some of our products.</li> <li>• We participate in multiple recycling initiatives, recycle or treat and reuse some of the water used in manufacturing, and launched a pilot project to recycle some of our fruit byproducts.</li> <li>• We report on our practices through multiple channels and include quantitative and qualitative information that presents some of our consumption and production habits.</li> <li>• We constantly invest in developing our research and technological capacities to improve our consumption and production habits.</li> </ul>
		<ul style="list-style-type: none"> <li>• Our farm, Al-Enmaa, is located in Al-Wahat Al-Bahareya Oasis, where we reclaimed desert lands without disrupting the ecological wellbeing of the surrounding area.</li> <li>• Juhayna supports its farm network in improving herd wellbeing and production capabilities to help them preserve herd health, improve production, and increase fair selling of their supply.</li> </ul>
		<ul style="list-style-type: none"> <li>• Juhayna combats corruption and bribery in all their forms using its strict Code of Conduct and policies.</li> <li>• Our governance body is diverse and inclusive, and it oversees the implementation of good governance practices companywide.</li> <li>• We participate in global governance initiatives, including the UNGC, and comply with global standards in transparent operations and reporting.</li> </ul>





# SUMMARIES OF POLICIES, TRAININGS, AND AUDITS

Egyptian Standards	Description
3120/2008	Guidelines on nutrition labeling
5118/2006	General principles for the addition of essential nutrients of foods
7117/2010	Nutrition and health claims made on food (and its amendments) (Regulation (EC) No. 1924/2006)
8076/2017	Tolerances for Nutrient values declared on a label (EU No. 1169/2011)
8077/2017	Range of recommended nutrient of vitamins and minerals acc. to the WHO (2004) and the National Academy of Science (2004)

International Regulations	Standard Number	Description
CODEX	CAC/GL 2-1985 (amended 2017)	Guidelines for nutrition labeling
CODEX	CAC/GL 23-1997	Guidelines for use of nutrition and health claims
CODEX	CAC/GL 9-1987 (Amendment: 1989, 1991. Revision: 2015)	General principles for addition of essential nutrients
European Union	1169/2011	Provision of food information to consumers (Labeling)
European Union	n/a	Guidance document for competent authorities for the control of compliance with EU LEGISLATION ON: Regulation (EU) No. 1169/2011 (Tolerances)
European Union	1924/2006	Nutrition and health claims



## Planned Annual Reviews

Over 80 audits are conducted across Juhayna's footprint on an annual basis, including:

- Annual external audit for ISO 9001:2015 for Quality Management System
- Annual external audit for ISO 14001:2015 for Environmental Management System
- Annual external audit for ISO 45001:2018 for Occupational Health and Safety Management System
- Annual external audit for ISO 50001:2018 for Energy Management System
- Annual external audit for ISO 17025/2017
- Annual external audit for FSSC 22000 version 5.1
- Annual external audit for BRCGS version 8
- Annual external halal and kosher review by the Egyptian Organization for Standards and Quality
- Annual external audit for Supplier Quality Management System (McDonald's)
- External audits by the National Food Safety Authority (NFSA)
- External audits by SGS
- External audits by clients (Marriott, Gourmet Egypt, EgyptAir)

## Compensation and Benefits

All Juhayna employees are rewarded with appropriate remuneration, without exception and with no differentiation between female and male compensation, as part of our commitment to equal opportunity in the workplace. We conduct regular surveys to ensure that we offer competitive wages within the industry and that our compensation exceeds the minimum wage stated by the government.

### Annual Total Compensation

- Base salary: guaranteed basic salary
- Non-variable cash compensation (cash allowances for transportation, mobile, housing, hardship, working conditions, and travel)
- Long-term incentives: performance-based bonuses
- Cash profit-sharing

### Benefits

- **Medical Care:** Medical insurance is provided to all Juhayna employees. In 2018, we launched the "Toward a Healthy Lifestyle" initiative, which included discounted rates for several health centers and gyms, and an optional subscription at a nutritionist's clinic.



- **Flexible Hours:** We value the importance of work-life balance, which is why we have adopted a flexible working hours model. We provide digital tools for increased mobility and fewer onsite working hours by capitalizing on our digital transformation. This has proven particularly apt at the height of the COVID-19 pandemic.
- **Maternal Leave:** Juhayna provides up to 12 weeks of paid maternity leave per child, with an additional four weeks of unpaid leave per the recommendation of the reporting manager.
- **Life Insurance:** In place since 2012, the policy is paid to an employee's family in the event of their loss of life during their employment at the company, whether of natural causes, caused by an incident on premises, or by accident inside or outside work duties. The policy covers all employees with permanent contracts and starts from the day following the conclusion of their probation period.
- **Recognition:** We select an employee of the month among our manufacturing and commercial teams as part of our employee recognition practices. The selection is made based on KPIs and business behavior.

## Code of Conduct

Our Code of Conduct and its related procedures and measures are applicable to all employees, including senior executives and officers. Juhayna's objective in establishing this Code of Conduct is to promote ethical conduct, honesty, and professionalism across the company.

