

JUHAYNA

SUSTAINABILITY
REPORT 2020



GAINING Pace,
DRIVING Progress



ABOUT THIS REPORT

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

Juhayna Food Industries is an Egyptian Joint Stock Company, and it performs under the provisions of the Investment Law No.(230) of 1989 as replaced by the investment incentives and guarantees law No.(8) of 1997 and the decree of the Minister of Economic and Foreign Trade No. (636) of 1994 approving the company establishment. The company is registered in the commercial registry under No.100994 on 10/1/1995.

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

Disclaimer

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions, and beliefs of Juhayna Food Industries. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "seek", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Juhayna Food Industries may differ materially from those reflected or contemplated in such targets or forward looking statements. The performance of Juhayna Food Industries is subject to risks and uncertainties.

Referenced Reporting Guideline

The report is prepared in reference to the Global Reporting Initiative Sustainability Reporting Standards: Core Option.

Scope of the Reporting Period and Cycle Covered

The report covers fiscal years 2019 and 2020 (January 2019 to December 2020); content that describes efforts outside this period is indicated in the respective sections.

Date of Previous Sustainability Report

Juhayna published its previous Sustainability Report to demonstrate its efforts during the fiscal years 2017 and 2018, with focus on its value chain, innovation, and sustainability strategy.

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A MESSAGE FROM THE CEO



“Not only has this proven Juhayna’s resilience in the face of adversity, but it has also allowed us to play an active role in providing national support and raising our social contributions.”

I am proud to present to you the results of our continuing sustainable development journey and its powerful impact. This reporting cycle, we strengthened our position as an advocate of green practices and social responsibility initiatives that decrease negative impact, promote health and accessibility, and change lives. Furthermore, because our work is empowered by our belief, in collective visions and joint efforts, we continued to champion the objectives of Egypt Vision 2030 and embraced more business practices that inch us closer toward a circular economy. On a global scale, we remain members of the United Nations Global Compact where we, alongside thousands of companies worldwide, work to advance societal goals in line with its 10 principles. We also maintained our commitment to the UN’s sustainable development goals and achieved tangible results on multiple fronts, as demonstrated throughout the report.

Our achievements come in spite of different challenges, at the forefront of which is the global spread of COVID-19. I am especially proud of our team’s exemplary response and the proactive contingency plans that protected our employees during our uninterrupted operations. We also participated in relief projects, in support of working women and daily laborers, and assisted in providing medical equipment where needed. Not only has this proven Juhayna’s resilience in the face of adversity, but it has also allowed us to play an active role in providing national support and raising our social contributions.

Many of our long-standing projects presented steady results, allowing us to either expand on them or launch initiatives that tackle new areas. Our dairy supply network and farm inclusion program “Kafa’a” showcased further operational growth in line with national and international best

practices. Developments across supply chain, manufacturing, and distribution have also been extensive as we enhanced health and safety measures for our employees; upgraded our machinery; and introduced diverse optimization strategies that have helped us save resources. Efficient lines, improved supply use and truck utilization, eco-friendly packaging, and many other changes have allowed us to reduce our greenhouse gas emissions and pave the way for more opportunities to decrease our overall impact on the environment.

People have and will always remain a cornerstone of our operations, and when it comes to employee wellbeing, we take no shortcuts. Our responsibility toward our people naturally extends to our consumers’ nutritional demands and their varying social conditions, and so we are committed to regularly introducing healthier and more innovative products; launching support initiatives where viable, and cater to the diverse needs of our surrounding communities.

Our progress fuels a will to constantly advance Juhayna’s practices, and so we enter this next stage with high ambitions and readiness. Armed with solid operations, growing initiatives, and clear goals that represent our vision for a sustainable future, we are adamant on remaining impactful and setting an example for other companies looking to take the same route. We will continue to grow in the business of providing healthy, high quality products to consumers and communities, parallel to our advocacy for environmental protection, social development, and a greener future for all.

Thank you,
Seif El-Din Thabet

JUHAYNA
AT
GLANCE

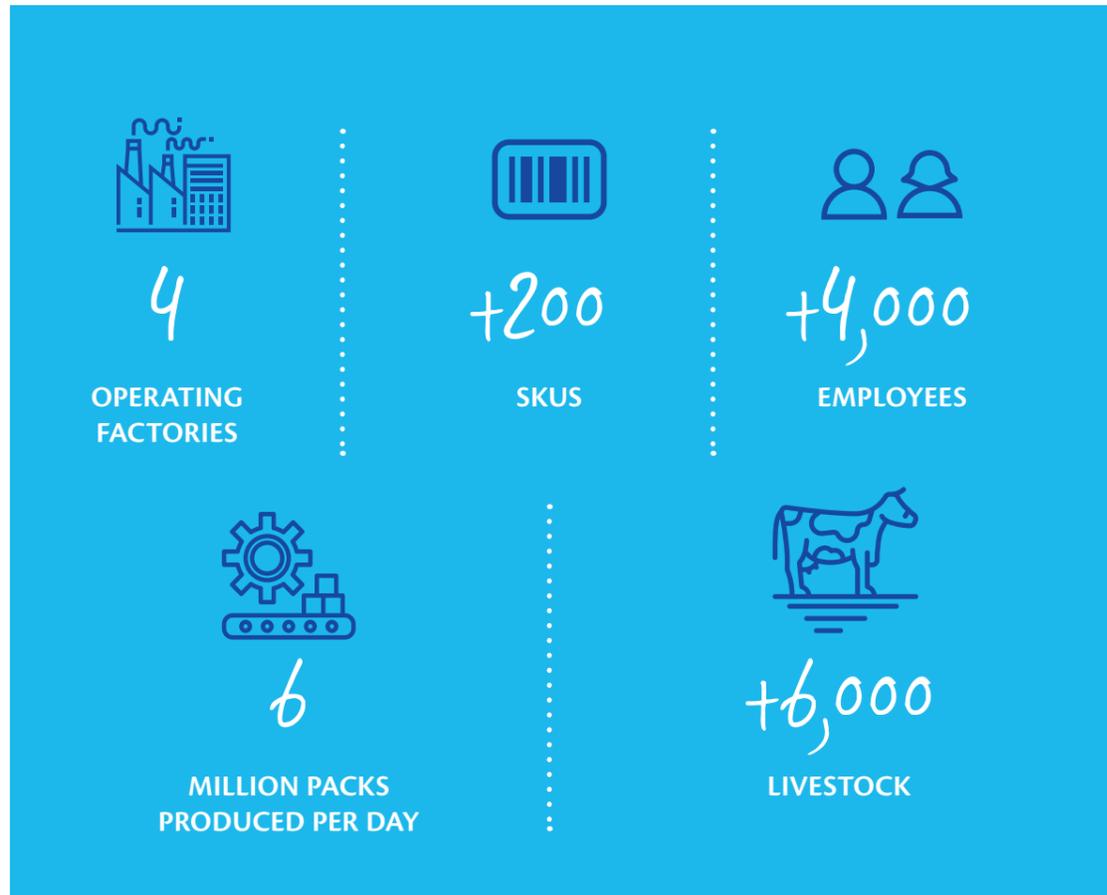


AT A GLANCE



A leading provider of packaged dairy products, juices, and juice concentrates in Egypt, Juhayna Food Industries was founded in 1983 with a vision of bringing affordable, accessible, safe, and delicious products to people and communities everywhere. Armed with a willingness to challenge dated practices and lead innovative changes, the Group set out to transform a market that was essentially dependent on the use of loose milk, to the safe consumption of packaged milk and dairy products.

Today, and as a result, packaged milk is preferred by nearly half of all Egyptian households, and we continue to carve new paths as we regularly diversify our product offerings; increase our collaborations with trusted, eco-friendly partners; and invest in local initiatives that aim to advance people, industries, and ideologies.



OUR JOURNEY

1987



We begin producing Egypt's first packaged milk, yogurt, and juice products

1991

- We begin a solid partnership with McDonald's that continues till this day 
- We become the exclusive dairy supplier for multiple airlines, hotels, and fast-food chains

1998

We establish Al Marwa plant

2005

Juhayna acquires Al Masreya plant

2003



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

2000-2001



- Zabado, our drinkable yoghurt, makes its way into the market and quickly becomes a best-seller
- We enter the cooking and whipping cream markets, further connecting with Egyptian households
- Our nutritious offerings expand with PURE, a 100% natural juice product

2007

TIBA, our trade and distribution subsidiary, launches, helping us further expand across the country

2008

We revamp and expand Al-Marwa plant to improve operational capacity and capabilities



2009

We inaugurate Al Dawleya plant



2012

Our 0%-fat milk makes it to the market as the first of its kind, and sets a new national benchmark



2016

- A solar energy station becomes fully operational at Al Enma' farm, with the help of Karm Solar
- We launch our state-of-the-art innovation center, which houses four labs and a pilot plant equipped to produce dairy and juice products. Two of the labs focus on product and packaging development activities, and the other two are responsible for the implementation of global standards across Juhayna's factories

- We partner with Fawry to build a credit worthiness system and facilitate digital payments for traders

- We sign a cooperation protocol with the German Agency for International Cooperation (GIZ) to launch a long-term development program for female empowerment in the workplace

- We signed a strategic partnership agreement with Arla Foods, a European leader in dairy products, to form a joint venture named "ArJu for Food Industries"

2014

We inaugurate Egyfood 6 October City, a 35,000 sqm facility

2013

- We sign a cooperation protocol with the European Bank for Reconstruction and Development (EBRD) to roll out our local farm support program and strengthen Egyptian agricultural production
- We inaugurate Egyfood Assiut

2017

Juhayna joins the United Nations Global Compact (UNGC)

2018

Our 100% natural lactose-free milk launches as the first local product of its kind



2019

Juhayna changes its identity (new logo + new packaging for milk and yogurt)



2020

- Juhayna introduces Greek yogurt
- We launch our first sustainability report for the year 2017-2018
- We launch new packaging for Rayeb, Zabado, and Mix
- We launch our first carbon footprint report
- Juhayna signs a third-party distribution agreement with Rabea Tea
- The Juhayna Central Lab acquires the ISO 17025:2017 accreditation, becoming the first dairy and juice lab to receive it among private business in Egypt, and positioning us as a leading recipient of wide scope accreditation in Egypt across private, public, and governmental dairy laboratories
- We form a collaboration with Reform to reuse company waste ethically and sustainably



2019-2020
in Review



SUSTAINABILITY highlights

Juhayna's sustainable development journey continues to bear impressive results, as we further embrace circular economy practices that present long-term economic, social, and environmental benefits

NOTABLE ACHIEVEMENTS THROUGHOUT THE REPORTING PERIOD



RECEIVING GOVERNMENTAL RECOGNITION



Juhayna is a proud recipient of the Ministry of Planning and Economic Development's 2020 "Tanmaya" award for our achievements in the field of sustainable development. The competition aims to increase awareness of Egypt's 2030 vision, and how large-scale cooperation between companies and professionals can accelerate the realization of the United Nations' sustainable development goals (SDGs).



AN IMMEDIATE RESPONSE TO COVID-19

Next to creating an internal committee and launching companywide protocols that ensured employee safety and business continuity throughout the pandemic, we joined the Private Sector Alliance against COVID-19 and participated in multiple initiatives to support our surrounding communities.

Read more under "2019-2020 In Review > Mitigating the Impact of COVID-19" (Page 16)



KAFA'A CONTINUES TO GROW

Our farm support network and inclusion program Kafa'a now covers 133 local dairy farms, including our very own Enmaa Dairy, with practices and protocols improving regularly to optimize milk supply, herd wellbeing, farmer safety, and overall farm emissions.

Read more under "Farming: Sustainable Dairy Production" (Page 52)



STRONGER MANUFACTURING CAPACITIES

Overhauls, maintenance work, and new installations are regular at Juhayna to accommodate our expanding operations, introduce process optimization strategies, and make sure our employees work in the best conditions available.

Read more under "Manufacturing: Responsible Plant Operations" (Page 58)



ELCOMMANDA GOES LIVE

Through our subsidiary TIBA for Distribution and Trade, we maintain high standards of delivery across the country, and in 2019 ElCommanda program furthered our reach into underserved areas, where we now sell our products at competitive prices to support local communities.

Read more under "Distribution: Delivering with Care" (Page 70)



ECO-FRIENDLY PACKAGING SOLUTIONS

Our partnership with Tetra Pak remains solid and we continue to explore ways to decrease environmental impact together, most recently through the introduction of biodegradable spouts.

Read more under "Supply Chain Management: Optimizing the Value Chain" (Page 79)



EMPOWERING FEMALES EVERYWHERE

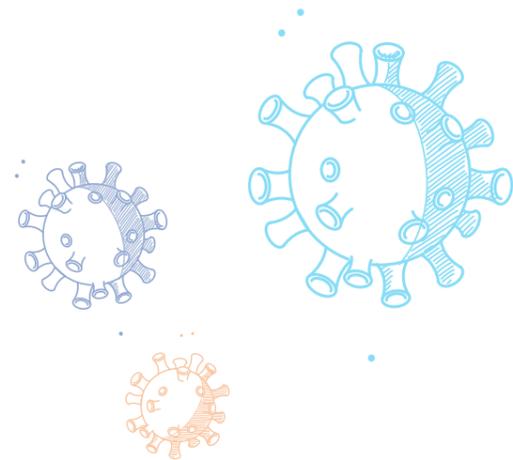
We continue to showcase our support of females in the workplace through the launch and participation in diverse initiatives that tackle challenges such as violence against women, the reintroduction of mothers to the workforce, and more.

Read more under "People > Community: Juhayna Gives Back" (Page 98)

MITIGATING THE IMPACT OF COVID-19

The growing reach and impact of COVID-19 in the beginning of 2020 led companies to immediately plan and implement emergency safeguards to sustain their operations. At Juhayna, we were able to take swift action due to the existence of strong crisis management protocols, at the center of which is our multifaceted business continuity plan. The execution and continuous revision of the plan was overseen by a steering committee comprised of multiple leaders from different functions across the company. The committee also ensured that all actions taken by the company to battle the ramifications of the virus were compliant with the regulations set by the World Health Organization, as well as local government and healthcare authorities.

Our main priorities were to secure the health and safety of our employees and to ensure the safe continuity of our operations in service of our consumers. Additionally, and equally as important, we acknowledged our responsibility towards surrounding communities and increased support of local initiatives to assist in relieving the impact of the virus.



“ Our main priorities were to secure the health and safety of our employees and ensure the safe continuity of our operations. ”

COMPANYWIDE PROTOCOLS

Work from Home Policy

To curb the spread of the virus among our people, we instated a work from home policy that required employees whose physical presence is not mandatory to work remotely until further notice. The group’s IT department provided great support in streamlining the process, and developed a comprehensive toolkit for instructions and support. Employees who suffer from autoimmune diseases, respiratory difficulties, weak immune systems, or any other relevant health-related challenges were immediately asked to work from home until further notice. The policy also applied to pregnant employees, mothers with children under the age of 12 or with children who have medical needs, and employees who live with elderly parents.

Physical Presence and Interactions

All employees that arrive at any of the company’s premises must pass thermal testing, and anyone suspected of experiencing flu symptoms of any degree is granted a two-week leave, and must be tested prior to their return. All on-site employees received personal protection equipment that included masks, gloves, disinfectants, and vitamins. Suppliers were all required to strictly adhere to these protocols as well, and were informed that they will be subject to occasional audits to confirm compliance.

Furthermore, and to limit face-to-face contact, all non-essential physical meetings were replaced with virtual conferencing and online communication, and essential meetings were limited to less than ten individuals. Events and conferences were also put on hold, and all work trips were cancelled until further notice. All recently travelling team members were also requested to self-quarantine for fourteen days, and monitor their temperature twice a day. We also implemented a no-visitors policy, with exceptions reviewed on a case-by-case basis and with all visitors expected to comply with the precautions enforced on employees.



“ We acknowledged our responsibility towards surrounding communities and increased support of local initiatives to assist in relieving the impact of the virus. ”

Upgrading Sanitization Procedures

Among the first steps we took was the complete sanitization and deep cleaning of all our premises, including Juhayna’s headquarters, factories, farms, and distribution centers. We then increased the frequency of daily cleanings to three times per day for offices and work areas; twice every day for employee transportation buses; and once every hour for restroom facilities. We also installed hand sanitizer dispensers by all entrances and in every operational location, as well as in all fleet vehicles.





Awareness Messages

To keep our people informed on upgrades in safety protocols and to further educate them on proper symptoms, hygienic practices, and prevention methods, we regularly shared awareness messages in multiple forms and through diverse and accessible channels. Internal announcements, signs on hand-washing and social distancing, educational videos, quizzes, clear lists of dos and don'ts, and tips to boost immunity were regularly updated and shared.

We also encouraged everyone to educate their families, children, and acquaintances to further increase the positive impact of each piece of information. To encourage feedback, we created and circulated an e-mail address — covid19@juhayna.com — so that employees can easily raise any concerns they may have.

