

ESG Baseline Report 2023 - 2024



This report 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.

Index



Welcome Note	0.
CEO Statement	0.
Introduction to Silal	04
Key Highlights	04
Ambition Towards Achieving ESG	0
Silal's ESG Framework	0
Alignment with the National agenda and the United Nations Sustainable Goals	0'
Sustainable Godis	



CHAPTER 1 08
Silal's Environmental
Commitments and
Initiatives



CHAPTER 2 12
Social Commitment and
Achievements



CHAPTER 3 19
Governance Commitment
and Achievements



What is Next in 2024

silal.ae ESG Baseline Report / **2023 - 2024**



Welcome to the ESG Baseline Report 2023



This report is a comprehensive reflection of our journey towards sustainability from the inception of Silal to the end of 2023. As a cornerstone of the UAE's food security agenda and a key player in the agri-food sector, Silal has been at the forefront of pioneering sustainable agricultural practices, fostering social responsibility, and upholding robust governance standards.

Our continuous journey towards sustainability aims to foster a more sustainable and secure future for food and agriculture in the United Arab Emirates and beyond. We are committed to leading by example in environmental stewardship, social responsibility, and governance excellence. Our efforts are aligned with the UAE's vision

for sustainable development and food security, and we strive to create a positive impact on our stakeholders, including our employees, farmers, communities, and the environment.

Throughout this report, we are proud to showcase our achievements in 2023, our strategic initiatives, and our future goals. We believe that transparency and accountability are crucial in our sustainability journey, and this report serves as a testament to our dedication to these values. Join us as we explore Silal's path to sustainability success, and discover how we are nurturing a healthy community, diversifying food sources, and contributing to the country's food security agenda.

CEO Statement: Our Commitment to ESG

At Silal, our steadfast commitment to Environmental, Social, and Governance (ESG) principles is a source of immense pride.



SALMEEN ALAMERI *CEO, Silal*

22

We recognize that our responsibilities extend beyond our immediate operations, impacting broader societal and environmental realms. Our dedication to ESG is fundamental to our mission of enhancing food security and promoting sustainable agricultural practices in the United Arab Emirates and beyond.

Environmental Stewardship:

Protecting our planet for future generations is a deep commitment of ours. We focus our initiatives on reducing our carbon footprint, optimizing water and energy use, and promoting biodiversity.

Innovations such as our solar-powered desalination project and the implementation of IoT sensors in farms exemplify our leadership in sustainable agriculture.

Social Responsibility: The wellbeing of our employees, farmers, and the communities we serve is integral to our success. We strive to create a positive social impact by providing comprehensive support to farmers, ensuring a safe and inclusive workplace, and investing in community development initiatives.

Governance Excellence: Our governance framework is built on transparency, integrity, and accountability. We adhere to the highest standards of ethics and compliance, ensuring our business is conducted with an unwavering commitment to these principles.

Looking ahead, our commitment to ESG will continue to guide our actions and decisions. We are dedicated to continuous improvement and innovation in our ESG practices, believing that this commitment is essential for our long-term success and the sustainability of the food and agriculture sector.

Together, we are nurturing a healthier community, diversifying food sources, and contributing to the country's food security agenda. I am confident that our collective efforts will position Silal as a catalyst for positive change in the industry and a leader in sustainability.



Introduction to Silal

Silal is a key contributor to the UAE's food security agenda, with a mandate to diversify food sources and stimulate manufacturing and distribution in the agri-food sector. As part of ADQ, one of the region's largest holding companies, Silal has emerged as a leading and ambitious player in the sector.

Establishment

Silal was established as part of ADQ's vision to create a sustainable and diversified economy in Abu Dhabi and beyond. The company's foundation is built on the principles of innovation, sustainability, and collaboration, aiming to enhance the UAE's food security and support the growth of the agri-food sector.





Vision

To be a catalyst of change in the food and agriculture industry.



Mission

To provide access to diverse agrifood products and unlock the industry potential in the UAE and beyond.

