

Silal Sustainability Impact & Progress Report



2024 - 2025

Our Journey of Growth and Impact



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CHAPTER 1 Silal's Environmental Commitments and Initiatives

This Sustainability Impact & Progress Report 2024–2025 by Silal offers a comprehensive insight into our unwavering dedication to ESG principles.

It delineates our initiatives and accomplishments in embedding sustainability across diverse facets of our operations. This report epitomizes transparency, accountability, and stakeholder engagement, underscoring our steadfast commitment to fostering enduring value and driving positive societal change.

Reporting Boundaries:

This report covers Silal and its subsidiaries, including SAFCO International, Sherwood, and Al Bakrawe Group. The data and narratives presented reflect ESG-related activities across all entities unless otherwise noted. The reporting period spans from January 1, 2024, to May 31, 2025.



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CHAIRMAN'S STATEMENT

Our ESG Journey: A Roadmap for Future Resilience

We believe that commercial growth and national food security are interconnected pillars of our role as an agri-food company in the UAE.

In 2024, Silal advanced its ESG agenda with bold and impactful actions. The acquisition of Al Bakrawe Holding enhanced our regional supply chain while extending sustainability principles into new operations. Our AgTech initiatives in Al Ain brought climate-smart innovation into practice, and youth programs such as the School Discovery Tour fostered early awareness of sustainable agriculture among the next generation.

These accomplishments reflect our unwavering commitment to integrating ESG into every layer of our business. As we look ahead to 2025, Silal is accelerating the adoption of sustainable practices across all assets and strengthening partnerships to amplify our impact. From decarbonization and responsible employment to inclusive community initiatives, ESG remains central to our long-term growth strategy.

Silal is well-positioned to drive meaningful progress in sustainability while strengthening our commercial and national contributions for the years ahead.

H.E. JAMAL SALEM AL DHAHERI Chairman of the Board Silal



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WELCOME NOTE From the ESG Director

impact.

At Silal, ESG principles have been integrated into our key projects and stakeholder engagement especially across our newly acquired entities. Over the past year, we've taken meaningful steps to integrate sustainability into our operations and decisionmaking processes, expanding beyond our core operations to include newly acquired assets like Al Bakrawe Group, while also launching impactful initiatives in education, innovation, and community development.

Among the highlights that shaped our journey:

- > We initiated hands-on agricultural learning for students through the School Discovery Tour, bringing future generations closer to the UAE's food security mission.
- We signed our first inclusionfocused agreement with Zayed Higher Organization, opening pathways for people of determination in the agriculture sector.

As we reflect on our ESG journey across 2024 and into 2025, I'm proud to share a year of real progress, stronger integration, and broader

We continued reducing our environmental footprint through smarter technologies, expanded training, and piloting sustainable farming solutions at scale.

These milestones represent more than checkboxes — they reflect the hard work of people across Silal who believe in creating value not just for today, but for the future.

Looking ahead, we remain committed to enhancing transparency, aligning with national and global sustainability goals, and ensuring that ESG remains a shared responsibility across all divisions. Together, we will continue to build a sustainable, inclusive, and resilient agri-food system for the UAE.

MARIAM AL MAZROUEI Director – ESG, Silal



In 2024, Silal made significant ESG-aligned progress:



Expanded our **R&D capacity** through the **Innovation Oasis**, a 34-hectare hub for sustainable farming technologies.





Rolled out the **School Discovery Tour**, empowering young students to learn about food security and innovation.



Inaugurated a new **food distribution warehouse** in KEZAD, enhancing national food logistics and efficiency.





Introduction to Silal

Purpose-Driven Growth in Food Security and Sustainable Innovation

Silal is a key contributor to the UAE's food security and climate-resilient food system. Operating under ADQ, Silal was established to enhance local food production, diversify sourcing, and ensure sustainable, safe, and resilient agri-food supply chains — in full alignment with the **UAE Green Agenda, National Food Security Strategy**, and **Net Zero 2050** goals.

Our operations combine agri-business with projects and partnerships that prioritize sustainability, innovation, and social value across the value chain.



Silal's growth journey has also been supported by **SAFCO International** and **Sherwood**, which joined the group in **2023**. Their integration further expands our reach in food services, HORECA supply, and cold chain infrastructure — all aligned with Silal's ESG priorities of responsible sourcing, food access, and operational sustainability. Together, these milestones reflect Silal's growing role as a national platform for ESG transformation in the agri-food sector committed to long-term impact across our people, partnerships, and the planet.



Launched **AgTech-focused farming projects** with KEZAD, promoting climate-smart agriculture and efficient water use.





Signed strategic MoUs with Bayer, MBRCI, and Shouguang Group, advancing digital farming, sustainability, and food innovation.



Partnered with **Zayed Higher Organization** to promote inclusive hiring for **people of determination** in agricultural operations.



We welcomed **Al Bakrawe Holding** into the Silal Group — enhancing our capabilities across import, export, and distribution of fresh produce.



Key Highlights



PRODUCTS MANAGED 26,000+ SKUs across Silal Group



BRANDS REPRESENTED

13+ in-house brands & **300+** global brands exclusively distributed (SAFCO)



DAILY DELIVERIES 3,000+

deliveries completed across the UAE (Silal logistics)



ANNUAL CONTAINERS

12.000+ containers imported by Al Bakrawe



EXPORT MARKETS

70+

countries reached through group operations

CUSTOMERS SERVED 8,000+

business customers across retail, HORECA, cruise lines, airlines, and hospitals



COLD STORAGE CAPACITY 69.000+

pallet spaces supported by Silal Group



INNOVATION CAPACITY 34-hectare

Innovation Oasis launched for agri-tech and sustainable farming



WORKFORCE 2000+

Silal Group Workforce

FACILITIES



20,000 SQM packhouse operations under Silal



Classification: Public

Mission

Provide access to diverse agri-food products and unlock the industry's potential in the UAE and beyond.

Our mission reflects our responsibility to deliver **Social** impact through access to food, inclusive opportunities, and strong local partnerships — while maintaining Environmental stewardship in sourcing and supply.