Employees are expected to behave in a professional and responsible manner and be aware of their responsibilities as representatives of the company. As stipulated, employees are expected to observe and comply with Juhayna's workplace policies, rules, regulations, practices, procedures, and guidelines, as amended or issued from time to time, as well as any implied confidentiality of information, which includes, but is not limited to, trade secrets, business, marketing and service plans, consumer insights, manufacturing ideas, product recipes, designs, databases, records, salary information, and any non-published financial or other data to which employees have access. This information is to be shared only as appropriate and only as required by the company's business needs.

The document also covers issues that include, but are not limited to:

- Non-discrimination and anti-harassment policies
- Grievances
- Confidentiality of information
- Insider trading
- Conflict of interest
- Employment of relatives
- Outside activities or employment
- Violence in the workplace
- Political activities
- Company property
- Use of social media

## Equal Opportunity and Anti-Harassment Policy

Juhayna prohibits all forms of harassment and discrimination on the basis of disability, age, gender, ethnic origin, or religion, as well as any other distinguishing factors. The policy facilitates the enforcement of such measures among the various functions within the group and applies to all employees within it. It stands on three main pillars, namely:

- Equality in working life
- Anti-harassment
- Anti-sexual harassment, vilification, bullying, and victimization

Our Gender Equal Opportunity Committee (GEOC) regularly reviews the policy, which is then ratified by the CEO. Our HR Department is responsible for investigating and addressing any issues that fall under this policy. The department may also involve the Internal Audit Department in cases of serious violations where special investigations are needed.

## Conflict of Interest Policy

Juhayna's Conflict of Interest Policy ensures conflicts of interest are avoided and managed. It outlines the board's expectations of conduct and the consequences of misconduct for the people involved with the organization. The policy also outlines all types of conflicts of interest and how they are identified, disclosed, and managed. The Internal Audit Department, HR Department, and Legal Affairs Department coordinate in case any suspected incident of misconduct that needs investigation arises. The policy explicitly states



and requires disclosures of conflicts of interest related, but not limited to:

- Conflicts with the company's suppliers
- Conflicts with company's competitors (including holding financial stakes that can significantly affect an employee's behavior or decision within the company)
- Personal relationships between employees, influencing the recruitment, selection, appointment, or promotion of employees
- Personal benefits and financial or commercial conflicts of interest of all types
- Conflicts with outside duties
- Competing interests or loyalties

## Internal Audit Controls

### Objectives:

- Compliance with laws, regulations, rules, policies, procedures, and plans
- The reliability and integrity of information
- The economical and efficient use of resources

### Assignments:

- Operational and financial audits
- Consultancy
- Investigation on fraud, corruption, and violation of laws and regulations

## Vehicular Performance Checklist

Toward mitigating our fleet's emissions, we:

- Annually renew environmental compliance reports for each vehicle from the traffic department
- Maintain any vehicle that is suspected of burning gas outside the car
- Perform annual environmental audits for vehicles that have been overhauled to ensure that no additional emissions are being produced

- Require drivers to perform daily check-ups to make sure there are no oil leaks
- Regularly service and maintain worn-out vehicles, unclog fuel injectors, and replace bad oil
- Monitor tire pressure to decrease rolling resistance and fuel consumption
- Do not overload vehicles so that their motors remain unaffected

## Frequency of Herd Testing

All milk across our supply network is tested for:

- Heavy metals: Annually
- Staph: Twice/year
- SCC: Twice/year
- M1: Weekly

- TPC: Each tank of milk is tested with every transportation round
- Mycoplasma: Twice/year
- PARA and dioxins: Annually
- The quality of the feed provided is analyzed to check for diseases with every new batch

## Worker Trainings on Occupational Health and Safety

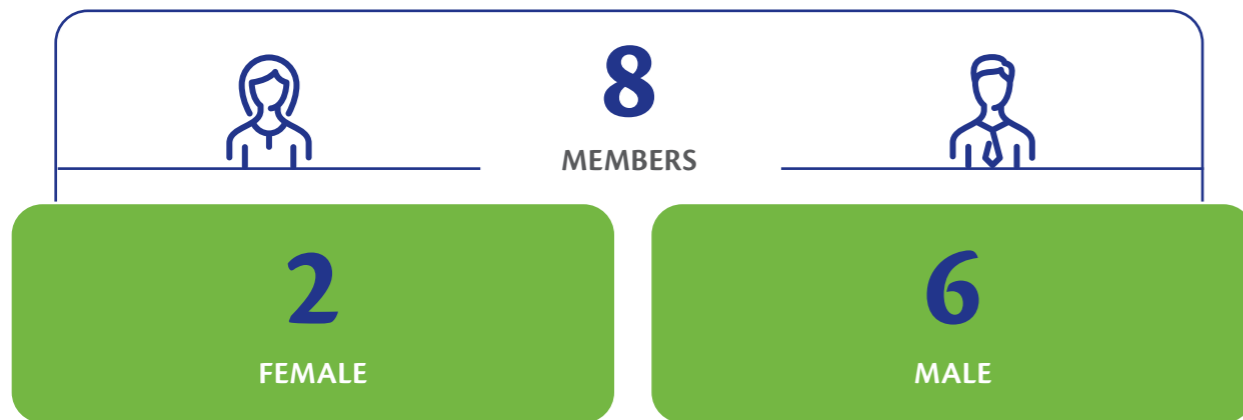
- Health and safety induction/policies/incidents training
- Firefighting training
- First aid training
- Safe forklift driving
- Chemicals handling
- Working at height/in confined spaces/work permits
- Lock Out/Tag Out (LOTO)
- Manual handling
- Emergency teams
- Behavior Observation System (BOS)
- Risk assessments