Key Highlights











Y

SUGAR

POULTRY





12+
Collection







OPERATIONAL

COMMODITIES



900+
Farms in Silal
Production Network



70+
Export Markets



1500+ ha



69K+Pallet Capacity



38K MT Produce in Silal Network Fruits & Vegetables



200+ Brands



1447
Number of employees



6+Quality Certifications



3500+
Deliveries Daily



26K+



200+
Distribution Fleet

ESG Baseline Rep





Silal's ESG Framework

The Silal ESG Framework aligns with the United Nations Sustainable Development Goals (SDGs) across its various dimensions. Here's a breakdown of how the components of Silal's framework correspond with the SDGs:

ENVIRONMENT:



Affordable and Clean Energy:

Aspiring to carbon neutrality and optimizing energy use.



Clean Water and Sanitation:

Optimizing resource use with a focus on water.



Responsible Consumption and Production: Adopting circular economy practices.



Life on Land: Protecting biodiversity.



Climate Action: Minimizing impacts on the environment.

HUMAN CAPITAL:



Gender Equality: Empowering the workforce through diversity and inclusion.



Decent Work and Economic Growth: Investing in human capital, upholding health and safety standards, and enhancing labor standards across third parties.

GOVERNANCE:



Decent Work and Economic

Growth: Silal's governance emphasizes ethical business practices and anti-corruption efforts, aligning with SDG 8's goals of promoting sustained, inclusive, and sustainable economic growth.



SUPPLIERS:



Responsible
Consumption and
Production: Building
sustainable relationships
with suppliers and
promoting ESG factors
across the supply chain.

CLIENTS:



Responsible
Consumption and
Production: Upholding
high standards on product
safety.

COMMUNITY INVOLVEMENT:



Zero Hunger: Supporting farmers to enhance their business and safeguarding UAE food security and

EMPLOYEE RIGHTS:



Gender Equality &
Reduced Inequalities:
Leading by example in
protecting employee
rights and promoting
equality and inclusiveness.

SOCIAL AND ECONOMIC DEVELOPMENT:



Decent Work and Economic Growth:Promoting fair business practices.



Alignment with the National agenda and the United Nations Sustainable Goals

Silal's ESG initiatives align well with Abu Dhabi and the UAE's sustainable visions, which emphasize the integration of sustainable practices across various sectors.

Alignment to National Priorities and Policies	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE	15 LIFE ON LAND
Second Nationally Determined Contribution of the UAE (Paris Climate Agreement) Commitment of the UAE to reach Net Zero by 2050					~		~	✓	✓
UAE Circular Economy Policy 2021 – 2031 The UAE government is committed to achieving more Sustainable Consumption and Production (SCP) and move towards a regenerative circular economy where consumption and production operate sustainably.							✓	~	
UAE Centennial 2071 The plan aims at investing in future generations by preparing them with the skills and knowledge needed to face rapid changes and to make the UAE the best country in the world by the next centennial in 2071.	✓	~	✓			✓			
UAE Green Agenda The agenda comprises five strategic objectives of which Silal contributes to all including Social Development and Quality of Life, Sustainable Environment and Valued Natural Resources, Clean Energy and Climate Action and Green Life and Sustainable Use of Resources			~		~	~		✓	

ESG Baseline Report / **2023 - 2024**





Growing Greener:Cultivating Climate Resilience and Carbon Neutrality





loT in Agriculture: We have deployed IoT sensors across 100 farms to optimize water and energy use, achieving more than a 50% reduction in water usage and up to a 10% decrease in energy consumption.



Solar Power at SAFCO:

Transitioning to solar energy has significantly lowered the carbon footprint at SAFCO by 560 tons of CO2 emissions annually, contributing to over 50% of our renewable energy consumption.





Harmony in Habitats: Preserving Nature's Tapestry Through Biodiversity Conservation



Native Planting:

We actively engage in planting native and climate-appropriate plants to preserve local ecosystems.



Sustainable Farming:

Incorporating Integrated Pest Management (IPM) and the use of organic fertilizers at Al Foah aligns with our philosophy of biodiversity conservation. Silal has placed environmental stewardship at the forefront of its operations. Our practices and initiatives within this chapter underscore our commitment to cultivating climate resilience, fostering biodiversity, reducing waste, and managing water resources judiciously.



Strategic Partnerships:

Our partnerships with Desolenator, Bayer Sciences, and Red Sea Farmers reinforce our R&D efforts and commitment to environmental sustainability.