Be a catalyst of change in the food and agriculture industry.

This reflects our commitment to **Environmental** sustainability and Governance leadership — driving innovation, resilience, and

ESG Report





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Efficient

Delivering excellence and quality in everything we do.



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Ambition Toward Achieving ESG (2024)

Silal's ambition is to deliver long-term value from field to fork, both locally and globally. As a key player in Abu Dhabi's sustainable development agenda, Silal ensures diversified sources of food products and strengthens food logistics across the UAE and beyond. Our strategic approach places us in a strong position to meaningfully contribute to the Environmental, Social, and Governance (ESG) landscape — addressing environmental impact, enabling social inclusion, and driving transparent governance.

Strategic Acquisitions in 2023 & 2024: Empowering ESG Progress

Silal Group continues to expand in alignment with ESG goals. Following the 2023 integration of **SAFCO International** and **Sherwood**, we proudly acquired **Al Bakrawe Group** in 2024 — one of the region's leading importers and distributors of fresh produce. Each entity brings unique strengths that enhance Silal's ESG profile and operational impact: SAFCO

Classification: Public



A trusted food service distributor with over 30 years of experience across the UAE and international markets. SAFCO's shift toward **renewable energy use**, especially solar power in its logistics operations, aligns with Silal's **decarbonization goals**, while its partnership with hospitals and humanitarian channels supports **food access and social responsibility**.



ERM	NEX	

PEST CONTROL - full

standards.



Al Bakrawe Group (Acquired in 2025)

A regional leader in fresh produce import and logistics, handling over **12,000+** containers annually, with a sourcing network of **550+ global suppliers**. Al Bakrawe contributes to **food system resilience**, enhances **traceability**, and creates **employment across 20 countries** — directly supporting Silal's ESG pillars of **supply chain sustainability, governance integration**, and **social inclusion**.



These strategic acquisitions support Silal's efforts to expand our ESG impact in the agrifood sector by improving operational reach, efficiency, and sustainability focus across key parts of the value chain.

Sherwood & Terminex:

A UAE-based distributor of agriculture inputs and pest management solutions. Sherwood advances **sustainable farming** by reducing harmful chemical use and supporting **environmentally conscious cultivation** — fully aligned with Silal's **environmental and safety**



Silal **Group ESG** Framework

Connecting Strategy with Global Goals

Silal Group applies Environmental, Social, and Governance (ESG) principles to guide responsible operations, build strategic partnerships, and create longterm value across our activities, partnerships, and value chain. To ensure global alignment and measurable impact, Silal's ESG strategy is mapped to the United Nations Sustainable Development Goals (UNSDGs).

This framework guides the way we manage resources, support people, govern ethically, and engage with communities and partners — reinforcing our ambition to deliver long-term value and national food security transformation.

ENVIRONMENT:

Affordable and Clean Energy:

Driving energy efficiency across all facilities, including industrial operations under SAFCO and Sherwood.



Managing water use across farming,



manufacturing, and logistics operations.

Responsible Consumption and Production: Advancing circular economy practices and sustainable



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Life on Land: Protecting biodiversity and promoting sustainable land use through Silal farms and group initiatives.

sourcing across the value chain.



HUMAN CAPITAL:



Gender Equality: Promoting inclusiveness and leadership opportunities for women across all entities.



Decent Work and Economic

Growth: Standardizing fair labor practices, safe work conditions, and skill development throughout the Silal Group.

GOVERNANCE:



Group Oversight: A centralized ESG governance model ensuring alignment across the Silal Group.



Policies and Compliance: Groupwide implementation of ESG, HSE, and Code of Ethics policies, monitored for 100% compliance.



Transparent Reporting:

Monthly ESG performance tracking and reporting to ensure group-wide accountability.

SUPPLIERS:



Sustainable Supply Chain Management: Building resilient, ethical supply chains and promoting ESG integration with vendors across the Silal Group.

CLIENTS:



Ensuring food safety, quality standards, and sustainability across diverse client segments including retail, wholesale, and institutional clients.

Food Safety and Quality:

COMMUNITY INVOLVEMENT:



Local Impact & Food Security **Initiatives:** Driving local impact through agricultural innovation, food security initiatives, and farmer support programs.

EMPLOYEE RIGHTS:



Fair Work Environment: Standardizing employee

rights policies across the Silal Group, including grievance mechanisms and nondiscrimination practices.

SOCIAL AND ECONOMIC **DEVELOPMENT:**



SME Empowerment and Job Creation: Empowering SMEs, promoting job creation, and supporting national goals for economic diversification.







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Leading with Purpose

Silal Group's Environmental Transformation

Environmental responsibility is a core part of our daily operations, driving measurable change across our value chain. In 2024, Silal Group made measurable progress in reducing its carbon footprint, optimizing resources, and promoting circular economy solutions.

From smart farming systems and water-efficient technologies to low-emission logistics and waste diversion programs, our initiatives contribute to environmental improvement and are aligned with the UAE Net Zero 2050, Green Agenda, and United Nation (UN) Sustainable Development Goals (SDGs). Whether in the fields, warehouses, or delivery routes, our teams worked across Silal, SAFCO, Sherwood, and Al Bakrawe to activate sustainability across every layer of our operations.

Focus Areas of Environmental Action Waste Reduction and Circular Economy



Repurposed 2 tons/ week of unsold produce to Emirates Park Zoo for animal feed.



Waste Recycling Initiative Wood: 248,934 kg Plastic: 9,323 kg Carton: 130,500 kg



Diverted over 217,245 kg of surplus food via the Ne'ma Ramadan campaign.



Launched green waste composting, converting 4 tons/day into usable soil.



Trialed use of recyclable construction materials at the Innovation Oasis.



SAFCO recycled 90,655 kg of plastic and 190,840 kg of paper in 2024, resulting in 101.08 tons of CO₂ emissions avoided through improved recycling practices.

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SAFCO increased its use of sustainable Thermoboxes by 62.5%, replacing Styrofoam packaging as part of its packaging transition.