# 2021 ESG METRICS

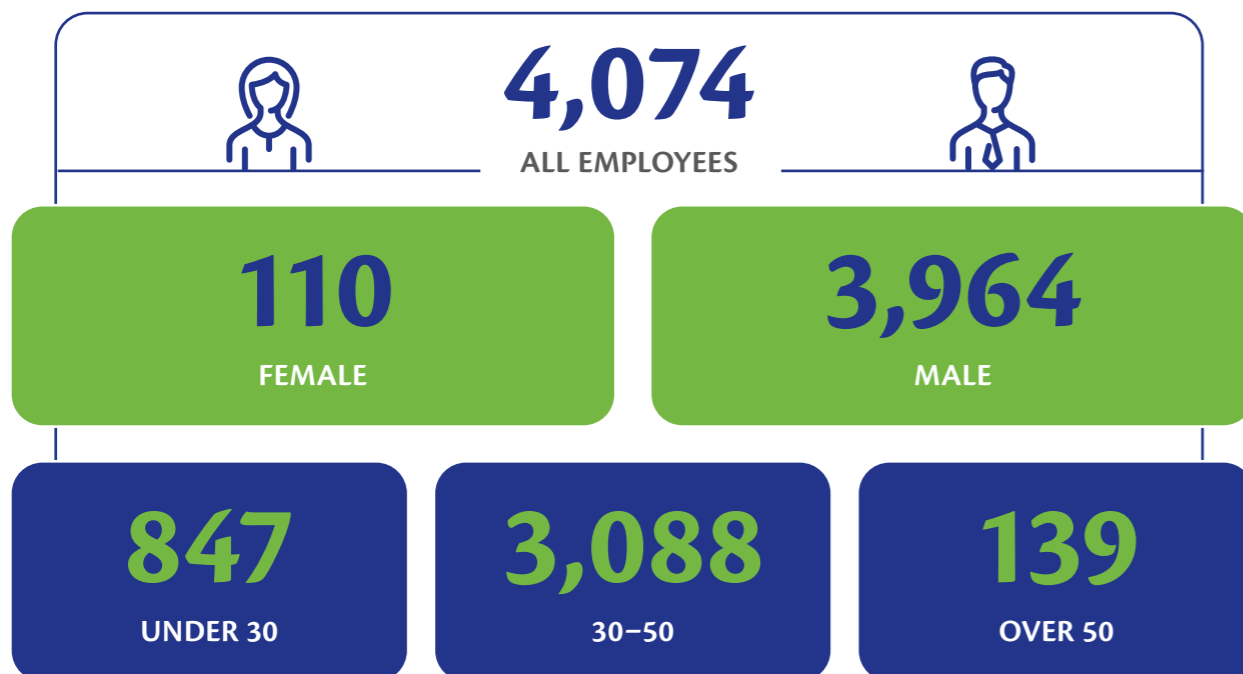
## Board of Directors Metrics

Total number of Juhayna members in 2021



## Employee Metrics

Total number of Juhayna employees in 2021



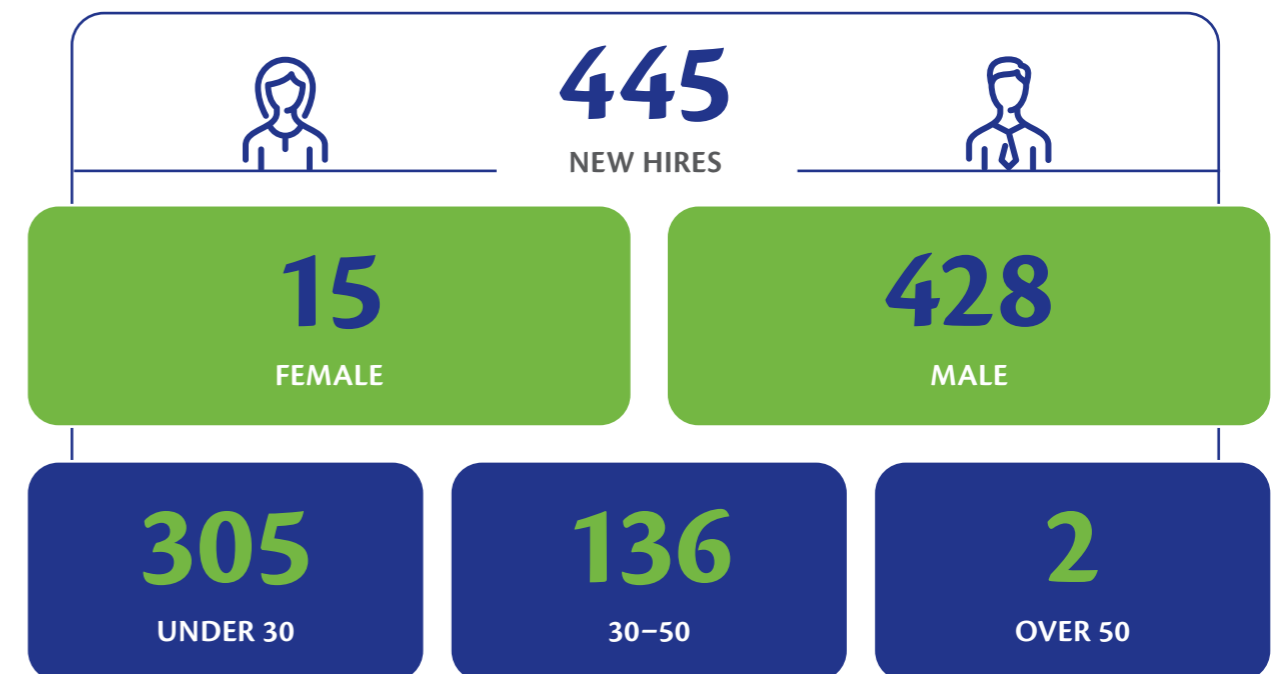
Total number of Juhayna employees per employee category in 2021