Innovation in Waste Disposal:

Introducing waste combustion equipment at Silal Al Foah Farm, and collaborating with recycling companies, together with SAFCO, our joint efforts has led to a significant 14.5% increase in our recycling rates in 2023 compared to the previous year.



Water Savings:

Our investment in heat-blocking technology and advanced cooling systems in greenhouses has led to an approximate 18% saving in water usage.



Drops of Progress:

Nurturing Sustainability Through Water Stewardship.



Packaging Initiatives

Our approach includes sustainable packaging solutions, moving away from single-use plastics.

100%



PUNNETS

Reduced Plastic

Punnets & Stickers by:



FOODBOARD BOXES

Reduced Plastic

Punnets & Stickers by:

100%



RIGID BOARD BOXES
Reduced Plastic Punnets &
Stickers by:



CORRUGATED TRAYS
Reduced Plastic Punnets &
Stickers by:

100%





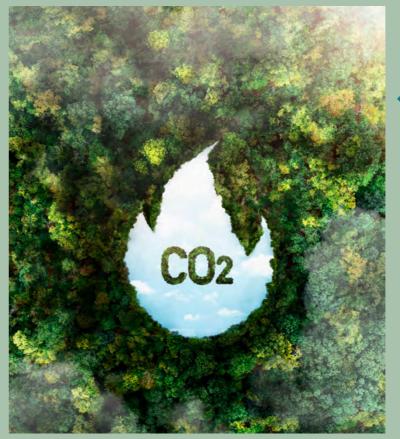
FLOW WRAPS Reduced foam trays by: 100%





PAPER STICKERS
Reduced
Polypropylene
stickers by:

100%





Our Greenhouse Gas (GHG) Emissions

Silal is actively working on baselining our GHG emissions and developing a comprehensive decarbonization strategy. While specific numbers are being evaluated, our focus remains on enhancing sustainability throughout our operations. We are committed to reducing our carbon footprint and will share more detailed plans and achievements as they are validated and confirmed.





■ Waste Management and Reduction

Our operations have been focused on managing waste responsibly.

We have initiated minimal waste from source initiatives with a 9% cap on fresh food waste. With waste combustion technology at our Al Foah farm, we aim to recycle food waste effectively.

At SAFCO, our detailed waste categorization and collaboration with recycling partners have allowed us to reduce the frequency of total waste collection by a remarkable 53% in 2023 compared to 2022, showcasing a strong commitment to reducing our environmental footprint.



UN SDGs

For Chapter 1 of our report, which focuses on the environment, Silal's initiatives would be linked to several United Nations Sustainable Development Goals (SDGs):

These SDGs are integral to the environmental chapter of Silal's report, and each initiative can be highlighted under the relevant SDG, demonstrating how Silal's actions contribute to these global goals.



Clean Water and Sanitation

Silal's efforts in optimizing water use and investing in water-saving technologies directly contribute to ensuring the availability and sustainable management of water.



Affordable and Clean Energy

The transition to solar power at SAFCO and the push for energy efficiency reflect Silal's commitment to affordable and clean energy.



Responsible Consumption and Production

Silal's waste management practices, including waste combustion equipment at Al Foah and reducing waste collection frequency, align with sustainable consumption and production patterns.



Climate Action

Deploying IoT sensors to optimize farm resources and striving for carbon neutrality demonstrate action to combat climate change and its impacts.



Life on Land

Initiatives like planting native species and Integrated Pest Management (IPM) practices support the sustainable use of terrestrial ecosystems, managing forests sustainably, combating desertification, and halting and reversing land degradation and biodiversity loss.





This chapter delves into how Silal fosters an environment that prioritizes the well-being and development of its people, the broader community, and sustainable agricultural practices. The core of Silal's social strategy lies in empowering individuals, ensuring food security, and engaging in community development.

Caring for Our People:

Prioritizing Employee Safety and Development







At Silal, the safety and well-being of our employees are paramount. We adhere to strict safety protocols, provide comprehensive training, and ensure compliance with our HSE Assurance Manual and Worker Welfare Minimum Assurance Standard. In 2023, our team members received a total of 10,648 hours of safety training, underscoring our commitment to maintaining a safe work environment.

We also prioritize employee development and career advancement, recognizing their importance for both individual and organizational growth. Through initiatives like succession planning and offering internal job opportunities, we support the professional progression of our employees and contractors.