SAFCO eliminated singleuse plastic water bottles across all offices and replaced them with **reusable glass** bottles, promoting a circular and waste-free office environment.



Water **Conservation and Smart Agriculture**

Introduced a central-controlled irrigation network and trained farmers on Rivulis irrigation systems.

Saved 60% water in cucumber cultivation through summer net house trials.

Used AI and precision irrigation to optimize water application in selected farms.

SAFCO reduced water consumption by 19.8% at its Head Office and 1% at SFG through retrofit installations

Reused brine water and reject desalination water to reduce freshwater dependency.



Carbon and Energy Efficiency

- Deployed plug-in points for chillers to eliminate fuel-based idling.
- Converted all lifters to Electric Material Handling equipment (MHEs).
- Enabled loose truck loading and return truck > reuse, reducing trips and emissions.
- Achieved significant reduction of 773,500 kg CO2 and 119,000 liters of fuel through FOB sales and port-side direct deliveries.
- Secured ISO 50001 certification for four facilities.
- SAFCO reduced electricity consumption by 21.6% at its Head Office and 28.5% at its SFG facility, reflecting significant operational efficiency improvements.
- SAFCO completed a pilot study comparing electric vehicles (EVs) and internal combustion engine (ICE) trucks. Based on emissions data and cost analysis, the study recommended a hybrid fleet strategy to enhance environmental performance and operational reliability.

Data Assurance Statement

The GHG emissions data presented in this report for Silal, SAFCO, and Sherwood has been verified by a third-party as part of ADQ's 2024 sustainability assurance process.

For Al Bakrawe Group, emissions data is currently being compiled and has not yet undergone external assurance.

All other ESG-related metrics—such as training hours, workforce data, and policy compliance have been internally validated by the relevant departments across Silal Group to ensure accuracy and consistency.

Digital Transformation for Sustainability



Resilience

- systems at IO.
- operations.
- 622.44 tons of CO₂.
- include:





Innovation for Climate

Developed a microgrid design using solar and desolenator

Created no-vehicle zones in key areas to support emission-free

Piloted plant-based product lines with lower carbon footprints to promote sustainable food systems.

SAFCO energized a third rooftop solar PV plant (408.92 kWp) in 2024, bringing its total installed solar capacity to 1,206.36 kWp. These systems generated 666,348 kWh/year and reduced

GHG Emissions Coverage Silal Group's reported emissions

Scope 1: Direct GHG emissions from fuel combustion in company vehicles and equipment.

Scope 2: Indirect GHG emissions from electricity consumption across operational sites of Silal, SAFCO, and Sherwood.

Al Bakrawe's emissions are currently under internal assessment and will be included in future verified disclosures. The 2024 emissions data for Silal, SAFCO, and Sherwood has been third-party verified under ADQ's assurance process.



SPOTLIGHT

Quinoa & Millet Value Chain – Resilient Crops for a Future-Ready UAE

Building Agricultural Resilience Through Smart Crop Innovation



In collaboration with the International Center for Biosaline Agriculture (ICBA), Silal launched the Quinoa and Millet Value Chain Development Projects to introduce climate-resilient, nutrientrich crops capable of thriving in arid UAE conditions. The quinoa program progressed through seed production training, local grain production trials across Al Foah and Remah, and hands-on post-harvest handling. Millet trials tested sorghum, pearl millet, and fonio varieties for yield and adaptability.

These initiatives not only diversify the local cropping system but also promote water conservation, reduce food imports, and enhance carbon efficiency. Quinoa's salinity tolerance further supports land rehabilitation and erosion control, while its by-products serve as animal feed encouraging a circular agricultural economy.





SPOTLIGHT Dendra Project – Greening with Saline Solutions

Innovative Land Reclamation through Brine Irrigation

The Dendra Project, a joint initiative betweenSome halophytes also show promise asSilal and Dendra, utilized diluted brine fromlivestock feed, turning saline waste intoreverse osmosis (RO) for irrigating salt-toleranta valuable agricultural input. This projectnative plants across 5.28 hectares in Al Foah.redefines waste utilization and positions brineThis innovative bio-remediation approachreuse as a climate-smart land rehabilitationcultivated halophytes capable of absorbingtechnique.and transforming saline compounds,conservation.







SPOTLIGHT Compost Machine Project – Closing the Loop on Farm Waste

Transforming Organic Waste into Agricultural Gold

To address farm waste challenges, Silal introduced composting solutions to convert organic waste—such as palm residues, fruit, vegetables, and grass—into high-quality biofertilizers. This reduces methane emissions from landfills and improves soil health and carbon retention in arid environments. By replacing chemical fertilizers, the composting initiative supports cleaner soil and water, promotes circularity, and aids in the fight against desertification.





SPOTLIGHT Solar-Powered Greenhouses

Advancing Smart, Sustainable Agriculture in the UAE

Silal, in collaboration with Shouguang Vegetables, launched the UAE's first fully **solar-powered, independent greenhouses**, pioneering a model of climate-smart agriculture. These greenhouses operate entirely on solar energy with battery storage, enabling year-round production while reducing carbon emissions. Equipped with

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automated systems for irrigation, climate control, and lighting, the project optimizes resource use and supports food security. This initiative reflects Silal's leadership in sustainable innovation, contributing to the UAE's Net Zero 2050 goals and setting a benchmark for renewable energy integration in agriculture.



Classification

Our Commitment Ahead

Silal Group remains steadfast in its mission to lead sustainable transformation across the food and agriculture sector. With Al Bakrawe now integrated into our operations, we are enhancing sustainability in sourcing, emissions tracking, waste reduction, and circular economy practices across international supply chains.

LOOKING FORWARD, OUR FOCUS WILL INTENSIFY ON:



Scaling climate-resilient farming innovations (e.g., aquaponics, solar-powered agriculture, biosaline crops)



Expanding composting and recycling infrastructure



Improving water resource management through alternative irrigation solutions



Integrating renewable energy across all assets



Leveraging digital platforms for real-time ESG performance monitoring

These initiatives bring us closer to achieving our Net Zero 2050 goals, while fostering a sustainable, self-reliant food system for the UAE.



