



Silal Food and Technology Environmental, Social and Governance Policy

1. INTRODUCTION

Silal holds a pivotal role in Abu Dhabi's sustainable development by ensuring diversified sources of food products and fostering growth in the manufactured and agri-food sectors. Its mandates encompass managing procurement programs and strategic food stocks while spearheading specialized knowledge transfer initiatives on farming techniques and research and development projects. This multifaceted approach places Silal in a strategic position to significantly contribute to the Environmental, Social, and Governance (ESG) landscape, addressing environmental concerns, empowering its people and local communities, and promoting sound governance.

1.1. Purpose of the policy

This ESG policy underscores Silal's commitment to integrate ESG principles into its core business values, reflecting its dedication to Sustainability, responsible agricultural practices, ethical conduct, and fostering the prosperity of its business ecosystem and the communities it engages with.

1.2. Scope of the policy

The policy extends across Silal's relevant business units and undergoes regular reviews to track advancements in alignment with Silal's key ESG focus areas.

2. ROLES AND RESPONSIBILITIES

Silal's commitment to Sustainability is steered by its Board of Directors, providing essential guiding principles. The ultimate responsibility for overseeing the ESG Policy rests with Silal's CEO. Silal's ESG Department is responsible for reviewing and updating this policy.

Silal's ESG management representatives ensure the execution of decisions authorized by the Board of Directors. Moreover, the representatives are responsible for integrating the policy into the business units, defining ESG commitments, and setting achievable targets.

3. SILAL'S ESG APPROACH

VISION

Developing the UAE food and agriculture ecosystem through innovation and excellence

AMBITION

Delivering value from seed to supermarket, worldwide

SUSTAINABLE DEVELOPMENT GOALS AND NATIONAL POLICIES

Silal remains committed to bolstering its contributions towards UAE policies and strategies while aligning its initiatives with the United Nations' Sustainable Development Goals (UNSDGs).

ALIGNMENT TO UNSDGs	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
WE THE UAE 2031		✓	✓		✓		✓		
NATIONAL FOOD SECURITY STRATEGY 2051	✓	✓				✓			
UAE NET-ZERO 2050 STRATEGY					✓		✓		
THE UNITED ARAB EMIRATES GENERAL ENVIRONMENTAL POLICY 2021	✓			✓	✓	✓	✓	✓	✓

4. ESG MATERIAL ISSUES

Silal focuses on working towards key material ESG issues relevant for its operations. Environmental focus areas encompass sustainable farming methods, resource conservation, biodiversity preservation, greenhouse gas reduction, and efficient waste management. Socially, Silal prioritizes employee well-being and growth, fair labor practices, community engagement, and responsible supply chain management. Additionally, Silal's governance principles underscore ethical conduct, transparent oversight of ESG factors, and comprehensive risk management. This policy articulates Silal's commitment to sustainable and ethical operations, ensuring its actions align with responsible business practices.

4.1. Environmental Commitments

Silal understands the materiality of key environmental issues and strives towards continual improvement of environmental practices around its activities and products. This commitment extends to aligning these efforts with pertinent legal environmental mandates, ensuring strict adherence to all relevant requirements.

4.1.a. Sustainable Agriculture Practices

Silal is dedicated to the implementation of regenerative and sustainable farming practices that emphasize biodiversity and ecosystem health, including but not limited to soil conservation, habitat preservation, and promoting natural habitats within agricultural areas. Soil health stands as a strategic pillar within Silal's R&D and farming team, with consistent efforts aimed at elevating soil quality and boosting productivity. Silal is working towards reducing usage of chemical pesticides by 2% at its greenhouses year on year compared to 2023 baseline year. As part of its commitment towards sustainable agriculture practices, Silal has set a target to train 300+ farmers in 2024.

Recognizing the significance of responsible water management practices, Silal is committed to preserving this invaluable resource while optimizing agricultural operations. Through strategic investments in efficient water management techniques such as precision irrigation and water recycling, Silal strives to minimize water usage.

4.1.b. Environmental Stewardship and Resource Conservation

Silal is committed to continual refinement of waste management protocols, enhance emissions control strategies, and contribute to energy conservation practices. Silal aims to achieve year on year 2% reduction in GHG emissions per unit of revenue from a 2023 baseline year. Silal has a target to cap fresh produce waste at 9% by 2025. Silal is also working towards achieving its 0 waste to landfill target by 2025.