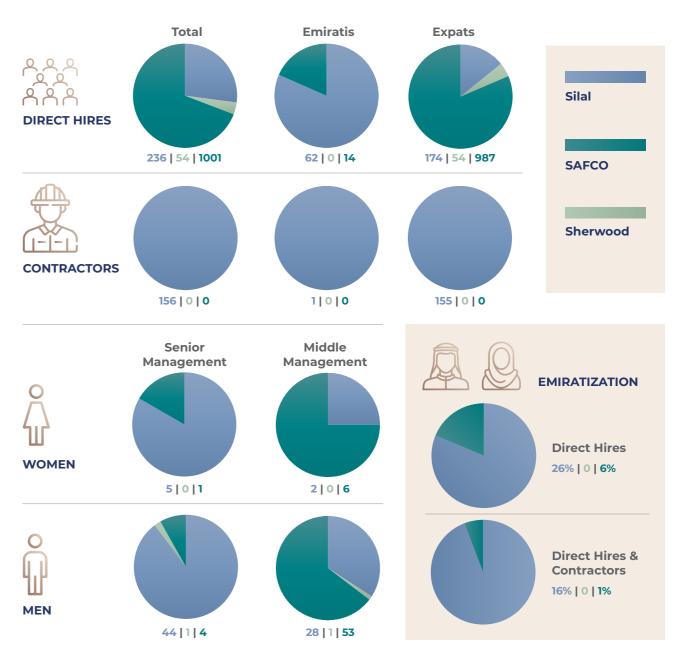
Our dedication to employee well-being extends beyond professional development. At SAFCO, we organize health-focused events such as Free Medical Camps in collaboration with Access Clinic and Free Eye Camps supported by Mir Eye Opticals, among other initiatives. These efforts demonstrate our commitment to the holistic health and well-being of our valued team members.

Diverse Unity:

Embracing Inclusivity Across All Fronts

At Silal, diversity and inclusion are more than just words; they are core values that drive our business and community. We believe that a diverse workforce enriches our company culture, sparks innovation, and reflects the diverse society we serve. Our commitment to diversity is evident in our efforts to increase women's representation in our workforce and management, fostering an environment of equal opportunity and diverse unity.

We understand that inclusivity extends beyond gender diversity, and we strive to create a workplace where all employees, regardless of their background, feel valued and included. This commitment to diversity and inclusion is not only the right thing to do but also essential for our continued success and growth.



ESG Baseline Report / **2023 - 2024**



Employee Recognition Program:

Celebrating Our People







In 2023, Silal introduced a comprehensive Employee Recognition Program to acknowledge and appreciate the dedication, hard work, and achievements of our employees. This program serves as a testament to our commitment to fostering a supportive and appreciative work environment, which is a crucial aspect of our social pillar in ESG.

The recognition program is designed to honor employees across various categories, including innovation, teamwork, leadership, and customer service, among others. By celebrating these achievements, we aim to motivate our team members, reinforce positive behaviors, and build a culture of excellence and recognition.

The Employee Recognition Program aligns with our ESG goals by promoting employee engagement, satisfaction, and retention. It underscores our belief that our people are our greatest asset, and their contributions are instrumental in driving Silal's success and sustainability.

Nourishing Nations:

A Commitment to Food Security







Silal's dedication to food security is integral to our mission, aiming to provide for the people of the UAE. Our approach is threefold: ensuring data transparency, focusing on essential commodities, and adopting an efficiency-driven strategy. We prioritize key commodities like wheat, rice, pulses, and edible oils to ensure availability. Our state-of-the-art storage infrastructure, such as silos, helps maintain strategic reserves. Additionally, our Emergency Response & Crisis Management plan addresses immediate threats to food systems. In collaboration with national and international partners, we proactively monitor and address potential disruptions, ensuring the security of critical commodities during crises.

Empowering Farmers: Nurturing Growth Through Sustainable Practices

At Silal, we are committed to supporting farmers with a range of collaboration opportunities and agricultural solutions. In 2023, we trained 135 farmers on sustainable agriculture practices, including Integrated Pest Management, and plan to train 300 more in 2024. Our support mechanisms include:



HELPLINE

A dedicated support line for farmers to access solutions and expert advice.



FARMERS PORTAL

An online platform providing tailored information and support to enhance farming

experiences.