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KEY METRIC/RESULT

2 tons/week + 146,365 kg via Ne'ma

773,500 kg CO2 saved

60% reduction in net house cucumber trial; guinoa and millet trials used 50-70% less water

4 tons/day

ISO 50001 achieved at 4 sites

5.28 ha reclaimed using halophytes in Dendra Project

Compost and crop by-products used as animal feed and soil enhancers

Quinoa, sorghum, pearl millet, and fonio adapted to UAE climate



Chapter 2: Social Commitment and Achievements





Driving Inclusion, Awareness, and **Community Upliftment**

At Silal Group, our ESG journey is rooted in a people-first approach — supporting employees, farmers, youth, and the broader community through meaningful engagement and inclusive practices. In 2024, we expanded our reach across Silal, SAFCO, Sherwood, and Al Bakrawe, delivering targeted initiatives aligned with the UN Sustainable Development Goals (SDGs) and national development priorities.

Whether through inclusive hiring, school engagement, or data literacy training, our social strategy builds resilience and equity at every level — reinforcing our commitment to decent work, gender equality, safety, education, and food security.



SPOTLIGHT

Empowering People of Determination – Partnership with Zayed Higher Organization

Advancing Inclusion and Social Equity Through Strategic Collaboration



ESG Reinforced inclusive Impact: hiring practices within Silal, SAFCO, and Sherwood 5 GENDER EQUALITY Aligned Ø M SDGs:

As part of its long-term commitment to inclusive development, Silal signed a strategic partnership with the Zayed Higher Organization for People of Determination. This collaboration aims to create meaningful employment opportunities, provide skill-building platforms, and support the active social integration of People of Determination (PODs) into the workforce.

The partnership reflects Silal Group's belief that empowering every segment of society is essential to achieving the UAE's national development vision and aligns directly with the UAE's Year of Community.

Through joint programs, inclusive hiring, and engagement initiatives across Silal and its subsidiaries, we are building a more equitable and representative organization — while fostering social innovation and dignity through work.





SPOTLIGHT Empowering Future Agricultural Leaders

Internship Program in Partnership with UAE University

Silal proudly partnered with United Arab Emirates University in 2024 to deliver an immersive agricultural training program for over ten university students at our Al Ain facilities. The internship offered hands-on experience across key farming operations, reflecting Silal's commitment to nurturing talent and strengthening national food security through education and skill-building.





SPOTLIGHT

School Discovery Tour – Empowering Youth **Through Agri-Innovation**

Inspiring the Next Generation of Sustainability Leaders



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As part of Silal Group's commitment to food security education and national community initiatives, we launched the School Discovery Tour in 2024 — a nationwide program designed to spark students' interest in sustainable agriculture, agri-tech, and food innovation.

Targeted at students aged 11 and above, the program offers immersive educational visits across three of Silal's flagship locations in Al Ain:

ESG Impact: RR

Reached 26

500 students

schools and over

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awareness of food innovation

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Aligned SDGs:



Silal Packhouse - Al Ain – the UAE's largest automated packing facility **Innovation Oasis** – showcasing breakthroughs in agricultural technologies Silal Farm -Al Ain – where students experience sustainable farming firsthand

The initiative forms part of Silal's contribution to the UAE's Year of Community and marks our participation in Emirati Children's Day, providing early exposure to sustainable agriculture and food innovation for students across the UAE.



Strengthened national systems and agri-tech







SPOTLIGHT Global Exposure for Local Farmers – Netherlands Agri-Tech Visit

Building Local Capacity Through International Collaboration

Silal organized a strategic field visit to the Netherlands for its contracted farmers. offering them direct exposure to the world's most advanced agricultural technologies and innovation practices.

During the visit, farmers engaged with leading agri-tech companies, toured state-of-the-art facilities, and explored practical solutions in areas such as

climate-smart farming, sustainable irrigation, and greenhouse optimization.

This initiative reflects Silal Group's dedication to empowering the UAE's agricultural community by promoting continuous learning, innovation transfer, and sustainable development. It also supports the UAE's vision of building a resilient, knowledge-based food production ecosystem.





SPOTLIGHT Knowledge Journey to China

Classification: Public

ESG Impact: Empowering **Local Farmers:** Enhanced skills and knowledge of Emirati farmers through global best practices.

Adoption: Explored AIpowered greenhouses, smart logistics to improve productivity and sustainability.

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Technology

Aligned SDGs:



Silal organized a knowledge journey for its contracted farmers to China, providing them with firsthand exposure to innovative agricultural technologies and sustainable practices. The visit aimed to empower local farmers, enhance their expertise, and bring global innovations back to the UAE to advance the national agrifood sector.



Sustainable Agriculture: Focused on resource-smart cultivation, datavertical farms, and driven production, and sustainable packaging methods.



Community **Development:** Strengthened the role of farmers as key contributors to the UAE's food security and agrifood innovation.







Building Awareness & Safety Through Training and Governance

In 2024, Silal Group continued fostering a culture of knowledge, wellbeing, and responsible governance. From digital security to health & safety, employees across all entities benefited from targeted training aligned with ESG values and regulatory standards.



SPOTLIGHT Digital Awareness Training

Empowering Employees for a Safer Digital Workplace

In 2024, Silal, Sherwood, and Terminex teams participated in training sessions focused on spam email awareness and data classification. These efforts aimed to build a security-conscious workforce and promote digital hygiene.



ESG Impact:

100% participation across Silal Group companies (Silal, Sherwood, and Terminex)

SPOTLIGHT Workforce Safety & Development

Investing in People's Growth and Protection



ESG Impact:



Reinforces compliance with labor welfare standards

Silal delivered strong performance in employee development:

- 10,648 hours of HSE training
- 320 hours of L&D upskilling Launch of employee

wellness and medical access programs across SAFCO and Sherwood



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Farmer & Community Empowerment

Silal's social commitment also extended to farmers, workers, and local communities across the UAE. Through strategic training, events, and engagement programs, we supported sustainability and inclusivity from field to fork.