Medical Support

A specialized team was appointed to follow up on medical complaints submitted by all Juhayna employees and their family members, and a full-time medical administrator was appointed to ensure round-the-clock availability for any queries or medical emergencies. At the recommendation of the Ministry of Health and Population in Egypt, we also purchased in-house medical supplies that are released by doctors to employees or their family members in case they develop symptoms. This helped us quickly and securely tackle cases at the group and prevented potentially severe developments.



EXTERNAL INITIATIVES



The Private Sector's Alliance Against COVID-19

Launched by the American Chamber of Commerce in Egypt, in collaboration with the UNICEF and the Ministry of Health and Population, the alliance is comprised of more than 45 private sector companies, and was created to support frontline healthcare providers during the pandemic. Juhayna joined the alliance upon its inauguration, and donated EGP one million to support the purchase of ventilators, coverall protection suits, masks, gloves, and goggles for 300 public hospitals, 1,000 primary health care units, and 50 quarantine and fever hospitals.

“Kemama” Initiative

Empowering females everywhere is central to Juhayna's vision for an improved society, and so we especially invest in projects that enable females to explore their potential and give rise to change in nationwide ideologies. We were therefore quick to participate in Kemama, an initiative launched by Nedaa Foundation and the United Nations Development Program in Egypt. Through the initiative, 600 working women began producing face masks at the garment factory where they worked in Qena, Upper Egypt. 4,000 face masks were produced every day through the initiative, at a cost that is 80% less than the average market rate.



Awareness Marketing

We also branded our Juhayna distribution trucks with messages to remind the public to be vigilant in protecting themselves and others against the virus. Trucks around the city sported messages such as “Wash Your Hands” and “Stay Safe” to discourage people from quarantine fatigue and maintain essential hygiene practices.

“A full-time medical administrator was appointed to ensure round-the-clock availability for any queries or medical emergencies at the group”

El-Kheir Challenge

We participated in the Egyptian Food Bank's #ElKheir_Challenge initiative, launched to support daily labour workers during the height of their unemployment due to the pandemic. Through the program, we assisted in providing food for over 6,000 families.

FINANCIAL SNAPSHOTs

Our ability to maintain positive revenues in 2019 despite numerous market challenges and a noticeable decline in consumer purchasing power is a testament to management's successful planning and execution capabilities. Despite this, net profit was negatively affected due to a number of changes that included the end of tax exemption periods for some of our subsidiaries, the introduction of new healthcare insurance fees to our systems, and an increase in some of our SG&A expenses. We, however, continued to make use of Juhayna's working capital to decrease inventory and debt levels.

We were able to largely mitigate the impact of COVID-19 in 2020. Despite a 1% y-o-y decline in revenues, our profitability weathered the hit on the back of improved deals with suppliers, and an overall decrease in financial expenses. We continue to implement cost-saving strategies, as well as improve our balance sheet position through debt repayment, making way for more solid bottom-line growth. We also saw improvements in net working capital levels; a 23-day y-o-y decrease in our cash conversion cycle in 3Q2020 due to lower inventory levels; slightly lower receivables; and higher payables during 9M2020.

STOCK PRICES

Juhayna's stock price was down by 23% in 2019. In 9M2020, the stock dropped by 26%, but still outperformed the F&B index, which decreased by 31% due to the onset of COVID-19 and the resulting equity sell-off for global and emerging markets.



For more information on Juhayna's financial updates, please visit the [Earnings Releases](#) page on our Investor Relations Website.

USD 390,061,878
JUHAYNA'S MARKET CAP AS AT 10/09/2020

FY2019

EGP 7.6 Bn

REVENUES (+7% Y-O-Y)

EGP 239 Mn

NET PROFIT (-19% Y-O-Y)

EGP 1.4 Bn

NET DEBT (-12% Y-O-Y)



9M2020

EGP 5.7 Bn

REVENUES (-1% Y-O-Y)

EGP 239 Mn

NET PROFIT (-19% Y-O-Y)

EGP 1.4 Bn

NET DEBT (-12% Y-O-Y)



A close-up photograph of a wooden bowl filled with golden-brown granola. A stream of white milk is being poured from a glass pitcher into the center of the bowl. The granola contains various textures, including oats, almonds, and small dark raisins. Surrounding the bowl on a light-colored wooden surface are several fresh, bright red strawberries. To the right, a glass jar of honey is partially visible, with a wooden honey dipper resting on its rim. The lighting is warm and natural, creating a soft, inviting atmosphere. The text 'OUR STRATEGY' is overlaid on the left side of the image in a white, handwritten-style font.

OUR
STRATEGY

OUR STRATEGY:

SUSTAINABILITY in motion since 1983

Every step we take builds sustainable, shared value for our people, our communities, and our planet

We make nutritious products widely accessible to people with different backgrounds and capabilities because we believe that healthy living is a human right. Now, we are on a parallel path to protect the environment by reducing our emissions, launching conservation efforts, and inspiring future generations to follow suit as green action has become essential to our collective wellbeing.

Through our many plans, we promote sustainable alternatives; and to contribute to the bigger picture, we align our work with Egypt's vision 2030 for sustainable development; support the realization of the UN's sustainable development goals; and remain an active member of the United Nations Global Compact.

OUR PILLARS

PEOPLE



We work to enrich the lives of our consumers through carefully crafted products, and we support our people and community members by investing in the right social and developmental programs.

- Our support of human rights and employee rights remains unwavering
- We create job opportunities, help people grow, and cater to underserved areas around the nation
- Programs supporting women on and outside our workforce continue to grow

PLANET



Introducing green solutions may start with reducing our emissions, but it will continue with a pursuit for practices that aim to enrich our planet, not deplete it.

- Every resource and raw material we use is fully utilized and reused when possible
- We improve control over our emissions with every passing year, and actively work to reduce them
- Some of our packaging is biodegradable and the rest is entered into recycling initiatives

PURPOSE



We are leaders and pioneers in our industry, and we seek innovation and growth to remain relevant and better serve our consumers. From introducing novel products to building long-lasting programs, we aim to not only transform the way we do business, but also improve the lives of everyone involved.

- We share our knowledge as industry experts with peers and partners
- Our dairy supply program builds a value chain that benefits farms, people, and even herds
- Our Innovation Center approaches problem-solving and product development with skill



COMMITMENTS
TO GLOBAL
STANDARDS
AND PRACTICES



COMMITMENTS TO GLOBAL STANDARDS AND PRACTICES

SUSTAINABLE DEVELOPMENT GOALS

Sustainability and environmentally-friendly practices are now at the forefront of business and production activities, as we collectively seek to transition to a low-carbon economy and create shared value on a global scale. Egypt is committed to aligning its developmental efforts with the United Nations' Sustainable Development Goals (SDGs), a commitment that is reflected in the country's sustainable development strategy, popularly known as the Egypt Vision 2030. The three-pronged strategy, which focuses on economic, environmental, and social sustainable development, enacts policies that facilitate achieving the SDGs as well as other national objectives for the sake of a sustainable future.

At Juhayna, we are aware of our responsibility as one of Egypt's leading dairy producers to mitigate our impact, benchmark our efforts against top local and global best practices in the industry, and lead by example. To further align our business with the SDGs, Egypt's Vision 2030, and the 10 principles of the United Nation's Global Compact (UNGC), we have adopted a series of policies and programs that promote development, health, and equality, as well as limit our negative impact on the environment. Our ultimate mission is to provide quality products that enrich the lives of people and support the development of our community, as we contribute to sustainable and positive industrial development worldwide.

To implement this strategy, Juhayna has appointed Sustainability Champions made up of key internal stakeholders in the organization that work together and directly with the Board of Directors to help the organization:

- Develop strategies to align the company's business strategies with that of Egypt's Vision 2030 and, in turn, the SDGs
- Identify its stakeholders and their engagement needs
- Identify key risks and impacts the organization, throughout its value chain, has on its stakeholders and key risks to the organization's sustainable operations
- Internally assure the accuracy, validity, and completeness of the information that forms the basis of the strategy for stakeholder identification, materiality assessment, and the boundaries that govern the organization's impacts

Through consistent stakeholder engagement channels, Juhayna is able to ascertain and analyze the environmental, social, and governance issues at the intersection of stakeholder and company concern. It has also allowed us to look at issues from a number of prisms and to consider key themes in the context of the trends shaping the FMCG industry in Egypt as well as the nation's overall strategic vision. Our analysis of stakeholder concerns looks at both internal and external perspectives between stakeholder groups, the key themes, similarities, and differences between each stakeholder, the level of stakeholder engagement and how that factors into materiality. It is through this analysis that Juhayna has been able to map out its impacts and material issues in relation to stakeholders and assess the weight each holds when it comes to driving long-term value.



1 NO POVERTY

END POVERTY in ALL its FORMS EVERYWHERE

OUR COMMITMENTS

1. We provide financial support to farms in the form of in-advance capital to develop their farms, purchase cows, and increase productivity.
2. We supply dairy farmers with long-term procurement contracts to secure their market entry and economic sustainability.
3. We support the farms in all environmental and animal welfare practices to reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters.
4. We support talented youth to further develop their skills into lifelong careers.

OUR MATERIAL TOPIC

- Responsible Sourcing
- Decent Employment
- Animal Care and Welfare
- Sustainable Sourcing
- Milk Price Volatility
- Rural Economies and Market Development
- Supply Chain Management
- Youth and Sports



2 ZERO HUNGER

END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE

OUR COMMITMENTS

5. We collaborate with farmers and traders to increase productivity, storage, logistics and market efficiency, and empowering them to enter and remain in the company's value chain by producing high quality, safe, and nutritious foods at competitive prices.
6. We connect the dairy sector community through our annual conference to develop the capability of their dairy farming practices, platforms, and markets.
7. We have developed an enormous product portfolio to address nutritional needs.
8. We support innovative solutions to address sustainable food security for a growing world population.
9. We commit to the scaling-up of the Nutrition Business Network to collaborate with other companies, partners, and government and civil society to identify new, inclusive, and sustainable shared value related to health and nutrition.
10. We ensure conservation of animal genetic resources to safeguard precious animal varieties and support the livelihood of the world's population with sufficient, diverse and nutritious diets long into the future.
11. We sponsor programs that enable society to meet its food needs.
12. We support less privileged segments of society, delivering healthy products to the most deserving areas of Egypt.

OUR MATERIAL TOPIC

- Products Quality and Food Safety
- Responsible Sourcing
- Animal Care and Welfare
- Vocational and Quality Training
- Sustainable Sourcing
- Consumer Health
- Customers Relations
- Milk Price Volatility
- Food and Nutrition Security
- Rural Economies and Market Development
- Supply Chain Management
- Quality Control





ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

OUR COMMITMENTS

13. We offer a wide range of healthy choices and raise consumer awareness of the importance of nutritious diets, physical activity, and personal care and hygiene.
14. We ensure healthy working conditions for all our employees across the value chain.
15. We provide employees and their families with healthcare services and insurance.
16. We take action to eliminate antibiotics for routine use in products production.
17. We financially support health campaigns in collaboration with national prevention campaigns.
18. We launch programs to promote healthy eating and nutrition.
19. We offer employees the opportunity to partake in voluntary community development initiatives, with a focus on health and nutrition.

OUR MATERIAL TOPIC

- Products Quality and Food Safety
- Responsible Sourcing
- Employees Well-being
- Animal Care and Welfare
- Vocational Health and Safety
- Vocational and Quality Training
- Community Welfare
- Consumer Health



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

OUR COMMITMENTS

20. We educate consumers and communities on sustainable lifestyles, through awareness with civil society, the media, and other stakeholders.
21. We support and sponsor entrepreneurship events in collaboration with other businesses and to improve learning, aimed to a long-term investment in a diverse talent pipeline and improved economy.
22. We open our factories for public visits and technical tours to improve knowledge of younger generations on responsible production.

OUR MATERIAL TOPIC

- Employees Well-being
- Vocational and Quality Training
- Community Welfare



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

OUR COMMITMENTS

23. We launch and financially support campaigns to promote health and medical care (particularly breast cancer) for the empowerment of women and girls, while strengthening connections with consumers.
24. We invest in policies and development programs that support women in our workforce.
25. We respect and comply to the rights of female employees to maternity leave and the right to return to work. We take action to eliminate antibiotics for routine use in products production.

OUR MATERIAL TOPIC

- Decent Employment
- Community Welfare
- Talent Acquisition and Retention
- Career Development
- Women and Society Wellness
- Women Empowerment



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

OUR COMMITMENTS

26. We integrate latest advance technology for water recycling utilization into production systems.
27. We substantially increase water-use efficiency across all our facilities to alleviate distress on country resources and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

OUR MATERIAL TOPIC

- Water and Energy Efficiency



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

OUR COMMITMENTS

28. We increase our energy consumed from renewable sources through our direct operations.
29. We drive energy efficiency practices across the business to alleviate distress on national grid and resources.
30. We establish and promote innovation that reduces energy consumption and improves energy efficiency.

OUR MATERIAL TOPIC

- Water and Energy Efficiency
- Energy Transition





8 DECENT WORK AND ECONOMIC GROWTH
 PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

OUR COMMITMENTS

- 31. We provide technical training to dairy farmers in the sector and our own employees to support in sustaining a productive employment and support their chances for decent work.
- 32. We develop products that are produced locally to create a market for local farmers, suppliers, and retailers to support a sustained national economic growth in the industry and productive employment opportunities. We provide employees and their families with healthcare services and insurance.
- 33. We establish programs that develop entrepreneurial abilities to provide sustainable sources of income.
- 34. We provide youths the opportunity to further develop their talents, particularly in sports, to lead to successful careers.

OUR MATERIAL TOPIC

- Decent Employment
- Vocational and Quality Training
- Career Development
- Rural Economies and Market Development
- Youth Support



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

OUR COMMITMENTS

- 35. We build cross-sector partnerships to unlock complementary investments in energy infrastructure, industrial equipment, and technology.
- 36. We pursue investment in all physical infrastructure required to support the development of dairy farming and markets, covering water, technology and connectivity, roads, storage logistics, and more. In further support of this, we also increase the knowledge of the younger generation of workers on responsible production and upkeep methods.

OUR MATERIAL TOPIC

- Industry Innovation Leadership



10 REDUCED INEQUALITIES
 REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

OUR COMMITMENTS

- 37. We adapt business strategy in production, distribution, and marketing to make products more affordable and accessible for our consumers of low incomes.
- 38. We create opportunities through training for lower paid workers to develop their skills and gain access to improved professional opportunities.
- 39. We secure above national minimal-wage and permanent contracts for our farmers and we adapt employment policy from local areas of our remote facilities of employees across the nation, with the hope to raise fair employment across the industry and encourage other companies within the value chain to also pay or raise living wages.
- 40. We adopt equal opportunity policies against discrimination of all forms and encourage others in the value chain to do the same.

OUR MATERIAL TOPIC

- Decent Employment
- Vocational and Quality Training
- Career Development
- Rural Economies and Market Development
- Youth Support



11 SUSTAINABLE CITIES AND COMMUNITIES
 MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

OUR COMMITMENTS

- 41. We extend our distribution outreach to all urban/remote areas across the country at commercial scale, thereby ensuring delivery of more sustainable sources of nutritional products for urban communities.
- 42. We build sustainable infrastructure at the city of our factories, thereby increasing the availability and productivity of employees.
- 43. We established roads and security measures and accelerated supply of electricity and water to our facilities which have helped transform the city to an inclusive and safe area.

OUR MATERIAL TOPIC

- Fleet Efficiency
- Customers Relations
- Community Welfare





ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

OUR COMMITMENTS

- 44. We reduce milk and solid waste along production and supply chain.
- 45. We launched our first pilot project to increase recycling of our by-products of fruits at the production process.
- 46. Reduce water consumption in the production process.
- 47. We develop and apply global standards and methodologies for sustainability across the life cycle of our products within our supply chain phase.
- 48. We adopt the latest advance packaging technologies to support in reducing food losses along the supply chain from the point of manufacturing sites to the retails level.

OUR MATERIAL TOPIC

- Water and Energy Efficiency
- Food Waste and Circular Economy
- Responsible Sourcing
- Responsible and Quality Packaging
- Responsible Production
- Quality Control



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

OUR COMMITMENTS

- 49. We have set plans to measure and address our greenhouse gas emissions, which include revising the proportions of cow feed given the high levels of methane produced from animals.
- 50. We plan to disclose and report on the actions we are taking to confront climate change, and to advocate for transparency and robust reporting across our industries and sectors.
- 51. We support all partnerships advocating for responsible public policies on climate change.

OUR MATERIAL TOPIC

- GHG Emission and Climate Change
- Soil Nutrients and Biodiversity



CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

OUR COMMITMENTS

- 52. We contract with international shipping companies with high level standards that adhere to environmental standards on marine shipping.

OUR MATERIAL TOPIC

- Supply Chain Management



PROTECT, RESTORE, AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS

OUR COMMITMENTS

- 53. We have a long-term partnership with the leading global packaging companies that adapt responsible sourcing and packaging practices that prevent ecosystem degradation and biodiversity loss.