Level <sup>14</sup>	Total # of employees	Under 30	30-50	Over 50	Male	Female
M1	268	34	228	6	249	19
M2	141	1	131	9	122	19
M3	78		66	12	73	5
M4	40		31	9	37	3
M5	10		8	2	8	2
M6	8		7	1	5	3
M7	2			2	2	
M8	1		1		1	
M9	1			1	1	
TA1	221	86	129	6	209	12
TA2	1,770	284	1,439	47	1,756	14
TA3	1,264	376	862	26	1,251	13
TA4	270	49	200	21	250	20

<sup>14</sup> M: Managerial levels, TA: Technical Assistance

34  
EMPLOYEES WITH DISABILITIES

New hires in 2021





### New hires by location (in Egypt)

Area	#
Alexandria	38
Giza	62
6 <sup>th</sup> of October and Sheikh Zayed City	104
Al-Esseila	21
Al-Farafra	6
Cairo	84
Suez and Red Sea	28
Headquarters	10
Al-Enmaa headquarters	2
Southern Upper Egypt	19
East Delta	17
Northern Upper Egypt	21
West Delta	12
Central Delta	6
Central Upper Egypt	13

### Data on Work-Related Injuries in 2021

These rates were calculated based on 200,000 hours worked, with no workers excluded from them.

#### Employees

Topic	Value
Fatalities resulting from work injuries	0
High-consequence work-related injuries	0
Recordable work-related injuries	19
Main types of work-related injuries	Wounds and fractures
Total number of hours worked	777,603 hours/month

#### Workers whose work/workplace is controlled by the company

Topic	Value
Fatalities resulting from work injuries	0
High-consequence work-related injuries	0
Recordable work-related injuries	8
Main types of work-related injuries	First aid injuries
Total number of hours worked	240,636 hours/month



<sup>15</sup> An additional 1,356 TAs were trained in 2021 through Juhayna's academies (manufacturing and commercial)

#### Average training hours by gender and employee category

Gender	Level	Average training hours
Female	M	16
	TA	16
	<b>Total</b>	<b>17</b>
Male	M	16
	TA	16
	<b>Total</b>	<b>16</b>



## Energy Metrics in 2021

### Energy consumption<sup>16</sup>

	Natural gas	Cooling	Steam	Electricity	Total energy consumption
Al-Dawleya	1,215,488 m <sup>3</sup> /yr	13889368400 joules/yr	9,987,812 kg/yr	15,589,744 kW/yr	27,720,453 kW/yr
Al-Marwa	2,751,938 m <sup>3</sup> /yr	n/a	30474135.7 kg/yr	5,523,939 kW/yr	36,793,293 kW/yr
Al-Masreya	2,898,009 m <sup>3</sup> /yr	26,376,396,330 joules/yr	35,002,024 kg/yr	17,143,379 kW/yr	50,072,489 kW/yr
EgyFood	1,709,403 m <sup>3</sup> /yr	17889368400 joules/yr	21,467,947 kg/yr	19,936,796 kW/yr	37,505,660 kw/yr

### Energy intensity ratios

	Ratio	Denominator
Al-Dawleya	<ul style="list-style-type: none"> <li>Electricity: 81.1 kW/ton</li> <li>Gas: 6.3 m<sup>3</sup>/ton</li> </ul>	kW/ton and gas/ton
Al-Marwa	<ul style="list-style-type: none"> <li>Electricity: 226 kw/Ton</li> <li>Gas: 110.59 m<sup>3</sup>/ton</li> </ul>	kW/ton and gas/ton
Al-Masreya	<ul style="list-style-type: none"> <li>Electricity: 57 kW/ton</li> <li>Gas: 9.8 m<sup>3</sup>/ton</li> </ul>	kW/ton and gas/ton
EgyFood	<ul style="list-style-type: none"> <li>Electricity: 177 kW/ton</li> <li>Gas: 15.5 m<sup>3</sup>/ton</li> </ul>	kwh/ton