SPOTLIGHT Silal Farmer & Worker Training – Season 2024

Delivering Impact on the Ground

In 2024, we trained:

- > 794 workers
- > Delivered over 40,000 technical hours
- > Completed 10,000+ farm visits
- Recognized 135 farmers for best sustainable practices

ESG Impact:



Scalable impact on local food security and sustainability



Aligned with SDG 2 (Zero Hunger), SDG 12 (Responsible Consumption)

SPOTLICHT Open Day – Eggplant Quality Improvement

Supporting Sustainable Farming Practices

Seven farmers participated in a targeted workshop to improve eggplant production, focusing on crop quality, yield, and market-readiness. The initiative contributed to technical knowledge transfer and sustainable crop outcomes.





SPOTLIGHT Silal's Community Spirit – Volunteerism as a Culture

At Silal Group, volunteerism is not just an act — it's a value we live by.

We proudly embed social contribution into our organizational culture, encouraging employees, their families, and even our extended network of partners to take part in meaningful community action throughout the year.

In 2024–2025, Silal volunteers participated in a series of impactful national initiatives - supporting food distribution with humanitarian organizations, engaging in public safety campaigns, and promoting

responsible consumption and food rescue efforts. These activities reflect our role as an engaged national entity aligned with the UAE's Community Year and the country's mandate for public participation in building a resilient society.

This spirit of giving is nurtured across Silal, SAFCO, Sherwood, and Al Bakrawe, reinforcing our belief that businesses thrive when communities do.







alignment with national values and social ESG the workplace, involving families and community

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Social ESG Initiatives Summary

ΙΝΙΤΙΑΤΙν	Έ	ESG IMPACT AREA	HIGHLIGHTS
Ê.	Employment of People of Determination	Inclusion & Labor	6 PODs hired at Al Foah
P.Q.	School Discovery Tour – Phase 1	Youth Awareness	26 schools, 500+ students
Ŕ	SPAM Queue & Data Classification Training	Digital Governance	All teams trained (Silal, Sherwood, Terminex)
	Worker Welfare Standards & Inspections	Fair Labor & Rights	Implemented and audited across camps
	Farmer & Worker Seasonal Training	Food Security & Rural Uplift	794 trained, 40K hours, 135 awards
	Open Day – Eggplant Quality Workshop	Farming Innovation	7 farmers trained on best practices
	UAEU Student Internships	Youth Development	Summer internship program at Al Foah
	POD Internships	Inclusion	6 interns in two paid batches

Workforce Diversity Overview – 2024

(Across Silal, SAFCO, and Sherwood)

CATEGORY		COUNT	% OF
Ç.	Male	1324	90.25%
GENDER	ှိ Female	143	9.75%
(9.77) (9.77)	Emirati	91	6.20%
NATIONALITY	Non-Emirati	1376	93.80%

Data reflects active employees as of December 31, 2024. Verified internally by the Human Capital team.





Chapter 3: Governance and **Innovation Integration**

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Leading with Purpose, Structure, and Strategic Technology

Silal Group's governance model serves as a foundation for sustainable growth, resilience, and accountability. In 2024–2025, as the organization expanded to include SAFCO, Sherwood, and Al Bakrawe, Silal strengthened its internal frameworks, implemented ESG-aligned policies, and initiated high-impact partnerships to advance responsible innovation.

From AI-powered farming tools to stakeholder recognition and policy integration, governance at Silal is not only a function of compliance — it is a tool to embed sustainability into all strategic and operational dimensions across the Group.



SPOTLIGHT ESG Recognition by Forbes Middle East

Regional Acknowledgment of Leadership in Sustainability



Silal was recognized by Forbes Middle East for two major achievements: former CEO Salmeen Alameri was named one of the Top Sustainability Leaders of 2024, and Silal received the award for Top Project in the Middle East – Food Category. These honors highlight Silal's ability to execute ESG

ESG Impact: Elevated Silal's regional and global reputation as a leader in ESGdriven business practices

Validated the effectiveness of Silal's ESG strategy through measurable, recognized achievements

Aligned SDGs:



strategies with measurable impact and align its business with global sustainability goals.

This recognition affirms Silal's position as a national platform for innovation, food security, and ESG leadership.







SPOTLIGHT ESG Video Series – Strengthening Transparency and Awareness

Telling the ESG Story Through Leadership and Media

In 2024, Silal released a three-part ESG video series hosted by the ESG Director. The series highlighted progress under the Environmental, Social, and Governance pillars and was shared publicly to increase awareness, promote transparency, and

educate internal and external stakeholders on Silal's sustainability journey.

This initiative reflects Silal's commitment to open communication and stakeholder engagement.



SPOTLIGHT **Advancing Digital Governance**

Strengthening Internal Governance Through Systems and Strategy

Silal made strategic progress in data governance by implementing key digital infrastructure and frameworks:

- > CRM system deployment to drive structured, accountable customer engagement
- > ADQ-sponsored Data Strategy project to implement structured data governance policies

 AI Literacy and GenAI Enablement workshops (in partnership with Microsoft) to prepare teams for responsible Al integration

Silal Group.

ESG Impact:



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Established structured data governance policies and enhanced internal accountability

Enhanced data security and informed decision-making across Silal Group



Improved customer engagement through systemized CRM processes Reinforced governance excellence through strategic digital transformation

Built organizational

readiness for responsible AI integration

Aligned SDGs:





These initiatives support robust governance, data security, and informed decision-making across





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SPOTLIGHT

CropCast GPT – AI-Driven Agriculture Innovation

Harnessing Predictive Intelligence for Sustainable Farming



Silal's Innovation Oasis, in partnership with MBZUAI, launched CropCast GPT, an artificial intelligence platform developed to optimize yield forecasting and agricultural decisionmaking. This initiative supports smarter, more efficient, and climate-resilient farming

in the UAE and contributes to the transition toward low-emission agricultural practices.

The platform reinforces Silal's leadership in agri-tech governance and environmental innovation.