OUR MATERIAL TOPIC

- Responsible and Quality Packaging
- Soil Nutrients and Biodiversity



PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

OUR COMMITMENTS

- 54. We support and advocate for all National Policies or initiatives that enhance food security and mitigate risk of social unrest due to lack of access to sufficient affordable nutritional products.
- 55. We apply and commit to traceability codes on our products packaging to ensure the rights of consumers, as well as part of our keen contribution to advance Sustainability in Global Supply Chains (as part of the UNGC 'A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains' as a basis for improving traceability of products, parts, and materials in the supply chain to ensure reliability of sustainability claims covering human rights, labor, anti-corruption, and the environment).
- 56. We invest and support initiatives and opportunities for social enterprise and impact investment ventures for their critical role in providing jobs.

OUR MATERIAL TOPIC

- Ethical Labeling, Marketing and Communications
- Responsible and Quality Packaging
- Governmental and Industry Collaboration
- Community Welfare
- Food and Nutrition Security



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

OUR COMMITMENTS

- 57. We linked our corporate strategy and business plans around societal value creation and aligned our company's value creation to the Sustainable Development Goals.
- 58. We establish a multi-stakeholder partnership and industry level contributions to sustainable development including regular monitoring and transparent evaluation and reporting.
- 59. We collaborate with other food, beverage, and consumer goods companies and stakeholders to provide industry perspectives to national policymakers, legislators, and regulators on the sustainable development impact, including recommendations for improvement.

OUR MATERIAL TOPIC

- Governmental and Industry Collaboration



ENGAGING OUR STAKEHOLDERS



ENGAGING OUR STAKEHOLDERS

At Juhayna, our engagement strategies are rooted in full disclosure and consistent communication with different stakeholder groups, which continues to serve as the foundation of our solid connections with these groups till this day





COMMUNICATION CHANNELS

Juhayna's Sustainability Champions, in collaboration with its highest governing bodies, work together to identify the full breadth of its stakeholders, their needs, and the impacts it has on them. As such, we work to communicate with our stakeholders through specialized channels that are customized to best fit the nature of each message we are looking to send, or feedback we are looking to collect. Virtual meetings replaced face-to-face communication during the onset of the pandemic. Later in the year, we gradually reintroduced physical meetings with strict safety rules that included a maximum occupancy rate of 50% for every meeting room and a minimum distance of 1.5 meters between attendees. In parallel, we continued to integrate virtual meetings in Juhayna's daily practices due to their proven efficiency.

STAKEHOLDER	SUBSECTION	CHANNELS OF COMMUNICATION	FREQUENCY
EMPLOYEES		Team meetings for all types of updates and inquiries	Daily, weekly, and monthly
		Meetings between select top managers and the CEO for new updates	Daily
		Meetings between all top managers and the CEO for overall business updates and inquiries	Weekly and monthly
		Meetings between all top managers, select middle managers and the CEO for important issues, announcements, and updates	Quarterly
		Meetings with top select top managers for sales and operations planning	Monthly
CUSTOMERS	Trade Marketing - The Hotels	Meetings with each of the company's suppliers	4-5 times every year
	Restaurants and Catering (Horeca) sector	Follow-ups and inquiries through the phone or emails	Weekly
	Hypermarkets	Business reviews to examine performance against the forecast	Every quarter
	Supermarkets	Visits by Juhayna's sales representatives to discuss any inquiries or challenges	Twice every week
	Consumers	Announcements through digital platforms, corporate website, and emails. Consumers get in touch through direct messages or through our email address (available on the website)	4-5 times every month (or more, as needed)

STAKEHOLDER	SUBSECTION	CHANNELS OF COMMUNICATION	FREQUENCY
SHAREHOLDERS		General assembly	Annual
		Requested meetings	As needed
THE EGX		Disclosure requirements and mandates	Quarterly or annually, as mandated
GOVERNMENTAL ENTITIES, REGULATORS, AND OTHER OFFICIALS	National Food Safety Authority (NFSA)	Members of the Scientific Committee on Food Additives	Meetings as scheduled
	Chamber of Food Industries (CFI)	Members of the dairy products division; the juices, drinks and water division; and the special foods, yeast and food additives division	Meetings as scheduled
	Egyptian Organization for Standards and Quality (EOS)	Member of 13 F&B committees including the Codex Alimentarius	Meetings as scheduled
	The Federation of Egyptian Industries (FEI)	Meetings with the CEO	Three times a year*
	Others	Meetings with the requested representative	As needed
BUSINESS PARTNERS AND SUPPLIERS		Meetings with each supplier or partner, with additional phone calls and emails as needed	1-2 times per month
THE LOCAL COMMUNITY		Conferences	Subject to annual agenda
CIVIL SOCIETY		Conferences	Subject to annual agenda
INDUSTRY ASSOCIATIONS		Conferences	Subject to annual agenda
STANDARDS ORGANIZATIONS		Audits and renewals	Annual

*Appendix A (FEI Meetings with Juhayna's CEO - Main issues discussed in 2020) - [page 116](#)



STAKEHOLDER FEEDBACK AND MANAGEMENT'S APPROACH

We depend on stakeholder communication to develop and improve Juhayna, as different groups help us further our successes, identify and resolve challenges, and set priorities. During this reporting cycle and especially during 2020 as well as with the spread of COVID-19, these interactions identified key impact points which we have immediately acted to resolve. payables during 9M2020.

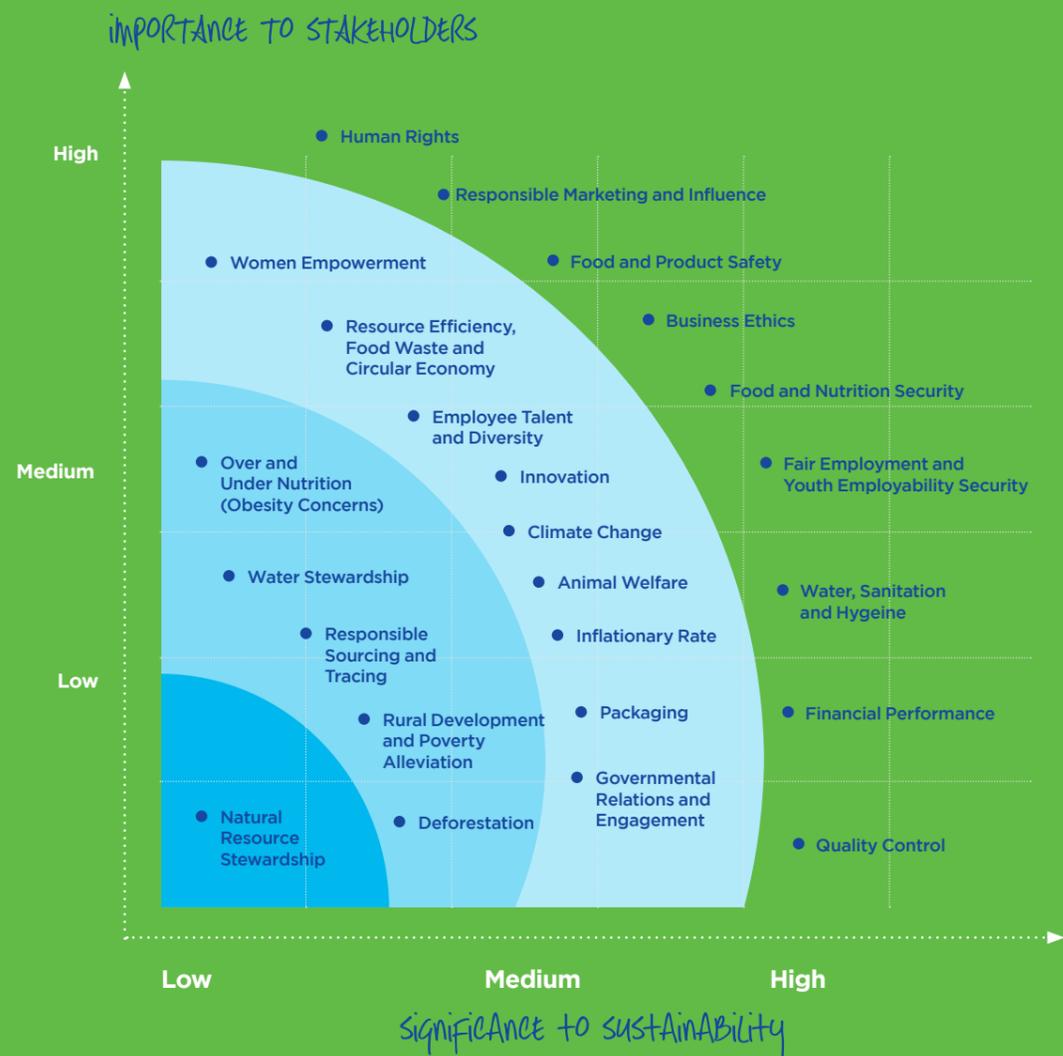
STAKEHOLDER	CHALLENGE/RISK	ACTION TAKEN/PLANNED
Buyers - The Horeca sector	Difficulties in paying Juhayna for acquired products due to COVID-19 impeding the sector's operations	<p>Large businesses: We increased credit terms to six months instead of three</p> <p>Small businesses: We retrieved some of the products that were sold to them to decrease the amounts due</p>
	Cancellations and sector-wide shutdowns due to the pandemic	We maintained flexibility and successful relationships with all clients to restore business when the sector is revived
Buyers - End consumers (specific to supermarkets)	Consumers stopped visiting supermarkets regularly during the height of COVID-19 due to fears of infection and social distancing rules	Heavy promotions and offers on the smaller SKUs were applied across all supermarkets
	Consumer buying behaviours shifted and out-of-home, small SKUs suffered decreases in sales	
Buyers - End consumers	Consumers began shifting to online shopping and delivery services. This started to grow further during the pandemic	<p>We maintained active presence on e-commerce platforms that include Souq, Gourmet, and more</p> <p>We worked on finding new selling channels, which led to the launch of our home delivery service</p>
	Consumption habits across the market are constantly changing	Introduced Greek yogurt, which is rich in protein, in 2020 to join the ranks of lactose-free milk (launched in 2018), and we plan to continue accommodating consumers' changing needs
	Underserved segments of the community do not have easy access to nutritious products at appropriate prices	Launched Eicomanda program for remote sales and delivery. Read more under "Distribution: Delivering with Care" (Page 70)
	Suppliers	Unstable market conditions due to the pandemic led to unpredictable behavior across the supply chain



MATERIALITY ASSESSMENT

Juhayna determines its advancement in sustainable practices by examining existing impact and potential new growth opportunities from the viewpoints of our stakeholders and global sustainable welfare. In 2019 and 2020, we decided to continue expanding on our existing initiatives under the same topics we explored in 2018. These have now become crucial to our operational development, and they are where we continued to have significant impact.

In the next section of the report, we begin exploring our approaches to operational advancement, environmental management, stakeholder protection, and purpose-driven developments during this reporting cycle. This includes our efforts in improving farming, manufacturing, distribution, and supply chain management. We also explore the initiatives we have specifically deployed for the benefit of our people and communities, and take a look at our corporate governance framework, which has become essential to our successes.





MANAGEMENT'S
APPROACH TO
MATERIAL TOPICS



OPERATIONS



FARMING

SUSTAINABLE DAIRY PRODUCTION

“From farm to consumer” is the Juhayna way, and it is a main driver behind our efforts in building a strong network that sustainably supplies our operation with top-notch dairy products



ENMAA DAIRY

We continue to play a material role in bolstering dairy farming in Egypt by upholding sustainable practices at our dairy farm. Enmaa Dairy, located in El Essila, Bahareya Oasis, is run by our subsidiary, Al-Enmaa for Agriculture Development and Livestock Company. It adopts the Food and Agriculture Organization (FAO)'s good dairy farming practices, and uses innovative, state-of-the-art practices in animal care and raw materials preservation. More information on animal care can be found under our “Purpose” pillar below. As of 2020, the farm supplies 12% of Juhayna’s daily raw milk needs, which is expected to increase every year due to a growing herd and improving nutrition.

Item	2018	2019	2020
Meat production (kg/year)	147,825.00	159,000	235,000
Milk production (m ³ /year)	635,830.00	33,381,071	34,000,000

Furthermore, we continue to transfer knowledge and provide operational support efforts to our ever-growing Juhayna Farms Network. The network, an initiative launched to support rural farming and optimize the quality of dairy products pumped into the national food network, still runs under our successful sustainable farming strategy “Kafa’a” (Aptitude).

In 2020

500

FEDDANS – DAIRY FARMING LAND

6,653

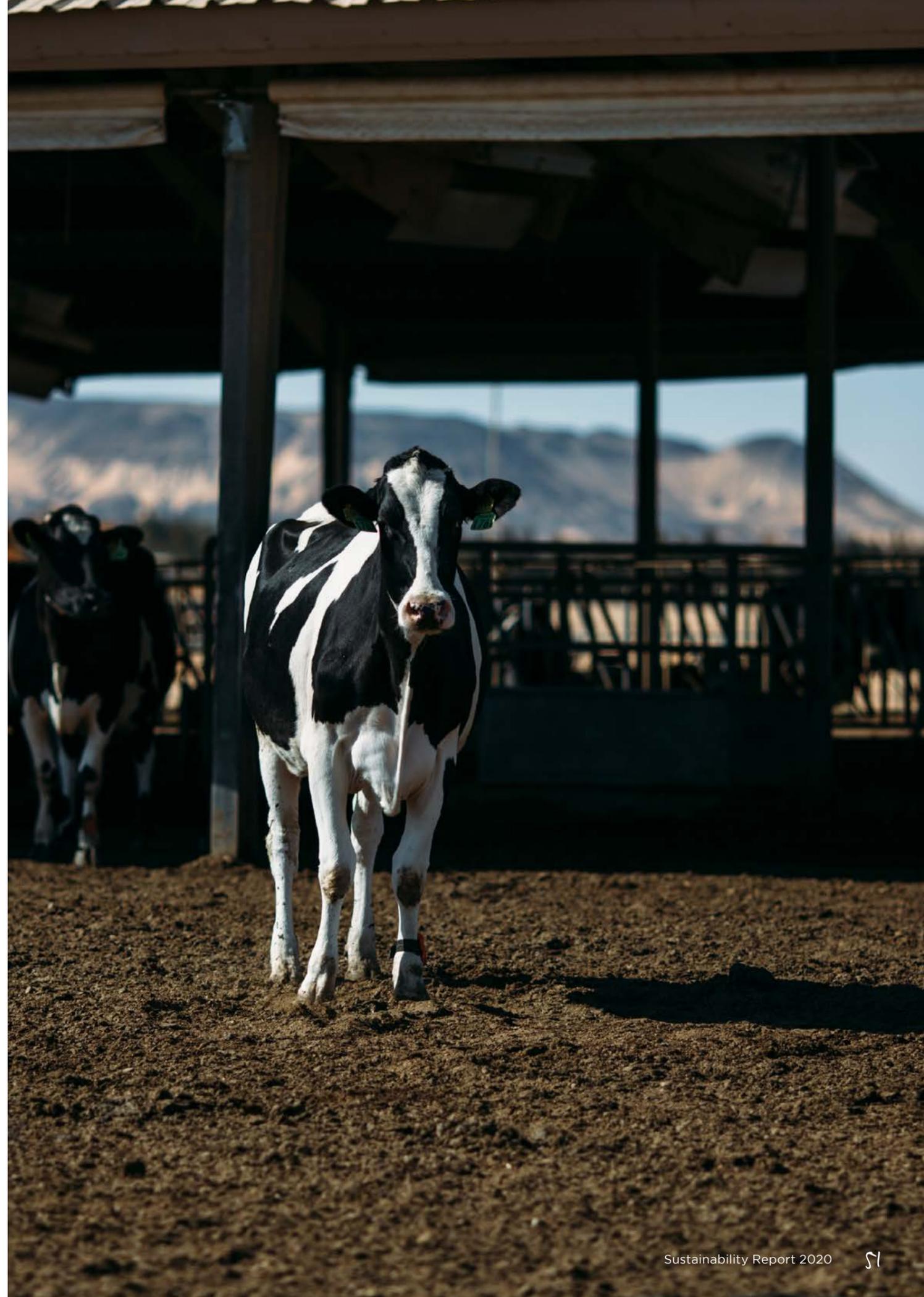
HERD SIZE

145

FARM WORKERS

12%

COVERAGE OF JUHAYNA'S DAILY SUPPLY (UNCHANGED Y-O-Y)





KAFA'A: SUPPORTING LOCAL FARMS ON A NATIONAL SCALE*

The first of its kind in Egypt, Kafa'a is a farming inclusion program that primarily aims to improve conditions across rural Egypt. It aims to develop better knowledge, practices, and standards for dairy farming, improve economic sustainability in rural Egypt, lead the production of better supply, and reduce environmental risks. On an operational level, the initiative ensures that we receive high quality supplies of raw milk at all times, as all of Juhayna's supply network is required to operate under the initiative's rules.