Objectives for Environmental Commitments

- Encourage the adoption of practices that promote the preservation of natural ecosystems
- Leverage technological advancements to monitor and enhance environmental practices
- Implement robust measurement systems to accurately quantify greenhouse gas emissions across its operations

- Protect the environment by implementing a related waste management system, conserving natural resources, and mitigating environmental pollution where possible
- Contribute to UAE's environmental goals

4.2. Social Responsibility Commitments

Sisal promotes a healthy, positive and ethical work environment that empowers employees and communities, brings benefits to individuals and fuels business success. Upholding high food safety standards remains paramount to ensuring high food and product quality.

4.2.a. Employee Well-Being

Ensuring the safety and wellbeing of its workforce is a top priority at Sisal. Sisal implements rigorous measures to identify, assess, and manage health and safety hazards, aiming to prevent accidents, fatalities, and occupational illnesses. Moreover, Sisal continuously elevates safety awareness to promote a secure work environment.

Sisal encourages a culture that values learning and innovation that fosters creativity. Through investment in continuous learning, and upskilling, Sisal ensures its employees are well-equipped with modern agricultural techniques, sustainable practices, and evolving industry standards, in addition to career enhancement opportunities. Sisal targets to set a succession plan covering 10% of employees by 2025.

Sisal places great emphasis on respecting related human rights affecting its operation and the communities it operates in as an integral part of its sustainability and ethical initiatives across operations and the supply chain. Sisal is committed to 0 tolerance to forced, compulsory and child labour.

4.2.b. Diversity and Inclusion

Sisal promotes diversity and inclusion, aiming for equitable recruitment, equal opportunities, and an inclusive workplace environment. Sisal regularly reports on diversity metrics to its stakeholders, involves leadership in fostering inclusivity, and continually strive for improvement, recognizing that diversity significantly contributes to its enduring Sustainability and success. Sisal has a target to increase percentage of women representatives in Sisal group by 2% by 2025 compared to 2023 baseline.

4.2.c. Communities

Silal recognizes the crucial role of local communities and strives to foster positive relationships and active engagement. Silal promotes to empowering local farmers by providing access to cutting-edge techniques and global best practices, ensuring sustainable growth and development of the community.

Objectives for Social Responsibility Commitments

- Regularly review and update safety protocols to ensure compliance with national and international standards (as applicable)
- Provide safe, quality products, and leverage digital solutions to provide product traceability for responsible sourcing
- Provide career enhancement and development opportunities to its people
- Focus on employee engagement programs, enhancing its ability to attract and retain talent
- Demonstrate commitment to improving gender diversity across all leadership and management positions
- Promote Emiratization
- Enhance economic development of communities through job opportunities and supporting local businesses
- Contribute to social impact projects or community development projects as applicable
- Advance Sustainability awareness for farming communities

4.3. Governance Commitments

Silal strives to embedding ESG considerations into its long-term corporate strategy that promotes a culture of transparency and accountability with stakeholders, and ensures compliance with all applicable laws and regulations.

Objectives for Governance Commitments

- Foster a corporate culture that prioritizes accountability, integrity, and high ethical standards across the organization
- Strive to maintain transparency, providing stakeholders with a clear understanding of Silal's goals, progress, and areas for improvement

4.4. Research, Development, and Innovation (R&DI)

Silal fosters innovation and research to enable the advancement of the Agri-Food sector using cutting-edge technologies that provide robust solutions to boost agricultural growth and promote sustainable agricultural practices.

Objectives for R&DI

- Embrace a work environment that promotes sustainable agricultural practices
- Allocate resources to identify and foster value created sustainable technologies
- Explore opportunities with research institutions and industry partners to share knowledge, leverage expertise, and stay at the forefront of technological advancements in sustainable practices.

5. Reporting

Silal firmly believes that transparent and balanced reporting is vital to ensuring that Silal is accountable to its stakeholders for its actions. Silal aims to report internally on its strategy and performance in environmental, social and governance aspects to relevant stakeholders as applicable.

6. Continuous Improvement

Silal will regularly review and update this ESG policy to reflect evolving best practices, industry standards, and stakeholder expectations. Feedback from stakeholders will be actively sought and incorporated to enhance Silal's ESG performance.