SPOTLIGHT Silal Innovation Oasis

A Platform for Sustainable Agri-Food Innovation



In 2024, Silal inaugurated the Innovation Oasis in Al Ain, a 34-hectare R&D hub dedicated to advancing agricultural technology and sustainable farming solutions. Designed to support the UAE's Food Security Strategy, the Oasis fosters collaboration with leading research institutions and industry partners, driving innovation in climate-resilient

Ð ESG Impact: innovation

Established a national hub for agri-tech R&D and

Advanced climateresilient sustainable farming practices

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Aligned SDGs:



agriculture, resource efficiency, and circular economy practices. This strategic investment reinforces Silal's governance framework by embedding structured innovation processes, enhancing national food security capabilities, and positioning Silal as a key player in the UAE's agri-tech transformation.





SPOTLIGHT Silal–Shouguang Smart Agriculture Hub

Driving Innovation with AI & Robotics



During "Make it in the Emirates 2025", Silal signed an MoU with Shouguang Vegetables from China to establish the UAE's largest 100,000 m² smart agriculture hub in Al Ain. Powered by AI and robotics, this partnership marks a transformative step in

scaling up sustainable agri-tech solutions and reinforcing the UAE's food security and industrial capabilities. The hub will integrate cutting-edge technologies and serve as a model for agri-industrial innovation in the region.

ESG Impact:	Environment: Promotes precision agriculture, reducing resource consumption and emissions.	Social: Creates jobs and builds local expertise in advanced agricultural technologies.	Governance: Strengthens international collaboration, national food security, and innovation policies.	1
Aligned SDGs:		Invovation structure 12 responsibile consumption and production	CLIMATE 17 PARTNERSHIPS ACTION 17 FOR THE GOALS	

SPOTLIGHT

Strategic Partnership with Core42 – Scaling **ESG** with AI

Building the Future of Sustainable Agri-Tech



A strategic agreement was signed between Silal and Core42, a G42 company, to codevelop AI-enabled sustainability tools. The partnership is aimed at creating scalable and intelligent solutions to advance climatealigned agriculture, supply chain monitoring,

Accelerated Enhanced ESG development supply chain of Al-powered visibility and Impact: tools for environmental sustainable performance agriculture monitoring

Aligned SDGs:



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and energy optimization.

This collaboration positions Silal at the intersection of advanced technology and sustainable agriculture.





SPOTLIGHT Ministerial Visit to Silal Packhouse - National Recognition

Reinforcing Silal's Role in Food Security Innovation

Her Excellency Dr. Amna Al Dahak and members of the Emirates Food Security Council conducted an official visit to Silal's Packhouse in Al Ain. The visit acknowledged Silal's technological and operational

contributions to the UAE's food security vision and provided a platform to demonstrate ESG-aligned systems in food processing and logistics. The visit strengthens institutional trust and stakeholder relationships.



Classification: Public

SPOTLIGHT

Strategic MoU with Ministry of Industry and **Advanced Technology**

Boosting Local Value in Agrifood



At the "Make it in the Emirates" forum, Silal signed a Memorandum of Understanding with the Ministry of Industry and Advanced Technology, affirming its role in the National In-Country Value (ICV) Program. This



SDGs:

strategic collaboration supports UAE's food security goals by enhancing local value creation, strengthening supply chains, and positioning Silal as a driver of national agrifood resilience and industrial integration.



Social: Supports job creation and local economic empowerment within

M

Environmental: Enables more localized sourcing and supply chain efficiency, potentially reducing emissions from imports.





SPOTLIGHT

Silal and Bayer -**Smart Farming and Governance Innovation**

Multi-Track Collaboration Driving Sustainable Progress

Silal expanded its collaboration with Bayer in 2024 to include seed trials, digital farming, and capacity building programs. These joint efforts aim to promote sustainable agriculture while ensuring visibility, safety, and performance across the value chain. This partnership supports Silal's innovation agenda and contributes to innovative and sustainable governance.







Strengthened Silal's position in agri-tech governance and innovation

leadership

Contributed to building resilient, transparent, and efficient food systems







Ð Supported

through

natural

biodiversity

pollination

practices



Advanced development of climateresilient seed varieties

Aligned SDGs:



ESG

SPOTLIGHT Collaboration with SVG – Seeds and **Pollination for** Resilience

Driving Local Innovation in Crop Development and Biodiversity

In collaboration with SVG, Silal launched trials for UAE-resilient seed varieties and a pilot program for bumblebee-based natural pollination. This initiative supports biodiversity, improves climate adaptation, and enhances local crop productivity using environmentally sustainable methods.

The project reflects Silal's investment in long-term ecological resilience and food system security.



Improved local crop productivity using sustainable methods



Contributed to ecosystem health and long-term agricultural resilience



Reinforced Silal's role in supporting sustainable food systems and agritech innovation







SPOTLIGHT Certifications and Governance Foundations

Building Trust Through Standards and Policy Integration

Silal Group successfully retained and expanded a robust set of international certifications in 2024–2025, covering food safety, environmental performance, occupational health, and energy management. These certifications demonstrate Silal's operational maturity and alignment with ESG benchmarks. Certifications held include:

- > ISO 9001:2015 Quality Management
- ISO 14001:2015 Environmental Management
- ISO 45001:2018 Occupational Health and Safety

- ISO 22000:2018 Food Safety
 Management
- > ISO 50001:2018 Energy Management System
- GLOBALG.A.P.® Certification Agricultural sustainability
- Certificate of Conformity Organic Certification

Grade A Gold – Al Aweer Facility (2024)
 Additionally, Silal finalized its Corporate
 Governance Manual in 2024, ensuring
 consistency, accountability, and ESG
 integration across all business functions and
 subsidiaries.