Kafa'a was launched through a cooperation protocol with the European Development Bank (EBRD). It now encompasses Enmaa and extends to small-medium farms that Juhayna supports, located in Gharbeya, Beheira, Sharkia, and Fayyoun. Kafa'a also provides monetary support to help farms grow, with repayment made in the form of dairy supply to Juhayna at no interest. Examples of farms that were provided such support include El Lamsy, El Gohary, and El Haitham farms, which were backed with a total of 173 cows at no interest, the payment for which was deducted from Juhayna's payment for milk supplies.

In 2020

133

ALL PARTICIPATING FARMS INCLUDING ENMAA (UP FROM 107 IN 2018)

650

TONS OF MILK/DAY – AVERAGE MILK PRODUCTION RATE BY THE NETWORK IN 2020 (+7.7% Y-O-Y)

88%

AVERAGE PERCENTAGE OF MILK SUPPLIED TO JUHAYNA BY LOCAL FARMERS

21

NUMBER OF FARMS WITH AN AUTOMATIC MILKING PARLOR

In 2019, Dutch dairy farms expert John Bonnier visited five farms from Kafa'a's network to monitor the program's KPIs and ensure correct implementation of its clauses across the sample. We then started following up throughout the reporting period on the implementation of the sixth clause of the Kafa'a contract, which entails upgrading the milking parlor by connecting it to an automation software. The follow up visits were to 32 farms, 21 of which had met the clause by September 2020. Farms that had not upgraded their parlor by then faced penalties that included deducted payments. It is also worth noting that in 2020, Enmaa Dairy completed all six standards listed under Kafa'a's contract and agreement. Other farms are yet to be audited for fulfillment of all six standards.

We also changed our pricing formula every two months during this cycle, per our standard practice, to ensure fairness and accountability between us and our supplying farms, and we provided technical support and trainings to all farms under our network in 2019, although we were forced to halt trainings in 2020 due to the onset of COVID-19.

KAFA'A'S OBJECTIVES



Maintain unified sustainable farming standards across Juhayna's operations



Transfer knowledge from Enmaa and other experts to the rest of the network on sustainable farming practices



Provide access to credit and increase farmers' financial capital



Help farmers battle critical challenges in dairy farming

Key challenges and resolutions in 2019-2020 for all farms under Kafa'a

CHALLENGE	RESOLUTION
Diseases and sicknesses that affect the herd – lumpy skin disease, foot and mouth disease, bovine ephemeral fever (3-day sickness), and others – remain key points of focus, as they are among the critical reasons behind low milk production	We remain diligent in scheduling vaccinations at Enmaa Dairy to battle all known cattle diseases and ensure the provision of healthy and safe milk
The spread of COVID-19 posed several risks to the individuals involved in the milk transportation process, including drivers and farm personnel	Strict internal measures were put in place to ensure that all health and safety precautions were being followed at all times, which include regular internal checks on PPE, cleaning and disinfecting frequencies, mask wearing, and social distancing

Our supply network continues to flourish thanks to the strategies and frameworks instated under Kafa'a. Improvements show under all three sustainability strategy pillars, positively affecting Juhayna's stakeholders, reducing the network's environmental impact, and introducing innovative changes that boost the quality of production and advance us towards sustainable farming.

*Appendix B1 (Criteria for joining Kafa'a); Appendix B2 (Farm assessment form) - [page 116](#)



100
 AVERAGE AMOUNT OF WORKERS
 PER FARM IN 2020

PEOPLE

Under Kafa'a, all farms are required to create an environment of social equity for farmers. This is expected to be achieved through drafting legal and fair contracts with the farmers that guarantee workers their rights, including adequate salaries. Farms are also required to provide sanitary housing that allows workers to adhere to high hygienic standards set by Kafa'a.

Health and safety on the job

We continued to conduct trainings on occupational safety, health, and risk management at Enmaa in 2019 for all members and workers, which proved helpful during the pandemic in 2020. We also ensured that personal protective equipment (PPE), fire extinguishers, first aid kits, and other protection gear were available and in good shape at all times.

**Building up knowledge:
 Correct farm practices**

Development trainings on correct farm practices, the culture of impact and value, quality control, and sustainable farming are also required by Kafa'a. We assist farms in delivering these trainings as part of our knowledge transfer efforts, and we also conduct technical trainings on farm management; cow fertility, lameness, and nutrition; as well as animal nutrition and health.

In 2019, we delivered four training sessions at our headquarters, which pertained to animal nutrition, infectious diseases, lameness, and soft skills. One of the trainings was conducted by John Bonnier on a new system to assess and evaluate dairy farm quality. We did not conduct trainings in 2020 due to COVID-19.

4

TRAINING
 SESSIONS

70%

ATTENDANCE
 FROM FARMS IN
 THE NETWORK



PLANET

Our role in improving the industry's carbon footprint starts at home and extends to our diligence in upholding environmentally friendly practices across our entire farming network.

In 2020

5,828,689

ENERGY PRODUCED BY THE
 STATION (AS OF SEPTEMBER 2020)

15.6%

ELECTRICITY NEEDS
 COVERED AT ENMAA
 USING SOLAR ENERGY
 (UP FROM 15% IN 2018)

Enmaa Dairy's 1 MW solar energy station, established through a cooperation agreement with KarmSolar, remains fully operational and has covered all the farm's solar energy needs in 2020. This has caused further reduction in levels of diesel dependency, which is now down by 15.6% versus 14.2% in 2019. We also continue to honor the Purchase Power Agreement (PPA), drafted with KarmSolar in 2018, to supply electricity to the private sector, and have sold 1,600 million kW/year throughout the reporting period.

Enmaa Dairy – Consumption and Emissions

Consumption

Utility	2018	2019	2020
Energy (KW/yr)	4,962,160.00	11,264,561	6,885,283
Diesel (liters)	3,371,082.00	3,264,379	1,993,847

CO2 Emissions

Utility	2018	2019	2020
Animal Emissions (tons)	11,544	13,558	13,000
Fuel Emissions (tons)	11,119	8,814	5,383

The remainder of Enmaa's energy comes from the use of fuels such as diesel. The farm, however, has seen a sharp decrease in its fuel emissions due to its growing dependency on solar power. As for animal emissions, it continues to devise reduction methodologies, the most prominent of which right now is that rations offered to the herd are now designed to reduce methane emissions.

Preserving Land, Biodiversity, and Resources

Soil fertility across Juhayna's network is still maintained using cow waste, which is collected during an automatic daily cleaning of the herd yard. This decreases the need for and use of industrial fertilizers, thereby eliminating their negative impact. To integrate livestock in the land preservation process and reduce agricultural costs for harvesting feed, we also continued to support the planting grains and corn across the farm network to encourage grazing.





PURPOSE

We constantly seek new, innovative approaches to our farm operations. A mixture of both has helped us maintain a course towards improving the sustainability and impact of the dairy farming process, while ensuring that all stakeholders involved are benefitting and evolving.

Protecting our herd

The safe, pain-free, and healthy life of the herd at Enmaa Dairy and across the rest of the network is of the highest importance to Juhayna. When we originally founded Enmaa, we made sure to select livestock that can withstand Egypt's environmental conditions, and so decided on Friesian Holsteins and Simmental cows.

Further to this and to ensure the wellbeing of our herd at Enmaa as well as animals across our network, we continue to follow strict steps to improve their quality of life, which in turn improves the amount and quality of their yield, and increases their life expectancy.

“We continue to follow strict steps to improve the quality of life, which in turn improves the amount and quality of their yield and increases their life expectancy.”



Programs and initiatives pertaining to animal welfare and healthy yields are monitored by our Farm Development Department, which was originally guided by expert consultants Dr. Mohamed Hegazy and Dr. Mahmoud Hussein, now also joined by Dr. Mohamed Waer and Dr. Hazem El Sharkawy. The experts assess our network's adherence to animal welfare standards, and monitor herd health to identify concerns and recommend improvements.

Collaborations with industry professionals

We remain in collaboration with the Egyptian Milk Producers Association, through which we finesse our fair pricing strategies with suppliers. We also maintained our protocol of collaboration with the Egyptian Food Bank — originally signed in 2014 — as we continue to provide technical support to their farm, Wafra, after initially assisting them in purchasing cows and launching the project.

“Experts assess our network's adherence to animal welfare standards, and monitor herd health to identify concerns and recommend improvements.”

OUR NEXT STEPS IN DAIRY FARMING AND SUPPLY

Our focus in the next period is to increase our support of farmers, as well as expand our network of milk collection centers. By 2021, we intend to:

1. Increase our raw milk supply from local farms by 10%
2. Hire consultants to conduct inspections and recommend best practices for higher milk quality
3. Increase farm audits to ensure compliance with Kafa'a's standards framework
4. Expand milk collection centers in Gharbeia governorate
5. Lay down the foundation for expansion plans across the rest of the country
6. In support of farmers at Enmaa, we also intend to provide additional trainings, perform several upgrades, and purchase tools that assist them during their work

TRAININGS	The principles of good hygienic practices (GHP) and good manufacturing practices (GMP)
UPGRADES	<ul style="list-style-type: none"> • Cleaning in Place (CIP) for milk trucks • Pipelines • Chiller • 5-ton tank • Electricity supply
TOOLS	<ul style="list-style-type: none"> • PH meter to ensure milk neutrality • Eco-milk system (to measure milk constituents) • Dispensers • Antibiotic kits (to detect residues in milk) • Alcohol thermometers (to measure milk temperature)



Five Freedoms for Animals*	Testing and Auditing*	Animal Health Management program*
We train all farmers on herd management to upkeep the five freedoms for animals, as determined by the FAO.	We require all farms to supply certificates that its cows are free from Brucella and Bovine Tuberculosis. We also conduct regular testing on milk, annual quality control audits, and external audits.	We follow strict safety protocols that aim to reduce harm and the spread of diseases at any farm.

*Appendix C1 (Five Freedoms for Animals); Appendix C2 (Frequency of testing); Appendix C3 (Audits); Appendix C4 (Animal Health Management Program) - [page 117](#)

MANUFACTURING

RESPONSIBLE PLANT MANAGEMENT

At Juhayna, our ambitions for growth go hand in hand with our unwavering commitment to establish greener operations. Through our developments, we aim to contribute to the survival of our environment, and to safekeep the wellbeing of stakeholders who count on us to lead by example



Al Masreya

Following its acquisition in 2005, Al Masreya has grown to become our leading milk producer by capacity today. Over 2019 and 2020, the plant has:

- Shifted from manual to automated packaging by replacing the Bekhero liter filling lines with two new cardBoard lines (January 2019)
- Increased pasteurization capacity (lacta) from 60 to 83 tons/hour by adding a new 20 ton/hour pasteurizer, and increased lacta 1 capacity from 10 tons/hour to 13 (July 2019)
- Replaced the 5000 pack/hour capacity 1.5-liter line with an 8000 pack/hour line (July 2019)
- Expanded cooling capacity from 884 tons to 1800 tons (January 2020)
- Increased processing capacity from 68 tons/hour to 99 tons/hour by adding a new 32 tons/hour sterilizer (February 2020)
- Upgraded the water treatment station to enhance performance (April 2020)
- Raised the capacity of the two existing 200 ml fillers — now up to 48k packs/hour from 40k/hour (May 2020)
- Enhanced automation by upgrading cleaning lines, tanks and fillers using the clean-in-place (CiP) method (August 2020)
- Increased air capacity from 55 m3/m to 100 m3/m (August 2020)
- Launched an uninterruptable power supply (UPS) project to protect production from electricity cuts (2020)



In over three decades of operation, we have continued to be mindful of the business' long-term impact on the planet, our people, and our end consumers. This approach, coupled with years of continuous development and added experience, has allowed us to increase responsible production, consumption, innovation, and technological transformation within our manufacturing process.

STARTING POINTS: OUR MANUFACTURING FACILITIES

As we are keenly aware of the importance of sustainable manufacturing and the role it will play in the future of production, we have introduced a range of technologies and practices across our four facilities that aim to elevate our operations. We have also continued to develop our production lines in support of new products that we have launched, to cater to a wider range of nutritional needs.





Al Dawleya

Operational since 2009, Al Dawleya is now one of the largest industrial complexes in Egypt and the MENA region. Its fully-automated operations are primarily used for the packaging of fresh juices and drinks, with its advanced technologies producing minimal waste. Several environmentally-friendly upgrades were finished at Al Dawleya in 2019 and 2020; they are mentioned below under “Energy efficiency and conservation” and “Wastewater management”.

“We have introduced a range of technologies and practices across our four facilities that aim to elevate our operations.”

Al Marwa

Since its establishment in 1998, Al Marwa has undergone several expansions and significant investments in different technologies to become one of Egypt’s largest fruit manufacturers. Production capacity was expanded to allow us to process different types of fruits (citrus, mango, guava, tomato, and more) and deliver customized fruit purées, concentrates, pulps, compounds, oils, and syrups. Over 2019 and 2020, Al Marwa has received several certifications, and began producing apple compounds for its long-time partner in Egypt, the global fast-food chain McDonald’s.



EgyFood

EgyFood was our direct response to rising local demand for our popular drinkable and spoonable yogurt products. The factory boasts two facilities, one in 6 October City and another in Assiut, and during the reporting cycle it:

- Received the ISO 14001 (Environmental Management System) certificate
- Renewed its Food Safety Quality Certificate (FSSC)
- Was named number one on the National Food Safety Authority (NFSA)’s White List



KEEPING A CLOSE EYE: QUALITY CONTROL AND EXTERNAL AUDITS

Food safety and quality is central to our daily operations. Strict control points have been defined throughout the supply chain, starting with incoming raw and packaging materials to dispatching our products to the market. We maximize food safety during each stage of the production process by using Critical Control Points (CCP) – an industry norm for identifying risks and establishing control measures. In this reporting cycle, we have also developed an integrated quality system for implementing and monitoring local and international standards we adhere to. The system consolidates expertise from different disciplines across the manufacturing process, to streamline operational efficiencies.

8,000 tests are conducted daily across Juhayna's sites, which include inspections on incoming raw and packaging materials. We also monitor all processing steps (semi-finished to finished products) and follow all handling steps (storage, transport, and distribution). Throughout the year, we are regularly audited by third parties that include certified global auditing organizations such as SGS; local national bodies such as National Food Safety Associations; and different clients such as McDonald's, The Marriott, Gourmet Egypt, EgyptAir, and many more.

In 2020, we received 68 announced and unannounced audits, all of which were successfully passed with zero major or critical findings. This reinforces our trust in our ability to maintain the highest food safety and quality standards across our sites by complying with multiple best practices systems that include:

- Good Manufacturing Practices (GMP)
- Good Laboratory Practices (GLP)
- Good Warehouse Practices (GWP)
- Good Hygiene Practices (GHP)
- Hazard Analysis and Critical Control Point (HACCP)



Moreover, we depend on our people to maintain the rigorous quality controls we put in place and report any inconsistencies. We therefore heavily invest in our Quality Training Academy, where 16 trainers run a training plan that covers 29 tailor-made topics that are pertinent to our needs across different functions, such as quality, production, maintenance, warehousing, and sales.

Local production using global standards

As a leading Egyptian F&B operator, our manufacturing processes reflect our commitment to implement the highest standards of food safety; employee health and safety; environmental safety; business management; and social responsibility, among others. To that end, we have received multiple local and international certifications that confirm our compliance. Furthermore, and since 2019, the NFSA started regularly auditing our sites and listed the company on its White List as a processor and exporter.

Certifications received across factories and our distribution subsidiary Tiba:

- ISO 22000:2018 (all factories)
- FSSC V.5 (all factories)
- ISO 14001:2015 (all factories + Tiba + 4 branches)
- ISO 45001:2018 (all factories + Tiba)
- ISO 50001:2018 (all factories except El Marwa)
- SQMS (all factories except El Dawleya)
- ISO 9001:2015 (Tiba)
- Kosher (El Marwa)
- Halal (El Marwa)
- 17025:2017 (Central lab)

MANAGEMENT'S APPROACH TO KEY MANUFACTURING CHALLENGES IN 2019-2020

CHALLENGE	RESOLUTION
The launch of the Greek yogurt range was planned for March 2020 and required investments in new unit operations. To meet this date, a strict implementation plan between EgyFood's team and the German-based equipment supplier was required. Global delays caused by COVID-19 somewhat affected the delivery of processing units and impeded the visit of the experts expected to assist in assembly.	Supported by the R&D team, EgyFood's production and maintenance teams worked round the clock to complete the required line modifications and the commissioning of the new unit operations. The teams also received maximum online support from the German team, thereby reducing physical reliance on them. As a result, the product's market launch was timely and proved very successful as volume demands continue to steadily rise.
A service overhaul of the Hassia packaging machines was scheduled to be completed by foreign experts in 2020. This was canceled due to the pandemic.	Egyfood's maintenance team took over the project and successfully carried out the repairs and maintenance required.
Curfews and restricted movement – primarily during the second quarter of the year – were challenging for night shift workers.	Decreased number of shifts from three to two, and increased shift durations to 16 hours instead of 8 hours for six days a week.
The installation of new machinery increased energy consumption across our facilities.	New strategies to decrease energy consumption were instated, including a 100% switch to LED lighting across all facilities, and an increase in solar energy utilization, specifically at Egyfood. Furthermore, policies for responsible day-to-day energy use by employees were created.
Air compressors began malfunctioning, which led to drops in air pressure and machines stopping as a result.	Partnered with Atlas Copco to perform preventive maintenance for all air compressors across our facilities.
Al Marwa experienced efficiency problems due to the limited flexibility of some machinery and the resulting needs for human intervention.	Investments were made and a new, fully-automated Catelli Food Technology (CFT) line is in the commissioning stage, which increased capacity by five times and increased flexibility in producing different types of products on the line, such as jams, sauces, fruit syrups, and fruit compounds. It is now successfully supporting the demands of EgyFood and El Dawleya as well.