### Reduction in energy consumption<sup>17</sup>

	Ratio	Denominator
Al-Dawleya	<ul style="list-style-type: none"> <li>Electricity (kwh/ton): 1,211,536 kWh</li> <li>Natural gas (m<sup>3</sup>/ton): 1,211,536 m<sup>3</sup></li> </ul>	9% y-o-y 7% y-o-y
Al-Marwa	<ul style="list-style-type: none"> <li>Electricity (kwh/ton): 637636 kWh</li> <li>Natural gas (m<sup>3</sup>/ton): 133995 m<sup>3</sup></li> </ul>	6% y-o-y 5% y-o-y
Al-Masreya	<ul style="list-style-type: none"> <li>Electricity (kwh/ton): 475,000 kWh</li> <li>Natural gas (m<sup>3</sup>/ton): 49,000 m<sup>3</sup></li> </ul>	1.7% y-o-y 2.7% y-o-y
EgyFood	<ul style="list-style-type: none"> <li>Electricity (kwh/ton): 169,656.8 kWh</li> <li>Natural gas (m<sup>3</sup>/ton): 128,170.6 m<sup>3</sup></li> </ul>	11% y-o-y 6% y-o-y

<sup>16</sup> Calculation tool used: Energy Management System, Source of conversion factors: 150001:2018

<sup>17</sup> Calculations based on specific energy consumption and baseline, calculations tools used is the Energy Management System and Regression Analysis

## Water Metrics in 2021

	Fresh water (megaliters)	Fresh water (≤1,000 mg/L Total Dissolved Solids)	Other water use	Total water use
Al-Dawleya	506 megaliters/yr	100% (& TDS (160 to 260 mg/L Max))	0	506 megaliters/yr
Al-Marwa	322.46 megaliters/yr		18.6 megaliters/yr (evaporator condensate reused water)	341 megaliters/yr
Al-Masreya	500 megaliters/yr		0	500 megaliters/yr
EgyFood	359 megaliters/yr		0	359 megaliters/yr

## Waste Metrics in 2021

	Total weight of waste (metric tons/yr)	Sludge (kg/yr)	Plastic for chemicals (kg/yr)	Glassware and plastic <sup>18</sup>	Solid Fluorescent lamps (lamps/yr)	Solid waste inks (toner/yr)	Solid microbiological dishes (kg/yr)
Al-Dawleya	14	12,000	1,200	20	30 kg/yr	n/a	800
Al-Marwa	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Al-Masreya	8	7,200	500	4	30	30	300 kg/yr
EgyFood	12	5000	4400	5	40	50	600 kg/yr

<sup>18</sup> Sterilized by autoclaving before disposal



# GRI CONTENT INDEX

Disclosure		Location/Information/Omission												
<b>GRI 102: General Disclosures</b>														
<b>Organization Profile</b>														
102-1	Name of the organization	Juhayna Food Industries												
102-2	Activities, brands, products, and services	<a href="#">2021 Annual Report</a> <a href="#">Juhayna Brands and Products</a>												
102-3	Location of headquarters	Cairo, Egypt												
102-4	Location of operations	Egypt												
102-5	Ownership and legal form	Juhayna Food Industries is listed on the Egyptian Stock Exchange  <a href="#">Ownership Structure</a>												
102-6	Markets served	Juhayna serves the local Egyptian markets and exports to several others beyond its borders.  <a href="#">Export Markets</a>												
102-7	Scale of the organization	Total <b>number</b> of employees at Juhayna: 4,074 Packs sold in 2021: 1,752,479,188 Packs  <a href="#">Juhayna Earnings Releases</a> <a href="#">Juhayna Financial Statements</a>												
102-8	Information on employees and other workers	<table border="1"> <thead> <tr> <th>Gender</th> <th>Full-Time Employment</th> <th>Part-Time/Contractual Employment</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>3,964</td> <td>6</td> </tr> <tr> <td>Female</td> <td>110</td> <td>3</td> </tr> <tr> <td><b>Total</b></td> <td><b>4,074</b></td> <td><b>9</b></td> </tr> </tbody> </table> <p>As of December 2021, Juhayna stopped utilizing workers who are not employees of the company, and no longer has significant seasonality among its workforces. All company employees are based in Egypt.</p> <p>Data compiled here is obtained through the company's HR Department, which keeps individual employee records across our footprint.</p>	Gender	Full-Time Employment	Part-Time/Contractual Employment	Male	3,964	6	Female	110	3	<b>Total</b>	<b>4,074</b>	<b>9</b>
Gender	Full-Time Employment	Part-Time/Contractual Employment												
Male	3,964	6												
Female	110	3												
<b>Total</b>	<b>4,074</b>	<b>9</b>												
102-9	Supply chain	<a href="#">Annual Report 2021</a> : Page 34												
102-10	Significant changes to the organization and its supply chain	<a href="#">Annual Report 2021</a> : Page 40												