Governance Enhancements Across Silal Group (2024–2025)



ACTION TAKEN

Monthly performance tracked across all

Unified ESG policies launched and

Finalized and adopted across the group

ISO 50001-certified system implemented

Public communication, ESG video series, and government visits completed



Stakeholder Engagement and **ESG Oversight**

Engaging for Impact and Accountability

At Silal, stakeholder engagement is a cornerstone of our ESG strategy. We actively collaborate with government entities, investors, community partners, and employees to ensure that our ESG efforts remain relevant, inclusive, and responsive to national and global priorities. In 2024, we maintained open dialogue with key stakeholders including:

ADQ

Alignment on ESG expectations and GHG reporting

Government bodies

Ministry of Climate Change and Environment, Zayed Higher Organization, Emirates Food Security Council

Academic and innovation partners

MBZUAI, SVG, Bayer

Internal teams

Monthly ESG Champion meetings and performance tracking across all divisions and subsidiaries



ESG Governance Structure at Silal Group



Strategy:

The ESG strategy is developed by the ESG Director in coordination with Silal's executive management and aligned with ADQ guidance.



Execution:

Implementation is led by ESG Champions assigned within each division, including SAFCO, Sherwood, and Al Bakrawe, who follow the centralized ESG roadmap.



Board

Engagement: ESG performance is discussed at the Board level at least once per quarter and during annual strategy sessions.

▋▋ Subsidiary Involvement:

Each subsidiary follows the central ESG strategy but has a designated focal point responsible for execution and data submission.

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Risk and Performance Management:

ESG risks and performance indicators are actively monitored through monthly reviews with executive leadership. While Silal is in the process of formalizing an enterprise risk management (ERM) system, current practices include issue escalation protocols, cross-functional collaboration, and oversight by the ESG Director in coordination with the Executive Committee. As the ERM framework develops, ESG-related risks will be further embedded and systematically tracked.

ESG governance is centrally managed under the ESG Director, with monthly reporting to Silal's executive leadership and integration into strategic reviews. Our governance framework ensures that ESG is a shared responsibility across Silal Group, supported by a network of Champions and subject matter leads.



Material ESG Topics and Risk Management

Understanding What Matters Most



In 2024, Silal initiated a group-wide review to identify material ESG topics most relevant to our operations, stakeholders, and long-term impact. These include:

	Greenhouse gas emissions and energy use
(Ħ)	Food waste and circular economy practices
	Inclusion and employee well-being
	Responsible sourcing
<u> </u>	Governance compliance and transparency

While a formal double materiality assessment is planned for 2025, our current ESG strategy is informed by national development priorities, ADQ guidance, and emerging global frameworks such as Global Reporting Initiative (GRI) and the International **Sustainability Standards Board** (ISSB). These frameworks help guide transparent and accountable ESG disclosures aligned with international best practices.

ESG risks are incorporated into Silal's enterprise risk management system and reviewed regularly by senior leadership. This ensures a proactive approach to managing climate, social, and governance-related risks as the business evolves.



From Commitment to Achievement Tracking Silal Group's 2024 ESG Promises and Progress



GHG emissions

What We Promised Develop a decarbonization plan and align current initiatives across all assets.

What We Achieved **Our 2024 Outcomes**

- > Finalized the Decarbonization Plan with ADQ.
- Achieved 773,500 kg CO₂ emissions reduction through logistics optimization (FOB and Port-Side).
- Monthly carbon reporting completed across Silal, SAFCO, Sherwood, and Al Bakrawe.

SDG Alignment:





Sustainable agriculture

What We Promised Our 2024 Commitments Our 2024 Commitments Reduce chemical pesticide use by 2% and expand sustainable trials.

What We Achieved **Our 2024 Outcomes**

- > Piloted climate-resilient millet and summer cucumber varieties (60% water savings).
- > Launched bumblebee pollination trials with SVG.
- > Partnered with Bayer on seed trials and digital agriculture solutions
- Partnered with ICBA to launch guinoa and millet value chain trials across UAE farms
- Introduced fonio, sorghum, and pearl millet for diversification and resilience





Management

What We Promised Our 2024 Commitments Maintain food waste at 9%: move toward zero-waste goals.

What We Achieved Our 2024 Outcomes

- Diverted 217,245 kg of food through Ne'ma and surplus donation programs.
- > 2 tons/week sent to Emirates Zoo for feed.
- > Green waste composting achieved 4 tons/day conversion.
- Commissioned on-site compost machines to convert organic waste into biofertilizer
- > Promoted circular economy by repurposing crop byproducts as animal feed

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Water & Land Employee Management well-being

What We Promised Our 2024 Commitments Explore alternative irrigation and soil enhancement methods.

What We Achieved **Our 2024 Outcomes**

- > Dendra Project launched to irrigate 5.28 ha using diluted brine and halophytes
- > Supported soil rehabilitation through salt-tolerant native species
- Reduced desalination dependency through sustainable irrigation solutions

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What We Promised Our 2024 Commitments Train 300+ farmers and strengthen local engagement.

What We Achieved **Our 2024 Outcomes**

> 794 farmers and workers trained through technical support programs. School Discovery Tour launched,

reaching over 26

schools. Volunteers from Silal and families supported initiatives with ERC, AD Police, and Ne'ma.



Diversity

What We Achieved **Our 2024 Outcomes**

- > Launched career mapping and training for multiple teams.
- Over 10,648 hours of training delivered in 2024 (HSE, ESG, and soft skills).
- Employee recognition program expanded to new assets.













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Community

What We Promised Our 2024 Commitments Our 2024 Increase female representation by 2% compared to 2023 baseline.

What We Achieved **Our 2024 Outcomes**

- > Women in the workforce reached 8.85%.
- Inclusion programs for People of
- Determination
- implemented across operations.
- > Internship and
- upskilling programs prioritized gender balance.



Governance

What We Promised Commitments Incorporate ESG in all board discussions and governance manuals.

What We Achieved **Our 2024 Outcomes**

- ESG Strategy officially adopted and implemented across the Group.
- Corporate **Governance Manual** completed and aligned with ISO.
- > ESG KPIs included in monthly reports and management reviews.







2024 ESG Highlights – Silal Group

In 2024, Silal Group carried out a number of ESG-related initiatives across its core entities— Silal, SAFCO, Sherwood, and Al Bakrawe. These efforts focused on improving environmental management, social inclusion, and alignment with national sustainability themes. Key highlights include:



Completion and submission of a Group-wide Decarbonization Plan, developed in line with the UAE's Net Zero 2050 agenda.