Under our strategy pillars, manufacturing at Juhayna has undergone several changes that promise to provide improved value for our people and stakeholders, reduce the effects of our operations on the environment and our planet, and develop with purpose to advance the F&B industry as a whole.



PEOPLE

People are at the heart of our operations, and we consistently strive to promote and maintain the health and safety of all stakeholders. This, in part, is done through the implementation of diligent safety protocols pertaining to employees involved in the manufacturing process. It is also represented through our commitment to provide high quality, nutritional products to consumers across the region.

Health and Safety on the job

Occupational health and safety (OH&S) training hours

	2018	2019	2020
Al Masreya	1,109 hours (98.1% attendance)	1,051 hours (97.7% attendance)	426 hours (41.5% attendance)
Al Dawleya	346 hours (36.2% attendance)	346 hours (36.2% attendance)	346 hours (36.2% attendance)
Al Marwa	613 hours (98.9% attendance)	642 hours (97.5% attendance)	346 hours (54.3.5% attendance)
EgyFood	843 hours (96.9% attendance)	810 hours (97.1% attendance)	346 hours (36.2% attendance)

Numerous policies, controls, and technologies have been put in place across our operations to ensure our blue-collar employees are protected on duty, covering all known hazards from chemical and noise controls to fire protection and emergency operational and environmental hazards. Our efforts continue to prove successful, as Juhayna maintained a 0.31% overall injury rate in 2020 (down from 2.09% in 2019), and its 0% record for occupational diseases, crippling accidents and deaths on the job in 2020. Days away from work due to injuries also dropped in 2020, standing at 79 days vs. 476 days in 2019.

Factory upgrades for increased employee health and safety

FACTORY	UPGRADE
Al Masreya	<ul style="list-style-type: none"> Expanded the chemicals' storage area to facilitate movement and the safe handling of chemical material Created a second storage area to separate cleaning agents and soap from chemicals
Al Dawleya	<ul style="list-style-type: none"> Installed employee lifts to secure tank maintenance Installed secondary tanks for chemicals to double security against spills Hired an external ETA expert to deeply analyze all safety aspects
Al Marwa	<ul style="list-style-type: none"> Installed a new ventilation system in the production area
EgyFood	<ul style="list-style-type: none"> Installed a new wastewater treatment station/system and an automated chemicals dispensation system for water treatment

Consumer wellbeing

Juhayna is committed to providing consumers with safe, nutritional products that comply with global food safety standards. As such, we continuously seek improved global certifications, and our factories implement existing industry Good Practices (GP). These include but are not limited to Good Manufacturing Practices (GMP); Good Warehouse Practices (GWP); and Good Lab Practices (GLP). These systems cover the entire manufacturing and supply chain cycles, from materials, equipment used, and processing steps to filling, packaging, and distribution. The system ensures our SKUs are consistently produced and controlled per our rigorous quality standards, and that consumers are at the receiving end of exceptional products at all times.



Something for everyone: Diverse product ranges and sizes

Since its inception in the 1980s, Juhayna has been leader and a trendsetter when it comes to successfully introducing new local products to the Egyptian market. We were the first to introduce full cream ultra-high treatment (UHT) milk, as well as half-cream, skimmed, and flavored milk. We also led the launch of fermented products in the local market with a variety of set and drinkable yogurts. Innovation is embedded in our DNA, and demand for innovation is now at an all-time high with the rapid changes in consumer habits, increasing awareness among the younger generation, and the constant pursuit of healthier lifestyles.

As such, we have introduced a number of new products across several of our core categories in 2019 and 2020, and we will continue to advocate for developments that penetrate more consumer segments and support our leading position in a continuously shifting F&B market.

“We continuously seek improved global certifications and food safety standards to provide consumers with healthy, nutritious products.”

New SKUs in 2019 and 2020

MILK	JUICE	YOGHURT
<p>1L Foam Milk In April 2020, we introduced the 1L foam milk pack in place of the 1.5L. This was done after consumer studies indicated that the smaller size is preferred among consumers and is easier to use.</p>	<p>Oriental In March 2020, we introduced three variants of the Ramadan juices in new packaging: Hibiscus, Qamar El Din, and Caroub .</p>	<p>Greek yogurt In March, we introduced four variants of our new, authentic Greek yogurt, each with a different level of fats, to meet different consumer tastes, needs, and dietary preferences. The product contains 30% of an adult's recommended daily intake of protein.</p>
	<p>Bekhero Bekhero entered the multi-serve market in April 2019 through the launch of its 1L pack.</p>	<p>105gm sweetened yogurt Juhayna introduced its 105gm sweetened yogurt in February 2019.</p>

PLANET

As sustainable practices continue to gain tract in support of global environmental wellbeing, Juhayna parallelly grows more committed to adopting advanced practices that reduce carbon footprint and increase the adoption of circular economy practices. This is powered by the introduction of state-of-the-art technologies at our plants; strict adherence to local and global guidelines in environmental management; and forging global partnerships that foster the implementation of our green goals.



Energy efficiency and conservation

Energy Consumption in Manufacturing

	Natural Gas (m ³)			Electricity (kWh)		
	2018	2019	2020	2018	2019	2020
Al Masreya	2,646,459	2,788,232	2,863,538	16,212,739	15,754,263	15,886,996
Al Dawleya	860,676	877,782	913,549	14,783,910	15,047,527	11,837,369
Al Marwa	3,330,700	2,988,877	2,034,265	5,802,530	5,679,041	4,482,808
EgyFood	1,290,278	1,368,476	1,533,877	18,628,607	19,947,328.00	18,692,016

Energy Intensity in Manufacturing/Ton of Production

	Natural Gas (m ³)			Electricity (kWh)		
	2018	2019	2020	2018	2019	2020
Al Masreya	10.42	10.49	10.22	63.48	59	56.57
Al Dawleya	7.5	5.6	6.3	105	96	81.64
Al Marwa	135	121	120	235	231	199
EgyFood	14.7	14.6	16.5	213	214	197

Energy Reduction in Manufacturing (%)

	Natural Gas (m ³)			Electricity (kWh)		
	2018	2019	2020	2018	2019	2020
Al Masreya	2%	0%	3%	9%	8%	10%
Al Dawleya	9%	7%	-23%	7.5%	8.7%	7.6%
Al Marwa	135%	121%	-47%	235%	231%	-27%
EgyFood	5%	3%	-10%	3%	1%	11%



To decrease our energy consumption and raise efficiency, we have made several key upgrades across our plants over 2019 and 2020:

Al Dawleya:

- Reduced electricity consumption in 2020 by 5% in comparison with 2019
- Installed a new AF Air compressor OPC355-10
- Installed a power metering system to assess energy needs and calculate resulting savings
- Connected the social building chiller to the Heating, Ventilation and Air Conditioning (HVAC) ammonia plant to avoid the use of standalone electrical feeding units to power cooling units
- Introduced Uninterruptible Power Supply (UPS) for pasteurizers 1 and 2
- Overhauled the service and updated the operation of the refrigeration plant to the Scada system to reduce consumption by 5%
- Replaced normal lighting (high bay 400w) with LED (200w)
- Reduced gas consumption in 2020 by 5%
- Replaced defected steam traps
- Installed a mechanical pump boiler feedwater to increase the utilization of steam in place of natural gas

EgyFood:

- Applied the ISO 50001 energy management system, which should help the plant control energy use and guide the launch of projects that aim to reduce consumption
- Planned the launch of a monitoring system that will help identify high use areas and reduce consumption as needed

Operation-wide:

- Overhauled compressors to increase efficiency of the ammonia maintenance equipment and reduce electricity consumption
- Installed auto-flame boiler systems
- Decreased the pasteurization temperature to 75 C from 78 C
- Decreased the CiP percentage (lye from 2.4 to 1.8) (acid from 1.5 to 0.8)
- Signed a maintenance contract with Tetra Pak to enhance performance and efficiency (increase overall equipment effectiveness - OEE - from 62% to 65% to improve production time planning, increase production speed, and decrease downtime)
- Continued to upkeep our energy management system and introduced new technologies to our operation, such as the variable speed drives (VSD) technology. This technology controls the speed of motors, fans and pumps, matching speed and torque with application requirements and considerably saving electricity



Transitioning to LED Lighting

LED Consumption and Resulting Savings

	Total LED energy consumption (KW/year)	Energy saved y-o-y in 2020 (%)
Al Masreya	746,964	39%
Al Dawleya	323,905	56%
EgyFood	410,328	30%

During 2019, we began installing LED lights across our plants to further tackle high electricity consumption. The project has been successfully completed at El Dawleya, El Masreya, and Egyfoods, with El Marwa in the process of transitioning and should be finished by the beginning of 2021.

Wastewater management

Wastewater treated at the Dawleya Plant

	2018	2019	2020
Amount of water treated (m ³)	175,407	182,076	135,390

City water use

	2018	2019	2020
Amount of water treated (m ³)	461,598	505,768	394,012

Recognizing the importance of clean water and water savings, Juhayna uses a biological wastewater treatment system, and has installed a new automatic nutrients dosing system at Egyfood, Al Dawleya, and Al Masreya.

In 2020, Juhayna also installed an ultraviolet (UV) system for water treatment at Al Dawleya, which eliminates harmful microorganisms from the treated water without chemical additions or any changes in the water's taste or odor.



PURPOSE

At the threshold of new global changes, innovation can only be sustainable when coupled with long-term social and environmental impact. 'Caring Everyday' has always been our business culture, and our innovative efforts go beyond the boundaries of generating market differentiation or sheltering our business from risks.

At the center of progress: Juhayna's Innovation Center

In 2016, Juhayna heavily invested in establishing its state-of-the-art Innovation Center to accelerate the development of new products and explore new technologies. The center houses equipment and tools that allow us to evaluate concepts on a small scale and the ability to move winning concepts to pilot plant scale. This sequence helps us define the requirements and needs of the industrial scale, thus accelerating the innovation cycle and its speed, efficiency, and cost. We have been maximizing the utilization of the Innovation Center since its inception by building knowledge and expertise that allows us to discuss technical factory-scale investments in detail. We also use the facilities to screen suppliers' materials and identify improvements to boost quality, provide counsel, and improve relations with partners.

Our contribution to national decision-making

We are acknowledged as experts in our field, and so we engage with governmental authorities and regulators as an active member in eight technical committees that are responsible for the creation of the Egyptian standards and regulations for the food industry.

The scale and scope of our operations has also given us a wealth of knowledge that is well-respected across the industry. This has led to our R&D department becoming a key lobbyist and policy influencer for the dairy industry in Egypt, as part of the Food Safety Council. In collaboration with the Egyptian National Research Center, we are also an active organizer and participant in the annual Dairy Science and Technology conference. Through the event, we highlight Juhayna's core belief in the necessity of Public Private Partnerships (PPP) to upgrade industry standards. We played a central role in the 13th edition of the conference by promoting PPPs, as well as presenting our developments and innovations in dairy technology by showcasing our lactose-free milk.



DISTRIBUTION: DELIVERING WITH CARE

Our products are made accessible nationwide by the hands of our distribution team, who ensure that shelves around the country are well stocked with our product ranges, while optimizing their operations every year by embracing greener solutions

Our distribution arm continues to uphold the high quality, secure and convenient delivery of Juhayna's refrigerated and non-refrigerated products. In 2005, we established TIBA Trading and Distribution to consolidate our distribution efforts under one umbrella, safeguard our operations against transport challenges, and ensure that our products, particularly perishables, are delivered with maximum care. Today, TIBA holds one of the largest fleets in Egypt, at 914 vehicles, and continues to distribute our and our partners' products across the country. TIBA regulates its inventory and procurement through the use of Juhayna's ERP SAP system. It also constantly updates its distribution plan to guarantee timely delivery and smooth payments at all times.

Juhayna's distribution arm is also internally monitored by its Sustainability Champion on a regular basis, with a particular focus on the environmental, social, and economic impacts that our distribution channels



have on the community. We ensure that frameworks are put in place whenever necessary to mitigate these impacts and assess our measurement and management processes accordingly as the need arises.

CHALLENGES AND MITIGATION STRATEGIES

Our distribution arm had undergone significant changes in the past several years as it experimented with new digital integration services and worked relentlessly to increase the reach of Juhayna's products across the country. Throughout 2019 and 2020, it continued to optimize these changes by improving on the deals struck with new suppliers. It also produced new initiatives that would gradually maximize our reach and serve our expansion ambitions as well as the wellbeing of our communities.

As we continued to optimize our vertical integration processes, we introduced more upgrades and maintenance plans to our distribution arm that should help us empower our people, minimize our footprint, and improve on our operation with purpose.

Management's Approach to Challenges

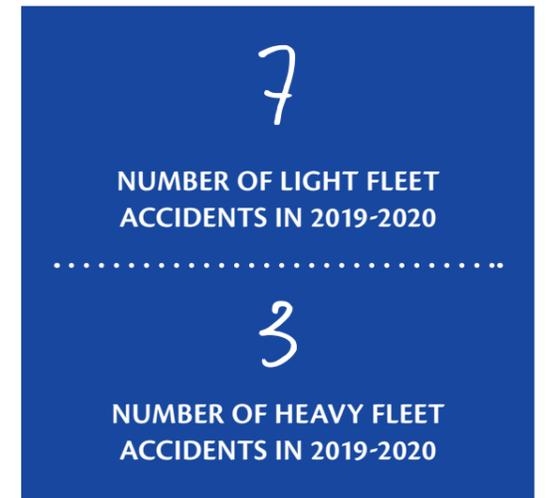
CHALLENGE	RESOLUTION
Fawry received high commissions on services provided to Juhayna.	Commission was successfully decreased in 2020 by 0.0025%.
Difficulties in increasing delivery and reach to underserved segments of the surrounding communities.	Launched Eicommanda program to widen Juhayna's coverage of underserved areas, and hired specifically underprivileged individuals to execute the program.
Continuously evaluating fleet movement to determine the best and most efficient routes for them to take, which can change with the infrastructural changes implemented around the country.	Continued to optimize the handheld GPS system - originally installed in 2008 - which now uses 4G technology. Results are viewed by the market and sales managers, who then decide on keeping or changing the routes.

PEOPLE

Behind the wheel: Juhayna's drivers

Our drivers are an integral part of our operation and fully represent the culture at Juhayna - diverse, well-integrated, and responsible. We cooperate with the Ministry of Transportation in hiring reliable individuals and expect conscientious driving, delivery, and representation of Juhayna to be practiced at all times. We, in turn, ensure that all our drivers are compensated appropriately, and receive additional benefits and compensations that include social and medical insurances, special sales bonuses, and competitive commissions.

Furthermore, all Juhayna drivers attend biannual driving courses that include sessions on general safety measures and procedures, road safety, awareness on potential hazards, and other relevant topics.



Eicommanda

Fleet and Reach

	2019	2020
Commandas (Drivers)	84	106
Trucks	116	150
Customers	9,120	14,155

Distribution Results

	2019	1H2020
Chilled Products	45,700	275,443
Dry Products	47,500	201,890

Outlets covered by TIBA monthly

Region	YTD	Total Coverage								Monthly TREND
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	
Chilled	41,300	34,700	32,700	32,400	32,100	30,200	43,100	33,400	32,200	
Juice	32,900	19,00	15,500	15,00	14,400	12,900	19,400	18,800	17,300	
Milk	36,100	22,700	19,00	19,600	16,700	15,400	22,000	21,600	20,100	
Grand Total	48,000	40,400	38,100	37,900	37,000	35,400	39,800	39,400	38,300	





We rolled out EComanda (roughly translated to The Leader) program in 2019 to make our products available in underserved areas across the country, with the help of underprivileged individuals from different rural areas, who will be hired as expert drivers on the areas. Products delivered by EComanda drivers are sold at more competitive prices, and through them, we aim to provide a diverse array of nutritious products in villages and rural areas, as well as provide new job opportunities and empower people across the country.