Disclosure		Location/Information/Omission
102-11	Precautionary principle or approach	Juhayna does not apply the precautionary approach or principle in its risk management framework, but we mitigate our impact on the environment by upholding the tenants of internal strategies and external standards that help us operate responsibly.  <a href="#">Our Strategy: Creating Shared Value</a>
102-12	External initiatives	All initiatives Juhayna is involved in are voluntary, with no obligations tied to external organizations to see through such initiatives.  <a href="https://www.juhayna.com/en/?page_id=10488">https://www.juhayna.com/en/?page_id=10488</a>
102-13	Membership of associations	<a href="#">UN Global Compact (UNGC)</a> <a href="#">Global Dairy Farmers</a> <a href="#">Federations of Egyptian Industries</a> <a href="#">Egyptian Export Council</a> <a href="#">National Food Safety Authority (NFSA)</a> <a href="#">Chamber of Food Industries (CFI)</a> <a href="#">Egyptian Organization for Standards and Quality (EOS)</a>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">Management Note</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Juhayna Mission and Values</a> <a href="#">Creating Shared Value</a>
<b>Governance</b>		
102-18	Governance structure	<a href="#">Board and management</a> <a href="#">Board committees</a>
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Employees Shareholders Product consumers Suppliers Retail and trade customers Standardization organizations Industry associations Egyptian Stock Exchange (EGX) Governmental authorities Local community members Local community beneficiaries Civil Society organizations



Disclosure		Location/Information/Omission
102-41	Collective bargaining agreements	We recognize and uphold our employees' right to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions, and this commitment is clearly communicated to all employees, in accordance with national labor laws. Our Employee Representation Body plays a vital role in establishing an open communication channel with top management. Our trade union covers 100% of our employees, and their representatives are regularly informed of any strategic direction for the company. We also work closely with the trade unionists to receive any concerns and commendations regarding any business decisions, ensuring those concerns are well considered. Our due diligence has been in practice for years through our close collaboration with the Egyptian Milk Producers Association (EMPA), an official platform promoting the right to freedom of association and collective bargaining at the industry level and where all concerns by the industry's stakeholders are raised and discussed.
102-42	Identifying and selecting stakeholders	Juhayna defines its stakeholders as any group that is directly or indirectly affected by the organization's operations and decision-making processes, or that directly affects them in an official capacity. We engage with all stakeholder groups as needed through personalized.  <a href="#">Communication channels.</a>
102-43	Approach to stakeholder engagement	<a href="#">Engaging our stakeholders</a>
102-44	Key topics and concerns raised	<a href="#">Challenges and action points in 2021</a>
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">Juhayna Financial Statements</a>
102-46	Defining report content and topic boundaries	<a href="#">Our Strategy</a> <a href="#">Materiality Assessment Breakdown</a>
102-47	List of material topics	<a href="#">Materiality Assessment Breakdown</a>
102-48	Restatements of information	No restatements of information for any material changes in the organization
102-49	Changes in Reporting	Reporting cycle changed to annual
102-50	Reporting Period	1 January 2021 - 31 December 2021
102-51	Date of Most Recent Report	2021
102-52	Reporting cycle	Annual

Disclosure		Location/Information/Omission	
102-53	Contact point for questions regarding the report	<b>Passant Fouad</b> Director - External Communication <a href="mailto:passant.fouad@juhayna.com">passant.fouad@juhayna.com</a>  Building #2, The Polygon Business Park, SODIC West, Sheikh Zayed City, Giza, Egypt	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards 2016 (Core)	
102-55	GRI content index	<a href="#">GRI content index</a>	
102-56	External assurance	Juhayna engages an external assurance provider each reporting cycle to ensure that the data in this report and the standards to which we seek to comply with are met accordingly.  This report has been assured by: <a href="#">FBRH Consultants Ltd</a>	
<b>GRI 103: Management's Approach 2016</b>			
103-1	Explanation of the material topic and its Boundaries	<a href="#">Economic impact</a>	<a href="#">Food safety and quality</a>
		<a href="#">Nutrition and health</a>	<a href="#">Marketing and labeling</a>
103-2	The management approach and its components	<a href="#">Employee rights</a>	<a href="#">Health and safety</a>
		<a href="#">Human rights</a>	<a href="#">Climate risks</a>
103-3	Evaluation of the management approach	<a href="#">Water stewardship</a>	<a href="#">Resourcing and waste</a>
		<a href="#">Biodiversity, biosecurity, and animal welfare</a>	<a href="#">Ethical business practices</a>
<b>Material topics</b>			
<b>Economic</b>			
<b>Economic performance 2016</b>			
201-1	Direct economic value generated and distributed	<a href="#">Economic performance snapshots</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate risk mitigation: Financial opportunities and risks incurred by climate risks</a>	
201-3	Defined benefit plan obligations and other retirement plans	Employees willing to continue working after their retirement age are offered the opportunity to remain on board as consultants in their area of expertise, when possible and beneficial to both parties. We also contribute to their retirement plans through Egypt's social insurance law, where we contribute a regulatory percentage to pension schemes in the form of social taxes. The percentage is calculated based on each employee's salary category.	