GHG emissions data for Silal, SAFCO, and Sherwood was internally compiled and third-party verified as part of the ADQ assurance process.



Delivery of over 10,000 hours of ESG-related training across Silal Group to support employee awareness and capacity-building.



Growth in female representation within the workforce, contributing to internal diversity and inclusion efforts.

Implementation of unified ESC and HSE policies across Silal and selected subsidiaries.



Community-based initiatives, including the School Discovery Tour and collaboration with Zayed Higher Organization to support People of Determination.



Circular economy practices, including food waste diversion for reuse, composting of green waste into biofertilizer, and the shift away from single-use packaging materials.

These initiatives were internally developed and monitored. While no external ESG scoring or rating methodology was applied, this summary presents a snapshot of practical efforts undertaken by Silal Group to advance sustainability in line with operational priorities and ADQ thematic guidance.

Looking Ahead to 2025 Our Next Steps in the ESG Journey

As we move forward, Silal remains focused on expanding our ESG impact across the Group and supply chain. Our top ESG priorities for 2025 include:



Climate Action Full implementation and assurance of the Decarbonization



Food Waste Reduction Expanding partnerships and improving efficiency in waste



ESG-Driven Innovation

Scaling AI-powered agriculture platforms (CropCast GPT, Core42 solutions)

These actions are embedded into Silal's 2025 Business Plan and will be tracked monthly through the ESG governance system to ensure transparency and accountability.



Youth and Inclusion Programs Increasing access to internships, school programs, and employment opportunities for People of Determination



Vendor Due Diligence Enhancing supplier ESG onboarding and compliance tracking





Environmental Initiatives

INITIA	ΓΙνε	SDO	G(S) A	LIGN	ED	
1.	Ne'ma Food Waste Diversion Program	2 ==== {{{}	8	13 📰		
2.	Composting of Green Waste & Compost Machine Project	200	13 :::: •	15 th the state of		
3.	Emirates Zoo Animal Feed Diversion	22	15 # ***			
4.	Brine Water & Reject Water Reuse (Dendra Project)	6 ALL MARTEN	13 :::: •	15 m •		
5.	Smart Irrigation & Central Irrigation Network	6 de lastense	15 tile			
6.	Summer Cucumber Water Efficiency Trials	2	8	13 ==		
7.	Rivulis Training for Farmers	6 de lastans an lastans	11 N			
8.	Loose Truck Loading & Return Trip Reuse	9	200	13 == •		
9.	Plug-in Points for Chillers	7	13 :::: •			
10.	Conversion to Electric Lifters	7	13 :::: •			
11.	FOB & Port-Side Sales Logistics Optimization	9	8	13 📰		
12.	ISO 50001 Certification for Energy Management	7	13 ::: •			
13.	WMS Implementation for Fresh	9	8			
14.	OneDrive & Paperless Initiatives	2200	13 III •••			
15.	Digital Emissions Dashboards	13 ==				
16.	Millet Trials & Climate-Resilient Agriculture	2 ==== {\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	13	15 ^{itt} intee 		
17.	Quinoa & Millet Value Chain Project (ICBA)	2 ==== {{{\states}}}	13 ==	15 # • •	8	
18.	Use of Recyclable Construction Materials	2 2 2 2 2 2	15 # •**			
19.	Plant-Based Product Launch	2	n Silling	13 ==		
20.	Solar-Powered Greenhouses	2 === 	? Ø	9===== &	8	13 ==
21.	Integrated Aquaponics Dome	2 mm	6 diamanan Ar Landardan	9	S III	13 ==



Social Commitment and Achievements

Classification: Public



INITIA	TIVE	SDG(S) ALIGNED	INITIA	TIVE	SDG(S) ALIGNED
1.	Silal's Community Spirit (Volunteering: ERC, AD Police, Ne'ma)		1.	Development of Corporate Governance Manual	12 mm CO
2.	School Discovery Tour				
3.	Employment and Internships for People of Determination	5 mm	2.	ISO 9001, 14001, 22000, 45001, 50001 Certifications	
4.	Farmer Training & Field Engagement Programs	2 mm Second and a second and a	3.	ESG Video Series	
5.	Eggplant Quality Improvement Open Day		4.	Monthly ESG Reporting & Internal Controls	16 mm 17 mm
6.	UAEU Student Internship Program	2 mm 4 mm bill 8 mm and 8 mm and 1 mm			
7.	Labour Camp Inspections in Al Ain	8 montante 10 menue 10 menue 16 menue 16 menue 16 menue 16 menue 16 menue 10 m	5.	Ministerial Visit & Policy Engagement	
8.	Worker Welfare Standards				
9.	POD Training & Onboarding	5 mm	6.	ESG Governance Framework Adoption Across Group	12 ****
10.	Strategic Farmer Visit to the Netherlands	2 Here 2	7.	Agreement with Core42 (AI for ESG Innovation)	9 12 13 - 17 17
11.	Knowledge Journey to China				
12.	Partnership with Lulu for Local Produce Distribution		8.	Collaboration with SVG (Seed Trials & Pollination)	
13.	Data Governance & Spam Awareness Training	4 min. 16 min. X		Bayer Partnership Expansion	2 ma 9 mm mm 12 mm 13 mm 17 mmm
14.	Digital Literacy and Safe Workplace Culture	4 355	9.	(Digital Farming & Traceability)	

Governance and Responsible Business





AND TRANSPORT

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الإمارات العربية المتحدة

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الهلال <mark>الأصمر</mark> الإماراتي

EMIRATES RED CRESCENT

طوارين والأزمنات والكواريا

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جامعــة خليفــة

Khalifa University





DISCLAIMER:

Silal's 2024/2025 ESC Report highlights our approach to considering Environmental, Social and Governance (ESC) factors in our operations. It shares selected information and key highlights of 2024. Certain statements in this report are forward-looking, including, but not limited to, statements that are predictions of or indicate future events, plans or objectives of Silal. Undue reliance should not be placed on such statements because by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, plans and objectives of Silal to differ materially from those expressed or implied in the forward-looking statements





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