Starting 4Q2019 and onwards, the project has been active in the Delta and Upper Egypt areas, and continues to demonstrate success through growing numbers. EComanda drivers also receive trainings on all sales fundamentals once every quarter, to fortify their selling capabilities.

Training traders the Juhayna way

We invest in training our traders to enroot proper storage and shelving techniques in their day-to-day operations and improve their handling of Juhayna's products specifically and chilled or dry products generally. New on-Boarding trainings, periodic assessments, and audits based on consumer complaints regarding a purchase are regularly conducted. We also conduct wholesaler trainings on the storage techniques for Bekhero every six months to ensure compliance with our standards.

PLANET

We are constantly working towards becoming a low-emission business, from farms to factories, offices and distribution movement, and our fleet plays a fundamental role in helping us realize this goal. Next to holding the Environmental Management ISO 14001 accreditation for our alignment efforts, we have intensified our efforts to offset our overall impact and footprint.

Energy Consumption in Distribution

	2018	2019	2020
Electricity (kW/yr)	4,223,824	4,297,203	4,611,756
Gasoline (liter/yr)	7,228,383	7,782,147	7,604,287
Natural gas (m ³ /yr)	52,822	53,592	43,933

Our energy use across distribution has remained largely stable during this cycle, with electricity consumption slightly increasing as four of our distribution centers now work 24 hours instead of 12 hours to meet rising demand. We are working on further streamlining our deliveries (especially as we further transition to our new automated planning systems) to decrease consumption. We also:

1. Continually promote responsible driving practices among our drivers, which include a respect of speed limits, avoiding tailgating to reduce use of breaks, and generally employ best practices to reduce additional emissions
2. Replanned vehicle distribution routes to optimize truck loads and use of space
3. Installed automatic lights in vehicles' cold storage units that switch off when doors are closed
4. Reduced our fleet count to save more energy and costs

Energy Use and Consumption

All Juhayna vehicles have a maximum life of 10 years before they are changed. During this time, monthly consumption cards are kept to help us track each vehicle's operation and consumption levels, and benchmark them against a preset average. Preventative and corrective maintenance is carried out to mitigate deviations. We also:

1. Annually renew environmental compliance reports for each car from the traffic department
2. Maintain any car that is suspected to burn gas outside the car
3. Perform annual environmental audits for cards that have been overhauled to ensure that there are no additional emissions being produced
4. Require drivers to perform daily checkups to make sure there are no oil leaks from the car
5. Regularly service and maintain worn-out vehicles, unclog fuel injectors and replace bad oil; and monitor tire pressure to decrease rolling resistance and fuel consumption
6. Do not overload cars so that their motors remain unaffected and emissions remain at a minimum

Water Consumption in Distribution

	2018	2019	2020
Water (m3)	84,486	47,550	37,031

Juhayna's distribution arm only uses water for non-industrial purposes that include drinking and housekeeping, and is diligent in ensuring that it is used responsibly and with a conservation mindset at every possible opportunity.





PURPOSE

Embracing innovative distribution and collection techniques has helped us better understand our process and improve on it with time. Digitization will play a large part in how our company operates in the future but is now gaining steady traction as we slowly introduce it as a quicker, eco-friendlier, and more efficient alternative. We also value our partnerships and joint ventures with local and global food companies, as we aim to bring more nutritious and celebrated products to the Egyptian consumer.

Quicker transactions through digitized payments

In 2016, a desire to further reinforce our supply chain pushed us to digitize most of TIBA's processes, which helped streamline our payments and increase our fleet's efficiency through more meticulous planning. A partnership with the digital payment platform Fawry was struck in line with our digitization strategy, and EGP 15 million were invested in developing the Juhayna Customer E-Payment model — the first of its kind in the industry. In 2019, we introduced E-Finance's services to our digital payment solutions to facilitate payment of all governmental fees such as taxes and insurance.

Digital payment volumes

	2018	2019	2020
Payments through banks and (starting 2019) E-Finance	EGP 11 billion	EGP 12.5 billion	EGP 8 billion
Fawry Payments	EGP 5 billion	EGP 5 billion	EGP 3 billion

E-commerce sales growth

	2017 to 2018	2018 to 2019	2019 to 2020
	186%	288%	296%

Today, digital payment still faces some challenges due to, among other reasons, the lack of appropriate transactional channels at some of our traditional traders' points of sale. Its contribution, therefore, continues to have minimal effect on Juhayna's cost-saving strategy. We will, however, continue to monitor and assess potential opportunities to improve the performance of our digital e-payment platform, and encourage more of our partners to embrace the upgraded process.

Introducing Arla to the Egyptian market

Juhayna entered into a joint venture (JV) with Arla Foods, known as ArJu, in 2015 to distribute the popular Danish dairy producer's products in Egypt, and further promote nutritious products across the country. In this reporting cycle, our sales team created distribution targets for Arla by number of traders, brand, and region, with incentives distributed upon successful goal attainment. In parallel, Juhayna's planning team improved Arla's stock levels and ordering system, which limited critical stocks, and allowed the company to improve product availability, especially after the application of a weekly forecast system at all TIBA branches.

COVID-19 affected the availability of some of Arla's products, especially its popular butter packs, Lurpak. However, through effective management and the implementation of anti-dumping techniques, we were able to effectively sell all available stocks of the product at discounted prices and manage consumer expectations. We also made use of the heavy-weight seasons (Ramadan, summer vacations, and the back-to-school waves) to promote Arla's products at different retail outlets.



Entering a new Partnership with Rabea

In 2020, TIBA signed a 3-year distribution contract with Rabea products to distribute the brand's entire product portfolio across Egypt. The launch was made official on 21 July 2020 at Juhayna's headquarters, with distribution starting in mid-August to the organized trade channel (large supermarkets/hypermarkets) and in the beginning of September to traditional traders (small-medium retailers).

OUR NEXT STEPS IN DISTRIBUTION

Next to our continuous efforts in managing and decreasing our emissions, we aim to place policies and review mechanisms as needed to remain ahead of our growing operations and their resulting impact. We will also continue to expand on and optimize our existing initiatives and improve their overall performance.

1. ElCommanda is projected to increase to 150 drivers in 2021, thereby extending the reach of the program to new remote and underserved areas in the country
2. Under the new partnership with Rabea Tea, we are working on increasing drop size and value per invoice to increase both operational and cost efficiencies
3. We are looking into transitioning large retail customers from the van-selling system to the pre-ordering system. This should decrease the number of delivery trips per retailer and as a result, the use and emissions of our fleet



SUPPLY CHAIN MANAGEMENT

Optimizing the VALUE chain

It is vital to us that our network operates with the same belief that sustainable action and green operations are the future, and so we ensure that our materials are sourced from responsible suppliers, and that our decisions positively impact all stakeholders involved

Direct and Indirect Suppliers (By Category)

	2018	2019	2020
Farmers	107	119	133
Packaging	40	35	55
Raw materials sourcing	60	40	71
Indirect machinery/spare parts/mechanical services	150	173	231
Other	350	282	529

The decision to transition to vertical integration across Juhayna's value chain continues to prove effective as our operations expand and as our suppliers and traders continue to grow in number. Synergy across all stages of our supply chain process is now higher than ever, and has allowed us to reinforce optimization strategies we had adopted in the past that helped us produce and deliver our products quicker, as well as improve on processes that still needed chiseling. This, over the last two years, entailed a closer look at investments and spending, which helped us

become more cost-efficient; an increase in digital integration, which was effective in the past; and an increase in the local sourcing of raw materials, which helped us mitigate supply challenges and upped our national contribution.

The onset of COVID-19 in 2020 and the resulting restrictions forced us to reexamine a number of our decisions, which in time positively impacted our handling of supply and logistical issues, as well as encouraged the safe reuse of some materials, thereby reducing our waste production.

JUHAYNA'S SUPPLY CHAIN



CHALLENGES AND RESOLUTIONS IN 2019 AND 2020

As our supply chain evolved, we became increasingly wary of changes in market conditions that may affect our access to raw materials and qualified labor, unexpected changes in consumer demands, or hurdles that could impede our operational efficiency. Throughout 2019 and 2020, and especially

during the height of the pandemic in Egypt, we were able to reutilize solutions identified by management for challenges that had faced the company in earlier years. This helped us prepare for and weather unforeseen challenges and maintain the production and delivery of our products during times of national distress.

Management's Approach to Challenges in 2019 and 2020

CHALLENGE	RESOLUTION
Unstable market conditions due to the pandemic led to unpredictable behavior across the supply chain	Regular conduction of meticulous market analysis and research
	Continuous alignment between the demand, production, and material planning departments to maintain accurate forecasts and results
Fluctuation in the costs of raw materials	Followed purchasing best practices
	Improved payment solutions between Juhayna and suppliers to increase cash flow
Long lead times, high stocks, low cash flow	Stricter payment terms for suppliers
	Facilitated internal communication across the value chain to reduce lead times, thereby decreasing resources wasted on clearance and demurrages – lead time was reduced to a maximum of five days
Limited storage space and qualified labor	Streamlined communication between factories, warehouses, and branches, as well as standardized operations at all facilities to increase efficiency

Regulatory, Internal, and Global Controls

Our supply chain functions are heavily inspected by internal and independent auditing bodies to ensure that they are aligned with regulatory standards, as well as continuously upgraded when needed. We are also guided and supervised by several high-ranking local authorities and international standardization organizations. Below are our planned annual reviews.

1. Annual external audit by the National Food Safety Authority (NFSA) (FSSC 22000 version 4.1)
2. 2-4 external audits by the National Regulatory Authority
3. Annual external Halal review by the Egyptian Organization for Standardization and Quality
4. Annual external audits and review of our health and safety (H&S) compliance certification (originally the OHSAS 18001:2017, now the ISO 45001)
5. Annual external audits and review of other ISO compliance certification (ISO 9001:2015, ISO 14001:2015, ISO 50001:2011)

Upgraded operational feats bore fruit throughout 2019 and 2020 and paved the way for the introduction of further improvements to Juhayna's supply chain management framework throughout this reporting cycle. These changes affected all three of our sustainability strategy pillars in different regards.



PEOPLE

Increasing our local involvement and support

Our operations are built to benefit stakeholders with every stride we make. Under supply chain management, this now means positive economic outcomes across many of the sectors we directly impact. It also means a continuous increase in local employment opportunities; stronger economic conditions across different parts of the country; and more opportunities to help transfer knowledge and skills to new associates. Investment in local supply will strengthen reach, capabilities, and offerings, thus increasing local alternatives to foreign imports and fortifying national resilience.

Growing reach also helps us leverage our supply chain to serve wider sections of the community by expanding our nutritious product offerings, whether into niche or underserved markets; and identifying new areas of improvement that will help us cater to more needs, improve our operations, and in turn, strengthen the local dairy production and FMCG industry as a whole.

Selecting the right suppliers

Local sourcing surges at Juhayna are even more noticeable in 2020 due to the addition of new farms and alternative suppliers to our roster, to offset shortage risks. To choose additional suppliers — multiple for each raw material — Juhayna employs a multi-level selection process which includes:

1. Preparing and receiving sign-off on a list of specifications for the raw material (via technical data sheets and certificates of analysis)
2. Receiving a sample of the raw material from the supplier, which our Research and Development team then tests for quality, and provides approval
3. Receiving larger quantities of the material, and submitting them for industrial trials
4. Obtaining production quantities for final approval, while assessing the supplier's commitment with regards to lead time, consistent quality of product provided, and service level
5. Receiving the final confirmation from Juhayna's technical team, after which a contract is signed with the supplier

We work actively to ensure suppliers comply to the quality standards we hold for ourselves through regular audits. We are working to integrate environmental and human rights planks into these audits as we integrate sustainable business practices more thoroughly throughout our supply chain.

Direct and Indirect Suppliers (Total)

	2018	2019	2020
Local suppliers	545	577	929
Foreign suppliers	55	72	125
Total	600	649	1,054

Efficient communication with our network

All of Juhayna's suppliers now have rating cards which helps us easily track their performance, especially if they provide high volumes of the company's needs. Additionally, Juhayna's standard operating procedures for procurement have been firmly established to enable the accurate prioritization of quality, price, payment terms, required quantities, and delivery dates between us and our suppliers on commercial and technical levels.

“Investment in local supply will strengthen reach, capabilities, and offerings, thus increasing local alternatives to foreign imports and fortifying national resilience.”

PLANET

Changes across supply chain has helped us make more efficient use of our resources and fleets, and in some cases, change the way we handle some of our shipments and supplies. COVID-19 in particular had notable effects in that regard, as restrictions on land and sea transportation forced us to rethink some of our arrangements with suppliers, and make strides in our circular economy practices by responsibly reusing some supplies that were scheduled to be discarded.

Our emissions with regards to sea transport were severely reduced in 2020 as a result of COVID-19-related restrictions. This, however, allowed us to adopt a more hands-on approach in arranging, monitoring, and handling shipments from local suppliers, and increasing the efficiency of the process. Land restrictions, however, were easier to navigate, as we were able to strike agreements with regulatory and executive governmental bodies to transport materials, especially during curfew times.

Reducing, Reusing, and Recycling

Restrictions caused El-Marwa plant to face drum supply issues, which led to reductions in externally acquired stockpiles. This, however, resulted in the positive action of reutilization, as the plant began reusing old drums that were originally set to be scrapped to store its newly acquired local and internally acquired supplies.

Furthermore, this prompted us to launch an onsite drum repair facility at El-Marwa, so we can better maintain drums, extend their usability, and depend less on new purchases.

Giving our Eco-friendly Packaging a boost

Our relationship with the premium packaging company Tetra Pak continues to evolve as we regularly explore ways to reduce the impact of our waste on the environment. We began this process with rolling out Forest Stewardship Council (FSC) certified packaging across our entire range of products in 2015. Then in 2020, Tetra Pak introduced biodegradable spouts to applicable product packaging at Juhayna. We naturally remain on a continuous quest to create a product package that bears minimal undesirable impact on the environment and can be easily recollected and recycled for future use. We also launched the “Push the Straw Back” initiative, a marketing campaign linked to an easy-to-use packaging mechanism designed to allow users to push the straw back into our Mix milk line. The goal was to allow packaging to be recycled in an easier and more efficient manner.



PURPOSE

Juhayna's future lies in a willingness to constantly grow, experiment, and innovate. As we began to vertically integrate our supply chain, we began to identify more opportunities for integration that can transform the concept of supply chain management. As such, we began to implement some crucial upgrades throughout this reporting cycle, which resulted in operational and cost efficiencies, as well as stronger digital integration across our facilities. These upgrades included:

Integrated Business Planning (IBP) Practices

We began introducing IBP practices to our supply chain framework in 2017, which are reporting and adjustment sessions that aim to optimize monthly forecasting processes. By the end of 2020, IBP will officially be in its final integration phase, as we aim to merge it with our current forecasting module and reduce manual involvement. This will also mark a starting point for the automation of our Material Requirements Planning (MRP) system, and the creation of a unified channel across the supply chain.

Black Box

The Black Box project was introduced at El-Dawleya plant in 2018. It is a fully automated warehouse machinery system that handles and stores pallets throughout the processing and loading phases. Zero fatalities and 100% on-time-in-full deliveries have been recorded thanks to this new system.

Improved Tracking of Raw Materials

We launched a material coding process across our entire operation to further streamline the supply tracking process and be easily able to determine shortages, surpluses, or expected needs. This allows us to track each material's availability in our stock and access its purchase history which details suppliers used, costs incurred, and plants where it was used.

Sedex Involvement

El-Marwa and Modern Concentrate remain members of Sedex, which we consider crucial in advancing the plant's plans for optimizing its supply chain practices and handling high-caliber clients. The organization's audit methodology, known as Sedex Members Ethical Trade Audit (SMETA), provides a compilation of best practices for ethical auditing techniques. It is designed to help auditors conduct high quality audits that encompass all aspects of responsible business practice, covering Sedex's four pillars of labor, health and safety, environment and business ethics. Sedex also provides access to a secure online platform for sharing industry-wide views with over 150 other members on these pillars. We are in the process of receiving a letter of compliance for 2020 for our alignment with SMETA audit practices.

Rough Cut Capacity Planning (RCCP)

Capitalizing on IBP practices, the RCCP aims to transform forecasts into production capacity that is able to meet long-term demands. This largely depends on sound communication between the different plants' teams, so that accurate material plans are produced which should lead to fewer shortages, improved utilization, and the creation of efficient, standardized processes.

Changes at El-Marwa

We introduced a new planning department to El-Marwa plant in 2019, which is currently working on minimizing any over- or under-achievements in the plant's sales. The department is also tasked with minimizing intercompany shortages cause by El-Marwa by ensuring that the factory is able to deliver on any promised supplies to other Juhayna facilities.

Additionally, we now accurately forecast supply and production needs at the plant due to improved operations and have successfully decreased the need for renter warehouse space by 32% in 2020. This was done by optimizing the use of the plant's existing space, which is a result of the successful cooperation between the sales, planning, and warehouse teams.