Disclosure		Location/Information/Omission									
<b>Market presence 2016</b>											
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Juhayna does not have a set entry-level salary and does not differentiate between male and female employees in compensation. Salary structures are based on: <ul style="list-style-type: none"> <li>• Specialization (department)</li> <li>• Market salary range</li> <li>• Years of experience</li> <li>• Special competencies</li> <li>• Other relevant criteria</li> </ul> The company deals with “other workers” through outsourced vendors, who are obligated by contract to abide by minimum labor law and social insurance conditions set by the Egyptian government, where our operations are located.									
202-2	Proportion of senior management hired from the local community	Senior management comprises c-suite employees, directors, associate directors, and general managers. All references to local staff throughout the report means of Egyptian nationality. <table border="1" data-bbox="795 955 1350 1186"> <tr> <td>Number</td> <td>140</td> <td>5</td> </tr> <tr> <td>Gender</td> <td>13 Females 127 Males</td> <td>5</td> </tr> <tr> <td>Nationality</td> <td>139 Egyptians 1 non-Egyptian</td> <td>Egyptians</td> </tr> </table>	Number	140	5	Gender	13 Females 127 Males	5	Nationality	139 Egyptians 1 non-Egyptian	Egyptians
Number	140	5									
Gender	13 Females 127 Males	5									
Nationality	139 Egyptians 1 non-Egyptian	Egyptians									
<b>Indirect economic impacts 2016</b>											
203-1	Infrastructure investments	<a href="#">Investments in infrastructure and services</a>									
203-2	Indirect economic impacts	<a href="#">Why indirect impact matters</a>									
<b>Procurement practices 2016</b>											
204-1	Proportion of spending on local suppliers	45% of the total procurement budget goes to local materials, i.e. materials produced in Egypt, Juhayna’s significant location of operation.									
<b>Environmental</b>											
<b>Energy 2016</b>											
302-1	Energy consumption within the organization	<a href="#">Energy metrics</a> The remainder of our data and assessments will be published in our 2021 Carbon Footprint report, which is estimated to be published on our website by 2023.									
302-3	Energy intensity										
302-4	Reduction of energy consumption										

Disclosure		Location/Information/Omission
<b>Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	<a href="#">Water metrics</a> <a href="#">Water stewardship</a>
303-2	Management of water discharge-related impacts	The remainder of our data and assessments will be published in our 2021 Carbon Footprint report, which is estimated to be published on our website by 2023.
303-3	Water withdrawal	
303-5	Water consumption	
<b>Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Our data and assessments will be published in our 2021 Carbon Footprint report, which is estimated to be published on our website by 2023.
305-2	Energy indirect (Scope 2) GHG emissions	
305-5	Other indirect (Scope 3) GHG emissions	
<b>Waste 2016</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Resourcing efficiency and waste control</a> <a href="#">Waste metrics in 2021</a>
306-2	Management of significant waste-related impacts	The remainder of our data and assessments will be published in our 2021 Carbon Footprint report, which is estimated to be published on our website by 2023.
306-3	Waste generated	
<b>Social</b>		
<b>Employment 2016</b>		
401-1	New employee hires and employee turnover	<a href="#">New hires in 2021</a> Turnover rate is deemed confidential information by Juhayna’s senior management.
401-2	Benefits provided to full-time employees	<a href="#">Compensation and benefits</a> The framework applies to full-time employees in Egypt, it is not applicable for temporary or part-time employees.
401-3	Parental leave	In 2021: <ul style="list-style-type: none"> <li>• 113 women were entitled to maternal leave (male employees are not entitled to parental leave)</li> <li>• 5 women took maternal leave</li> <li>• 3 women returned to work after maternal leave</li> <li>• To date, all 3 women are still with Juhayna</li> </ul>



Disclosure		Location/Information/Omission
<b>Occupational health and safety 2018</b>		
403-1	Occupational health and safety management system	<a href="#">Health and safety at Juhayna</a> The scope of this system covers storage, distribution, import, export, and sale of food products (dairy, drinks, and canned food). All activities, operations, workplaces, and workers are covered by the system.
403-5	Worker training on occupational health and safety	<a href="#">Health and safety trainings</a>
403-9	Work-related injuries	<a href="#">Context</a> and <a href="#">data</a>
<b>Training and education 2016</b>		
404-1	Average hours of training per year per employee	<a href="#">Employee trainings in 2021</a>
404-2	Programs for upgrading employee skills and transition assistance programs	Programs to upgrade employee skills: <ul style="list-style-type: none"> <li>• Soft skills trainings (leadership track)</li> <li>• Juhayna technical academies (manufacturing and commercial)</li> <li>• Technical trainings</li> </ul> We do not provide facilitation programs for career endings at this time. A statement on how we handle retirement and pensions can be found under disclosure 201-3.
404-3	Percentage of employees receiving regular performance and career development reviews	100% of employees receive regular performance and career development reviews every year.
<b>Diversity and equal opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	<a href="#">Employee metrics</a>
<b>Freedom of association and collective bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	All of our operations and – to our knowledge and by law – all of our suppliers exercise their rights to free association and collective bargaining by joining trade unions. We provide support in the form of facilitating grievance mechanisms that stakeholders can use to voice concerns and suggestions. We also hold focus groups and conduct satisfaction/engagement surveys annually to encourage communication and propose new ideas.