Silal's extension services are designed to

agriculture. These services include:

provide farmers with the technical expertise and practical guidance needed for sustainable

FARMER EDUCATION

Silal is dedicated to enhancing farmers) skills and knowledge through various educational programs. Our workshops and e-learning platform provide advanced techniques to maximize farm productivity and optimize post-harvest processes.



Total Workers



40,000



Farm Visits
More Than

10,000



farm practices

These comprehensive support mechanisms are part of Silal's commitment to empowering farmers with the knowledge and resources needed for sustainable agricultural practices, contributing to the social pillar of our ESG framework.



EXTENSION SERVICES

Providing Productive and Healthy Seedling Plants:

We offer access to high-quality seedlings, ensuring a healthy start for crops and optimal yield potential.

Technical Supervision:

Our agricultural engineers provide hands-on guidance for effective crop management strategies and supply planning.

On-Site Expert Visits: Addressing specific challenges with on-site support for harvesting, sorting, and packaging to enhance market appeal.

Elevating Expertise Through Workshops:

Training workshops equip farmers with best practices and advanced techniques for postharvest processes.

Quality is Key: We provide weekly harvesting forecasts, recommendations for agricultural supplies, and information on agriculture supplies sales centers and crop collection stations across the Emirate of Abu Dhabi.

Optimizing Water Resources:

We focus our training on optimizing water resources by implementing drip irrigation techniques, ensuring sustainable and efficient water usage in agriculture.



Community Engagement:

Planting Seeds of Change Beyond Our Fields

Silal is deeply committed to engaging with local communities through various initiatives, aimed at making a positive social impact. Our community engagement efforts are diverse, including:





Silal Schools Program:

In partnership with the
Department of Education
and Knowledge, we have
implemented the Silal
Schools program, which aims
to educate and inspire the
next generation about the
importance of adopting a
healthy lifestyle.





Food Donation Initiatives:

In partnership with the DM Food Bank, SAFCO contributed a 17-ton truck loaded with essential food supplies, worth approximately 25,000 AED, delivering prompt aid to communities in the Turkey-Syria region facing adversities.





Farmers Markets:

Our farmers markets serve as dynamic platforms where the essence of community, freshness, and sustainability converge. The Mina Zayed Wholesale Farmers' Market, for example, is open daily from 1pm to 10pm until May and features 13 marketing outlets catering to 20 local farmers. It has the capacity to sell approximately 20 tonnes of agricultural products daily, creating opportunities for farmers to engage directly with consumers and obtain fair pricing for their products.

Through these initiatives, Silal aims to empower local agriculture, benefit both farmers and communities, and promote the consumption of fresh, high-quality local products.

ESG Baseline Report / 2023 - 2024



Silal's Innovation Oasis:Unveiling Innovations from Our R&D Center

Silal is committed to advancing the Agri-food sector in the UAE through cutting-edge technology and innovation. Our state-of-the-art Research and Development Center, known as the Innovation Oasis, is located at Al Foah farms and spans an area of 34 hectares. It is designed to foster collaboration, drive innovation, and provide practical solutions in agritech.



Sensors for Internet-Connected

Farms We have invested in IoT sensors to enable farmers to monitor and analyze their crops with precision, providing 24/7 insights for better farm management.



Partnership with Desolenator

In collaboration with Desolenator, we are developing a clean energy-powered method for desalinating seawater, providing a sustainable source of water for agriculture.



Partnership with RNZ

We have teamed up with RNZ to analyze our farmers' soil and water, offering data-driven solutions through individual technical recommendation reports to optimize crop yield.



Red Sea Farms partnership

We are working with Red
Sea Farms to pioneer
sustainable farming
practices in Al Ain,
utilizing saltwater-cooled
greenhouses and innovative
technologies to reduce
freshwater consumption
and energy costs.



The Innovation Oasis serves as an incubator for agritech solutions, focusing on challenges such as high temperatures, lack of fresh water, poor soil quality, and high energy consumption. By developing environmentallysafe technologies and partnering with global entities, we aim to enhance the capacity and capability of farmers and advisors with world-class knowledge and technologies. Our facility includes advanced laboratories, trial sites, and a phenotyping facility to support research and development in the agri-food sector





Key Achievements in Social



8.85%

% of women representatives



10648 hours of training on HSE



320 HOURL&D training hours for



310 hours Farmer training hours

UN SDGs

Here's how each point in Chapter 2 aligns with the Sustainable Development Goals (SDGs)

Caring for Our People: Prioritizing Employee Safety and Development



Good Health and Well-being: Silal's focus on employee safety, health programs, and well-being initiatives aligns with this goal.