Reducing Heavy Fleet Time

In 2020, we signed a long-term lease to rent heavy fleet trucks per month instead of per trip. This led to a substantial 20% decrease in spending on heavy fleet rental, and has allowed us to make more efficient use of the trucks.

OUR NEXT STEPS IN SUPPLY CHAIN MANAGEMENT

As we constantly seek to advance our operations, we are never without forward-looking strategies and plans that aim to refine our services and offerings. With regards to supply chain management, some of these plans are heavily geared towards a digital and automated future, and they include:

- Introducing a barcode identification system to different supplier pallets
- Launching a fully integrated supply chain management dashBoard and key performance indicator measurement system
- Automating the Distribution Resource Planning (DRP) system for both dry and chilled products
- Developing a business-to-business system that allows for easier system integration with suppliers

- Launching tracing systems through which we can identify different batches of each product, to assist in mitigating any potential errors, hazards, or mishaps
- Initiating the digitization of EgyFoods

Other plans that aim to maximize the efficiency of existing day-to-day processes include:

- Increasing stock optimization to decrease losses in stock value, increase cash flow, and improve mitigation of shortages throughout the year by accurately tracking real time changes in stockpiles
- Efficiently reducing packaging costs
- Raising fleet utilization efficiency
- Introducing freight on Board (FOB) or ex works (EXW) shipping practices, which should save Juhayna around 20% of its current shipping costs



PEOPLE



HUMAN RIGHTS

FUNDAMENTAL GLOBAL DUTIES

Throughout its decades-long history, Juhayna has been committed to applying and upholding the strictest measures in all its hiring and operational practices, as well as labor standards in alignment with human rights and child labor laws and guidelines. Juhayna has long welcomed reviews and audits by its partners to ensure compliance with these standards. With over two decades of partnerships with McDonald's and an ever-expanding network of farms, human rights are integrated into our economic decisions and those of our partners and suppliers.

We abide by McDonald's Supplier Workplace Accountability (SWA) through audits in the following areas:

- Business Integrity
- Human Rights
- Workplace Environment
- Management Systems
- Environmental Management

POLICIES AND PROCEDURES*

The UNGC conducted its own reviews of our operation as part of our membership request review back in 2017. As an active member, we now conduct regular self assessments with focus on the aforementioned topics, specifically those that pertain to the principles of human rights. We also adhere to Egypt's comprehensive employment contracting

laws, with our internal policies rigorously monitored and audited accordingly. To ensure we uphold employees' rights, we have put the following policies in place:

1. Code of Conduct
2. Grievance Procedures
3. Equal Opportunity and Anti-Harassment Policy

The Code of Conduct and Grievance Procedures are compiled and reviewed regularly by our organizational development (OD) Section Head and approved by the HR Director, followed by the Deputy CEO, who is delegated by the Board on that matter. The Equal Opportunity and Anti-Harassment Policy is compiled by Juhayna's HR Director, reviewed by the Quality Director and the Director of Internal Audit, and approved by the Deputy CEO, who is delegated by the Board on the matter.

All our measures are stipulated in our dedicated internal guidelines and instructions under the unified Juhayna Policies & Procedures. They are communicated to candidates during the recruitment process, and specific terms are included in the job descriptions, job offer letters, or employment contracts. Our teams constantly work to improve and/or update these strategies through the HR, Internal Audit, and Internal Communication departments.



Our Internal Audit team checks and reports on all current systems, documentation, and evidence examined, including:

- Policies and written procedures, in conjunction with relevant managers, to understand and record what documentation is in place.
- Implementation in practice (such as thorough training) and the processes used to manage human rights at the sites.

Including Employees in the Process

Juhayna's management holds regular employee-only meetings to discuss concerns on working conditions or work-related issues, and hear any concerns or complaints employees may wish to raise. Meetings are held on the first Monday of every month with the company representative.

Policies on Discrimination and Rights to Privacy

To safeguard against potential discrimination, hiring managers receive training regarding the company's nondiscrimination policies. Juhayna also has policies in place prohibiting requiring job applicants to divulge information regarding marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions. Employment contracts also outline Juhayna's labor policies that prohibit any and all forms of forced or bonded labor. Any employment advertisements by Juhayna cannot and do not reference discriminatory criteria, such as race, gender, or age (unless listed as part of a legal equal opportunities promotion). We also work to ensure qualified persons with disabilities or health conditions have access to employment opportunities with the company, providing wheelchair access, flexible working hours, and longer breaks.

In case of incidents of workplace discrimination, Juhayna has an established procedure, accessible and known to all workers, that enables them to safely report any incidents as stipulated under the Juhayna Corporate Management System-Grievance Procedure. Juhayna is continuously committed to applying any labor law amendments.



We do not endorse any state-imposed discriminatory limitations on the right to vote, and do not pass along information concerning religious, racial, or political affiliations or other employee information which could be used by the government as a reason to restrict the right to vote.

“Juhayna does not discriminate against race, gender, or age, and works to ensure that qualified persons with disabilities have access to equal employment opportunities.”

SPECIALIZED TRAININGS

Our sales representatives and drivers are considered part of our security personnel, as they accompany our goods during distribution across the country. They are in charge of the safety of the products; the vehicles under their care; the management of any cash at their disposal related to their duties; as well as our relationship with retailers and business partners.

We do not conduct particular or regular training on human rights principles for employees, but communicate all policies related to the code of conduct, anti-harassment, and grievance procedures during the hiring process. Supervisors and managers are directly responsible for ensuring the implementation of and compliance with all matters stipulated in these documents by their teams. Any breach of these commitments leads to an assessment of the employee's conduct, escalating to the HR Department, and/or Internal Audit if necessary.

*Appendix D (Juhayna's Main Policies and Procedures for Human Rights) - pages 117 to 119





On the other hand, particular training is conducted in certain functions related to other stakeholders with whom our employees conduct our business, such as farmers and retailers.

Handling Products with Care

They receive annual training sessions and on-the-job trainings for product control, such as:

- Product returns handling (by the Quality Control Department - biannual)
- Best practices for product handling, from receiving the products from our warehouses until their storage in customers' warehouses (by the Quality Control Department)
- Customer warehouse handling, in the service section in our professional selling skills course (by our Internal Sales trainers - annual, in addition to continuous on-the-job coaching)
- Maintaining warehouse stock arrangements and product rotation
- Sorting and replacing the product returns

Access Control Trainings

Our Access Control Procedure is Juhayna's guiding document for security personnel to ensure implementation of global security standards within company buildings and offices, through providing the guidelines and procedures that should be implemented. These guidelines are to be adhered to by all Juhayna employees, contractors, and visitors for the duration of their presence within the facility. The document explicitly stipulates the conduct of the security guards towards all type of stakeholders visiting the facilities. This document is particularly important, as Juhayna outsources security guards. The Security Manager is responsible for security guards' training and compliance with Juhayna's codes and regulations. The Access Control Procedure is compiled by our Security Manager, reviewed by the HR Director and Director of Internal Audit, and approved by the Deputy CEO, who is delegated by the Board on this matter.

Communication with Retailers

Our representatives are in charge of managing the company's relationship with retailers, and are therefore accountable to conduct themselves according to Juhayna's rules stipulated in our code of conduct. In addition, retailers are expected to adhere to stipulations dictated by Juhayna, that include no involvement in child labor and any other form of human rights violation.



EMPLOYEES CORE PILLARS TO THE OPERATION



Juhayna's longstanding success would not have been possible without the efforts and dedication of its people. Our employees are the driving force that provides careful and responsible management of our assets and resources. At Juhayna, we believe in the power of our human capital and acknowledge the influential role they play in the sustainable success and long-term growth of the business. Our functions are led by veterans in their fields, whose knowledge is only superseded by their pro-organizational drive, rather than individual centrality. The Juhayna family consists of 1,325 blue collar employees, with an additional 2,012 that are market-based, as well as 741 white collar employees and 537 management level individuals, all under full-time contracts. Juhayna's focus on employee well-being and recognition, engagement and strategic alignment, as well as its profound understating of social barriers in our sector and commitment to diversity make it an employer of choice for many.

1,325

BLUE COLLAR EMPLOYEES

2,012

MARKET-BASED EMPLOYEES



Juhayna's vision has always been to create shared value across the business, impacting both consumers and employees' lives for the better. We consider our stakeholders as part of our extended external family: the supplying farmers, the retailers, and the partners. That is why the job entrusted to the HR Department is of great significance, taking care of the people who take care of us and our business. In addition to the importance of an HR Strategy Role that completes and complements the practices of the good governance of our business, at Juhayna, we strive to offer our employees much more than just the rights of good compensation and a promising career path. Juhayna has become an employer of choice for many, with a clear employee value proposition that is sustainable over time for both current and prospective employees.

As part of this vision, Juhayna's inclusive policies allow for employees' continued involvement in our business processes, enabling us to formulate a development plan that is compatible with each function and motivational for the teams in charge, offering a true career path that adds value to every and each of our employees. This has evolved over the years of doing business, through a unified and communicated vision, as well as the recent cultural change that saw sustainability take a front seat in Juhayna's strategies. Ongoing dialogue is a key function of this unified vision, with an annual meeting between top management (Chairman, CEO, and the Executive Manager) and all Juhayna's employees, involving everyone from entry level M1 (assistant team leaders) to senior managers M5 (Heads of Departments). The meeting aims to align strategic objectives with operational targets, revisit challenges and any emerging disruptive risks to calibrate our priorities and plans if needed, and boost our employees' engagement and shared ownership of success, while instilling the importance of accountability.

741

WHITE COLLAR EMPLOYEES

537

MANAGEMENT LEVEL
EMPLOYEES



AN EMPLOYER OF CHOICE: FAIR COMPENSATION AND BENEFITS*

Juhayna's healthy and positive internal culture attracts not only the best, but also the right talent to our business. Our principles promote diversity and eliminate gender bias in all phases of the employment process, from recruitment and advancement to remuneration, our policies provide equal opportunities for salaries for both women and men, across all levels and locations of operation.

Our extensive compensation and benefits structure also ensures that employees receive additional benefits as needed. In 2020, and among the additional measures we have taken to further boost employee immunity against the spread of diseases, we launched a vaccination campaign against seasonal influenza.

Location	No. of vaccinated employees
Head Office	46
Egyfood	188
Al Dawleya	226
Al Masria	292
Juhayna / Heavy Fleet	92
Al Marwa	100
Tiba and Branches	2,629
Total	3,573



LEARNING, DEVELOPMENT, AND CAREER GROWTH

Although the COVID-19 pandemic led to a halt of our Technical Academy for the Manufacturing Sector and Leadership Academy for Management, Juhayna remains a strong supporter of employee development. From the onset of 2019 until August 2020, the Technical Academy conducted 10,529 hours of training, while the Leadership Academy conducted 5,645 hours of training.

Social distancing and work from home requirements made posed a challenge for continued trainings at the academies, however we are currently in the process of establishing an e-learning solution for the Leadership Academy.

APPRAISAL CRITERIA AND PERFORMANCE FEEDBACK

Juhayna's Performance Management Process is conducted through the Oracle system, under which employees align their personal objectives at the beginning of the year with their manager, based on the company's objectives as a whole. These objectives are evaluated and shared with the employee throughout the year. The system is integrated with a built-in set of skills and

Training Hours

	2019	2020
Technical Academy	Manufacturing: 5,523.5 Sales: 2,472	Manufacturing: 2,126 Sales: 408
Leadership Academy	5,646	0

Number of Employees Trained

	2019	2020
Technical Academy	Manufacturing: 1,301 Sales: 412	Manufacturing: 115 Sales: 68
Leadership Academy	541	0

competencies required of the employee to ensure an accurate appraisal. Equally, employees have the right to provide feedback to their direct manager and share their self-assessment. This process has boosted motivation and proven to be successful in achieving business objectives and personal success.

AN EQUAL-OPPORTUNITY EMPLOYER: DIVERSITY IN THE WORKPLACE

Our "Equal Opportunity and Anti-Harassment" policy has allowed us to realize great diversity across our value chain, which now extends beyond age categories to cover social and economic variables. This has helped us fuel social stability for multiple families and their caregivers while smartly investing in our human capital.

While we are proud of the talents of our "less than 30" employee pool, our strength also lies in valuing the expertise and services of our retiring employees. For those who are willing to continue working after their retirement age, we offer the opportunity to continue with Juhayna as consultants in their areas of expertise when possible and beneficial to both parties. We also contribute to our employees' retirement plans through our commitment to the regulatory percentage of pension schemes, which are paid as social taxes. The percentage is calculated based on the category of salary level.

New Employees Hired by Gender

	2018	2019	2020
Women	36	32	17
Men	1,030	973	475

Total Turnover by Gender

	2018	2019	2020
Women	39%	21%	33%
Men	25%	23%	19%

New Employees Hired by Age Group

	2018	2019	2020
Under 30	673	719	355
30-50	393	283	134
50+	0	3	3

Total Turnover by Age Group

	2018	2019	2020
Under 30	35%	41%	22%
30-50	20%	15%	16%
50+	21%	17%	35%

*Appendix E (Compensation and Benefits) - page 119



Towards A Gender-Diverse Workforce

As of August 2020, Juhayna has 109 female employees. This is a product of a reality that is unique to our industry, in which it is often challenging to maintain a high level of female employees across most of our supply chain functions. In pursuit of quality rather than quantity, our attention was more focused on solutions that are realistically implemented rather than following trends that are neither socially just to our female employees, nor economically sound for our business.

As a sector directly concerned and related to environmental conservation and the use of natural resources, the IUCN defines its gender-responsive approach as “the proactive identification of gender gaps, discriminations and biases and then the coordinated development and implementation of actions to address and overcome them”. Through the implementation of that framework, we can establish a gender-responsive approach that ensures women and men have equal opportunities in terms of participation, decision-making, and benefits and that we have structures inclusive and gender sensitive project teams that demonstrate appropriate capacities and technical expertise to support gender responsive action. Under that principle, Juhayna has actively focused on career functions and a knowledge system that are curated for our female employees, through roles that foster social inclusivity and gender empowerment. We continue to work and demonstrate our attentive care to the wellness of our own female employees.

Female Representation in White Collar Positions

2018	2019	2020
86	98	83

Female Representation in Blue Collar Positions

2018	2019	2020
37	33	25

Female Representation in Management Positions

2018	2019	2020
54	66	62

57%

OF COMMUNICATION/MARKETING AND HR FUNCTION EMPLOYEES ARE FEMALE

23%

OF INNOVATION AND QUALITY EMPLOYEES ARE FEMALE



The GIZ Competition

For its genuine efforts to support women in its workplace, Juhayna celebrated its win of the Diversity in the Workplace competition by German Agency for International Cooperation (GIZ). Leading the Egyptian market as the first company in the industry to implement a long-term Development and Training Program entirely dedicated to women, a protocol with (GIZ) was realized, as another milestone in our efforts towards diversity. Over the course of two years, a total of 10 female participants received support on exploring their career development path at Juhayna through in-company programs. Through a total of 45 hours of training, young women leaders were able to develop a better vision for their career prospects, and grasp a better understanding of their capacity-building needs. They were encouraged to exchange and build a women's network to support one another, and advocate a corporate culture that promotes women contribution to the company.

Embracing Everyone

Additionally, and as we look to seek higher levels of diversity and provide opportunities to all members of our surrounding communities, we employ individuals with special needs across our workforce. Internal processes are facilitated to accommodate each inability an employee is faced with, and we constantly work to further enable their successful performance.

“ Juhayna has actively focused on career functions and a knowledge system that are curated for our female employees through roles that foster social inclusivity and gender empowerment. We also continue to work and demonstrate our attentive care to the wellness of our own female employees. ”

COMMUNITY

JUHAYNA GIVES BACK

Juhayna has always been committed to benefitting all people in its community, helping them overcome their challenges and realize their aspirations. We have continued to focus our community-based efforts this year on raising health literacy; supporting general health and wellbeing; volunteerism; and entrepreneurship and leadership

RAISE HEALTH LITERACY

“Sehetak Fi El Elba Di” Campaign

This campaign aims to raise awareness on food safety. Since its inception, Juhayna has been a major advocate of transitioning from loose milk to packaged dairy products, leading the way to safer dairy products. Through our partnerships with the Ministry of Health, the Chamber of Food Industries, the Faculty of Agriculture at Alexandria, and Tetra Pak, this has proven highly successful. We launched the Sehetak Fi El Elba Di campaign to spread the word on packaged milk’s nutritional value. The campaign positively impacted its target audience and was a key contributor to the significantly increased demand for packaged milk since 2017.



ElCommanda

In an attempt to raise awareness on the importance of proper nutrition, stimulate the health of the Egyptian people, and increase access to nutritional products in underserved areas, Juhayna successfully launched the ElCommanda program, which revolves around the idea of creating new job opportunities for less privileged people. Read more under “Distribution: Delivering with Care” (Page 71).