Disclosure		Location/Information/Omission
<b>Local communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	100% of our operation contributes to different areas of local community engagement, impact assessments, and development programs. Details on the involvement of each arm can be seen in the programs and initiatives sections of all topics identified throughout the report.
<b>Supplier social assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	2.5%
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> <li>• Suppliers assessed for social impacts: 15</li> <li>• Suppliers identified as having actual or potential negative impacts (number and percentage): Information unavailable as we were forced to focus on supply availability issues due global supply chain disruptions in 2021. We are in the process of planning assessments for new suppliers, and will report on them upon launch/completion.</li> <li>• Potential and actual negative impacts identified across the supply chain:                             <ul style="list-style-type: none"> <li>○ Child labor</li> <li>○ Emissions outside the limits allowed</li> <li>○ Use of natural resources</li> <li>○ Inadequate disposal of toxic and dangerous waste</li> <li>○ Non-payment of social security or overtime by suppliers to workers</li> </ul> </li> <li>• Percentage of suppliers terminated due to significant and potential social impacts: 0%</li> <li>• Reasons: Violation of minimum age for employment and absence of social and health insurance</li> </ul>
<b>Customer health and safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	100% of Juhayna products are ingredients are assessed to ensure compliance with health and safety regulations. <a href="#">Consumer protection</a>
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	No incidents of non-compliance with regulations and/or voluntary codes have been identified.
<b>Marketing and labeling 2016</b>		
417-1	Requirements for product and service information and labeling	<a href="#">Responsible marketing and labeling</a> <a href="#">Resourcing efficiency and waste control</a> <a href="#">Partnerships with Tetra Pak</a>



# ASSURANCE STATEMENT



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## Independent Assurance Statement to Juhayna Food Industries

FBRH Consultants Ltd (FBRH Consultants) was engaged by Juhayna Food Industries to provide assurance in relation to the information set out below and presented in Juhayna Food Industries' Sustainability Report 2021 (the Report) covering the period from 1st January 2021 until 31st December 2021. FBRH is totally independent from Juhayna Food Industries and has not undertaken any other sustainability-related work during the above-mentioned period. The Juhayna Food Industries highest governance body or senior executives were not involved in seeking external assurance for the organisation's sustainability report.

## Engagement summary

Scope of our assurance engagement: Whether the 2021 information and data presented in Appendix I are fairly presented, in accordance with the reporting criteria. We did not verify the information provided.

- **Reporting criteria:** The GRI Sustainability Reporting Standards (GRI Standards 2016)
- **Assurance standard:** FBRH Sustainability Report Assurance (for GRI reports)
- **Assurance level:** Limited assurance
- **Respective responsibilities:** Juhayna Food Industries is responsible for preparing the Report and for the collection and presentation of the information within it. FBRH Consultants' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

## Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2021 information and data are not fairly presented in accordance with the reporting criteria. This GRI in Accordance Core Report does meet all the requirements of the GRI Standards.

## Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows: A review of the presentation of information in the Report relevant to the scope of our work to ensure consistency with our findings.

## The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.



*Simon Pitsillides*  
 Simon Pitsillides MBA, FCIM, FIEMA  
 GRI Nominated Trainer, IEMA Trainer  
 GRI Certified Sustainability Professional  
 FBRH Consultants Ltd, London, UK

■ 124 City Road  
 London EC1V 2NX  
 contact@fbrh.co.uk

www.fbrh.co.uk

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## Appendix I: Scope of our assurance engagement

### General Disclosures

Disclosure #	Disclosure Title
102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of headquarters
102-4	Location of operations
102-5	Ownership and legal form
102-6	Markets served
102-7	Scale of the organization
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Membership of associations
102-14	Statement from senior decision-maker
102-16	Values, principles, standards, and norms of behavior
102-18	Governance structure
102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised
102-45	Entities included in the consolidated financial statements
102-46	Defining report content and topic boundaries
102-47	List of material topics
102-48	Restatements of information
102-49	Changes in reporting
102-50	Reporting period
102-51	Date of most recent report
102-52	Reporting cycle
102-53	Contact point for questions regarding the report
102-54	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index
102-56	External assurance

Requirements	Title
GRI 101	Foundation

Disclosures	Disclosure Title
GRI 103	Management Approach

### Topic-Specific Disclosures

Disclosure #	Disclosure Title
GRI 201	Economic Performance
GRI 202	Market Presence
GRI 203	Indirect Economic Impacts
GRI 204	Procurement Practices
GRI 302	Energy
GRI 303	Water and Effluents
GRI 305	Emissions
GRI 306	Waste
GRI 401	Employment
GRI 403	Occupational Health and Safety
GRI 404	Training and Education
GRI 405	Diversity and Equal Opportunity
GRI 407	Freedom of Association and Collective Bargaining
GRI 413	Local Communities
GRI 414	Supplier Social Assessment
GRI 416	Customer Health and Safety
GRI 417	Marketing and Labeling

■ 124 City Road  
 London EC1V 2NX  
 contact@fbrh.co.uk

www.fbrh.co.uk





[www.juhayna.com/en/juhayna-sustainability-reports](http://www.juhayna.com/en/juhayna-sustainability-reports)