Decent Work and Economic Growth: By providing comprehensive training and career development opportunities, Silal contributes to decent work and economic growth.

Diverse Unity: Embracing Inclusivity Across All Fronts



Gender Equality: Silal's efforts to increase women's representation in the workforce and management support gender equality.

Employee Recognition Program:Celebrating Our People



Decent Work and Economic Growth:
Recognizing and rewarding employees'
contributions aligns with promoting
sustained, inclusive, and sustainable
economic growth.

Nourishing Nations: A Commitment to Food Security



Zero Hunger: Silal's commitment to ensuring food security and focusing on essential commodities directly contributes to the goal of zero hunger.

Empowering Farmers: Nurturing Growth Through Sustainable Practices



Zero Hunger: By training farmers in sustainable agriculture practices and providing technical support, Silal contributes to ending hunger and promoting sustainable agriculture.



Responsible Consumption and Production: Silal's extension services and farmer education initiatives align with responsible consumption and production by promoting sustainable agricultural practices.

Each of these points in Chapter 2 demonstrates Silal's commitment to the social pillar of ESG and its alignment with the relevant SDGs, contributing to the broader goals of sustainable development.



Silal's governance framework is rooted in our commitment to integrating ESG principles across all business operations, ensuring transparency, ethical conduct, and accountability at every level. Our Board of Directors and ESG Department work in tandem to oversee and implement our ESG policy, setting a clear direction for sustainable and responsible business practices.

Strategic Acquisitions and Governance Excellence

In 2023, we welcomed SAFCO, Sherwood, and Terminex into our Silal family, each sharing our values of governance excellence. SAFCO's recognition with the Dubai Quality Appreciation Award is a testament to our commitment to quality and governance. Sherwood's alignment with our agricultural standards and Terminex's adherence to environmental practices further reinforce our dedication to a sustainable and ethical business model.

Key Governance Metrics



100%

of employees have completed anticorruption and compliance training



0

No reported incidents related to corruption or unethical behavior



100%

of suppliers have signed the supplier code of conduct and agreed to comply with Silals expected anti-corruption and ethics practices

These metrics underscore our relentless pursuit of governance excellence, ensuring that Silal operates with integrity and transparency, reflecting our values in all our activities and contributing positively to our stakeholders and the broader community.

Key Achievements in Governance



SAFCO

Recognition for Excellence-Dubai Quality Appreciation Award



ISO 14001 IS

ISO 22000 HACCP

ISO 45001 ISO 9001

JAS-ANZ

UN SDGs

Chapter 3 aligns with the Sustainable Development Goals (SDGs):

Chapter 3 demonstrates Silal's dedication to integrating ESG into governance, reflecting our commitment to ethical practices and alignment with the broader goals of sustainable development.



Decent Work and Economic Growth

Silal's commitment to ethical business practices, anti-corruption, and compliance training aligns with promoting sustained, inclusive, and sustainable economic growth.



What is Next in 2024



GHG emissions



Sustainable agriculture



Waste Management



Waste Management



Employee well-being



Diversity



Community



Governance

Develop a decarbonization plan and align current infinitives

Status: In progress

SDG



Reducing usage of chemical pesticides by 2% at its greenhouses year on year compared to 2023 baseline year

Status: In progress

SDG



Maintain a cap of fresh produce waste at 9% for 2025 even with growth in business volumes and acquisitions

Status: In progress

SDG







Zero waste to landfill

Status: In progress

SDG







Employee career succession plan covering 10% of employees

Status: In progress

SDG



Increase percentage of women representatives in Silal group by 2% by 2025 compared to 2023 baseline

Status: In progress

SDG



Training to 300+ farmers

Status: In progress

SDG



Discuss ESG topics in each board meeting

Status: In progress

SDG



























































Silal's 2023/2024 ESG Report highlights our approach to considering Environmental, Social and Governance (ESG) factors in our operations. It shares selected information and key highlights of 2023. 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