NGOs and Juhayna for the Egyptian Children

Creating a prosperous community can only be accomplished by considering all types of social challenges; at Juhayna, we focus on issues that are particularly related to health and nutrition. We direct our attention and a considerable portion of our social investments to one of the most vulnerable segments of society: underprivileged children with social or health difficulties, with limited access to affordable nutrition or healthcare. Allocating a significant budget to this cause, we selectively cooperate with NGOs and governmental bodies to ensure that our contributions are placed where they can most create a true impact and a direct benefit. Beneficiary institutions are selected following a rigorous research and recommendation process, followed by our own preliminary checks to validate that the said institutions serve the segments of children that can be supported by our nutritious products and are at an age that can consume dairy and juice products. As our cooperation is established with the NGOs, further auditing (pop-up visits) is conducted by Juhayna to ensure compliance with our agreement and maintain an impactful benefit to the children. We are proud that we have sustainably cooperated with 19 NGOs and establishments in 2019, supporting 1,737 children in dire need to nutrition and health care. The figure has dropped from the 20 NGOs and 2,900 children extended support in 2017-2018 due to one NGO not meeting our regular evaluation standards and several children aging out of institutions such as orphanages.



SUPPORTING GENERAL HEALTH AND WELLBEING



Baheya and Juhayna Fighting Breast Cancer

Juhayna has always been an advocate to the wellbeing, health, and empowerment of women. In support to our Egyptian Female Community, Juhayna has been the main sponsor of Baheya Hospital, a leading Egyptian establishment that supports women by offering free-of-charge early detection and breast cancer treatment with more than 92,000 ladies checked in Baheya over the past five years through the efforts of elite professors from some of the major Egyptian Medical and Academic Institutions (Oncology Institute, El Kasr Al Ainy and nursery faculties, Cairo University, and Ain Shams University). Since 2015, the Baheya Hospital has been at the heart of our social investments, with Juhayna renewing its sponsorship of Baheya Hospital for another two years for almost EGP 35 million, aiming to diminish the hospital's waiting list, and help sustain Baheya's mission to fight and end breast cancer. To date, Juhayna's contribution has facilitated 15,902 early detection checkups and helped 435 patients be fully treated (radiation sessions, chemotherapy, and surgeries).



3,000

EARLY DETECTION CASES

18,000

EARLY WOMEN IN OUTPATIENT CLINICS CASES

180

SURGERIES

+1,000

CHEMOTHERAPY SESSIONS

3,000

RADIATION SESSIONS

“Juhayna Supports Baheya” with Al Ahly Club

Aiming to bring more support and an expanded outreach to a larger base, we launched the Juhayna Supports Baheya Campaign, in partnership with Al Ahly Club. The club's popularity base was key to the success of the campaign, with the Senior Football Team, one of Egypt's most renowned, agreeing to place the Baheya Campaign logo on the team's famous official red jersey, in support of the cause. The campaign raised a remarkable EGP 19 million in donations for Baheya Hospital, funding free treatment for nearly 5,000 women. The campaign achieved outstanding reach, with 108% interaction on social media, 118% views, 113% reach on Instagram, 312% more, on average, than our other advertising campaigns. The campaign also received support from multiple renowned Egyptian athletes, TV presenters, and celebrities. We are confident that our community will continue to nurture this cause and join us in raising awareness to the importance of early detection.



“ Juhayna advocates for the wellbeing, health, and empowerment of women, and sponsors many projects to showcase its unwavering support. ”

Supporting Women's Physical and Mental Health

As firm supporters of women's rights, we prioritize raising awareness about all issues regarding the physical and mental wellbeing of women in and beyond our surrounding communities. To that end, we participated in the international awareness movement battling violence against women in 2020, which is composed of 16 days of activism (25 November to 10 December) against gender-based violence. During that time, we branded Juhayna Square, a public square that we sponsor in the 6th of October neighborhood in Giza governorate, with signs prominently featuring the sentence “No to Violence Against Women” and the hashtag #Not_Normal (translated from Arabic). Our efforts to raise awareness and take action regarding the issue were recognized and praised by Maya Morsy, president of the National Council for Women.

“ As we grow through continuous innovation and seek to empower young talents within and beyond the company, we remain committed to sharing our industry knowledge and providing community support through diversified, impactful initiatives. ”

VOLUNTEERING

Juhayna developed an internal program that enables employees to partake in community development initiatives on a voluntary basis, offering them the chance to make a difference. In 2020, volunteering efforts included renovations and visits to the Banati Foundation in Giza, and lunch box packing for 300 children in rural neighborhoods. We also launched an employee blood donation campaign for the benefit of hospital patients, for which we received an appreciation prize from the blood bank.

ENTREPRENEURSHIP & LEADERSHIP

Today’s interconnected global sustainability and national reforms require a collective effort to create a movement of empowered and innovative future entrepreneurs and leaders with the skills and passion to create the necessary change. As we grow through continuous innovation and seek to empower young talents within and beyond the company, we remain committed to sharing our industry knowledge and providing community support through diversified, impactful initiatives.

Supporting Entrepreneurship Development

Engaging with the youth and supporting their forward-looking thinking, we allow them to unleash their own potential. Celebrating our 12th year of partnerships and sponsorship with Enactus is another millstone in our commitment to engage with and support youth. Enactus is an international non-profit organization that promotes entrepreneurship and provides a platform for 72,000 private and public university students, engaging with business and academic leaders on community development initiatives impacting almost 1.3 million lives globally. We sponsor the Enactus movement, its annual competition and all its projects through continuous dedicated donations, with an objective to educate them to become driven change-makers.

Empowering Mothers in the Job Market

Juhayna participated in “Mama Fel Shoghl” (translates to Mother at Work) in 2020. The rehabilitation program seeks to empower mothers who seek to join the workforce after being unable to do so upon finishing their



education or who have been out of the labor market for a long period of time. The program, operating with the slogan “Make it work for HER to work”, provides participants with up-to-date online trainings on emotional intelligence and presentation skills to assist them in navigating the current job market.

Sharing Industry Knowledge

Enriching the knowledge of all generations is a duty we are deeply passionate about. Juhayna has a keen desire to bring our brand and the industry closer to the younger generations who have not experienced manufacturing except behind the lens of an advertisement. Our tours are designed to give our visitors a better understanding of our manufacturing process, with firsthand insights on all phases (raw material, packaging, warehousing, and distribution). Visitors also learn about our health and safety standards, with which they are required to comply.

Coupled with nutritional awareness sessions, we consider our factory visits a gateway to all those who are interested to delve into our world of production that touches people’s lives. We are proud to see increased interest in our factory tours, with 40,717 visitors in 2019, 33,000 in 2018, and 28,000 in 2017. As part of these visits, we have invited a number of consumers to our factories as a reflection of our transparency and confidence in our quality and manufacturing standards, and as an internal policy to respond to any individual complaints through our call center. Our goal is to maintain this unique bond with our public, and keep our doors always open to more, targeting 20% more visits/visitors every coming year.

Advising Future Generations

In 2020, Juhayna’s female leaders participated in a webinar titled “Pro Girls”, launched in collaboration with Econwin and the GIZ, through which they provided guidance and advisory to young females beginning their professional journeys. The webinar was attended by close to 175 students from Cairo, Alexandria, Sohag, and Damanhour governorates, and was centered around encouraging females to explore work fields atypical for females in Egypt, such as technological fields information and communication technology (ICT), and science, technology, engineering, and mathematics (STEM) practices. It also promoted female leadership, and encouraged women to pursue managerial positions across traditional and innovative sectors.

COVID-19 Relief

Parallel to our longstanding CSV projects, we launched new initiatives to further our involvement in the community and provide support during the coronavirus outbreak. These projects ranged from internally supporting and safeguarding our employees, to launching and participating in external initiatives that include El Kheir Challenge by the Egyptian Food Bank, Kemama Campaign, and AmCham’s private sector alliance. Read more on our initiatives in the COVID-19 Response section, [page 19](#).

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Now an integral part of the successful and fair management of Juhayna, our corporate governance framework serves all of our stakeholders by ensuring that transparency, accountability, quality, and efficient risk management are embraced operation-wide

Juhayna is committed to conducting its business ethically and effectively, while fostering innovation and collaboration across all of its operations. Accordingly, the company has ensured that its corporate governance practices are aligned with the highest international practices, allowing for responsible, transparent management while maximizing returns for our shareholders. Our practices are carefully selected to both guide our company's operations as well as create shared value for all stakeholders.

BOARD COMMITMENT TO SUSTAINABILITY

Creating shared value is a key pillar in Juhayna's strategy, making sustainability a key priority for all decisions issued by our Board. During the creation of Juhayna's 2020-2025 corporate strategy, the company's Board of Directors engaged in a number of discussions and briefing meetings in order to enhance their knowledge of sustainability efforts, the company's impacts, and relevant stakeholders and allow them to establish the company's new strategy with sustainability at its core.

Owing to the size and nature of the industry and the company's operations, the Board has delegated its authorities in ensuring sustainability to the company's CEO, who is responsible for assessing and mitigating risks as well as instating sound operational practices across the economic, environmental, and social spheres that achieve the goals set by the Board and comply with existing commitments such as the UN Global Compact. Data collection on sustainability matters across the company's operations is headed by the Sustainability Champions, which is later reported to the CEO. The department issues periodic reports and updates to the CEO for review, discussion, and decision-making on relevant matters.

Juhayna's CEO and department heads are tasked with accounting for the company's sustainability objectives across our entire value chain. The heads of department periodically consult with our sustainability champions to ensure continued alignment between the company's operations and CSV strategy. Juhayna's Board of Directors is occasionally required to be involved when



disruptive risks arise in order to manage these risks in a way that allows for the continued advancement of the company's sustainability objectives.

As part of its ongoing commitment to further integrating sustainability into the fabric of its operations, Juhayna's Board of Directors has, since 2018, mandated sustainability reports as part of its disclosures of the company's performance assessment across the environmental, social, and governance spheres. The company's CEO and sustainability champions work closely in order to ensure that all material topics relevant to the reporting period are covered in the report.

Board Assessment

Prior to this report, the processes for evaluating Board Performance has been part of the traditional assessment conducted by the General Assembly. Part of such assessment is our Annual Report which compiles and represents the status of Juhayna and its Board Performance. The Annual Report is focused on the economic and financial performance of the business, while the environmental and social topics were often implied, but not disclosed according to global practice and structured key performance indicators.

We are proud that this reporting cycle brings focus on our CSV Strategy implementation. Through this report, our second GRI-compliant sustainability report, we aim to set the framework and the baseline indicators for our future

corporate sustainability strategy in a manner that allow our future reports to become part of our performance assessment when it comes to how we manage our impacts. Our ESG Assessment, our Rating by TUNDRA FONDER and our practices and reporting on UNGC Principles will also be taken into consideration as part of our future performance assessment.

Assurance Measures

This report has been formally reviewed and approved by our Board of Directors and CEO as the primary authorities by which internal assurances are made as to the accuracy of the information presented. The Board of Directors and the CEO assess Juhayna's material impacts two to three times a year, the way in which we manage those impacts, and how to consistently improve upon the ways in which we measure, quantify, assess, and mitigate those impacts. This is done with close coordination with stakeholders who are consulted regularly as stipulated in our stakeholder engagement framework and assessment.

For the purpose of this report, all material topics have been discussed between sustainability champions and the CEO as a representative of the Board to ensure that all material topics, relevant to this reporting period, are covered. The Board engages with internal stakeholders, some of which make up the company's sustainability champions on a daily, weekly, monthly, and quarterly basis and holds monthly operational and manufacturing reviews to frequently assess impacts, measurements, and mitigants.



TO STANDOUT as the LEADING SOURCE
of a HEALTHIER AND TASTIER QUALITY OF LIFE, for YOU.

أن نتفرد بكوننا المصدر الرائد
لحياة أكثر صحة وعم، من أجلك.



BOARD OF DIRECTOR COMPOSITION AND SELECTION

Under the Egyptian law, a company's Board of directors is elected to represent shareholders, govern matters such as percentage of capital distribution, and appoint new members of the Board. Juhayna's Board of Directors, which consists of three executive and four non-executive members, is tasked with overseeing the implementation of Juhayna's long-term strategy as well as constantly reviewing and enhancing the company's transformation and innovation goals. The Board convenes at the invitation of the Chairman as necessary to maintain the company's interests, with a minimum of four meetings each fiscal year. The Board of Directors convened 11 times during 2019 and four times in 2020.

The Board of Directors composes of seven members, elected by the General Assembly on 8 March 2018 for a period of three years. The Board of Directors is formed of an appropriate number of members in a manner that enables it to carry out its functions and duties, including the formation of its committees. The formation of the Board of Directors also includes non-executive members and independent members who have technical and analytical skills to help the Board carry out its role and for the benefit of the company. The Board is composed of representatives chosen from within different groups of shareholders, however, whenever a member is appointed, he/she shall consider him/herself as a representative of all shareholders committed to the company's best interest.

Members are carefully considered based on their relevant experience when it comes to the nature of Juhayna's business and its place in the economy, with processes in place to ensure we have a balance of independent members to assure we are operating ethically and transparently. We strive to ensure that diversity in terms of gender, nationality, and relevant experience is considered when nominating members to the Board or relevant committees and consistently engage with internal stakeholders to evaluate and assess the criteria by which we nominate members.

“Members are carefully considered based on their relevant experience when it comes to the nature of Juhayna's business and its place in the economy.”

MEMBERS OF THE BOARD



Safwan Thabet*
Executive Chairman of the Board & CEO

Mr. Thabet has been the Executive Chairman of the Board of Directors since founding the Group in 1983. He has played a central role in developing the Egyptian food sector over more than 36 years through various appointments and positions, including Member of the Board of the Federation of Egyptian Industries (FEI) and Member of the Board of the Chamber of Food Industries.



Seif El-Din Thabet*
Deputy Chairman of the Board & CEO

Mr. Thabet joined the company's Board of Directors in 2006 and became Deputy Chairman of the Board of Directors in 2016. He is currently Chief Executive Officer of Juhayna and has held the positions of Operations Director and Human Resources Director beforehand. Mr. Thabet began his career at Juhayna in 2004 in managerial positions that include Sales and Marketing Manager, Project Manager, and he was the first Plant Manager for the company's Juice Factory, El Dawleya. Outside Juhayna, he holds the position of Vice President of the Dairy Division at the Chamber of Food Industries. He is also the former Treasurer at the Food Export Council and has previously held positions at the Germany-based Muller Dairy.



Mohamed Al-Dogheim*
Non-Executive Member

Sheikh Al-Dogheim has been a Non-Executive Member of the Board since Juhayna's inception in 1983. He is also a member of the Saudi Egyptian Business Council and the Chamber of Commerce of Al-Dawadmi Governate in Saudi Arabia. Sheikh Al-Dogheim previously held a variety of positions in Saudi Arabia at the Ministry of Finance in Dammam, the Ministry of Transport, and the Ministry of Islamic Affairs and Endowments in Riyadh. He also served as Financial Controller, Financial Director, and Budget Director at the Ministry of Water and Electricity in Riyadh.

*In December 2020, Mr. Safwan Thabet stepped down from his positions at Juhayna Food Industries, and Sheikh Mohamed Al-Dogheim was appointed as Non-Executive Chairman of the Group.



Heba Thabet
Non-Executive Member

Mrs. Thabet joined the Board of Directors as an Executive Member of the Board in February 2006. She is currently the Head of Business Development at Juhayna, responsible for product innovation and development, operational development and internal communications. Prior to this, Ms. Thabet handled marketing and communication projects for the company and held the title of Associate Director of External Affairs, where she was responsible for the Group's media and public relations activities. Ms. Thabet also held the position of Marketing Manager for the Juice Division and had worked with the Marketing Department's Fresh Produce Division since joining Juhayna in 2001. Outside Juhayna, she is a member of the Business Advisory Board for SIFE Egypt, the International Public Relations Association (IPRA) and the Committee for Social Responsibility at the American Chamber of Commerce in Egypt.



Ahmed El-Abin
Non-Executive Member

Mr. El-Abin has been a Non-Executive Member of Juhayna's Board of Directors since 1985. He is additionally a Member of the Board of Directors of the Scientific Center of Documents and Information at Cairo University, Founder of the Academic Library in Cairo, and Co-Founder of Mars Publishing House in Riyadh, Saudi Arabia. Mr. El-Abin was also responsible for the establishment of the foreign languages book department at Al-Ahram Institute.



Yasser El-Mallawany
Non-Executive Member, Chairman of ArJu

Mr. El-Mallawany has been a Non-Executive Member of the Board since 2000. Outside Juhayna, his past positions include assuming the roles of Chief Executive Officer at EFG Hermes Holding Company SAE and Vice President of the Board of Trustees of the EFG Hermes Foundation. He was also appointed as Chairman of the Board of EFG Hermes Private Equity and Non-Executive Chairman at ACE Insurance Company. Mr. El-Mallawany additionally served as Vice Chairman of the Commercial International Investment Company (CIIC) and spent 16 years at Commercial International Bank (CIB) as General Manager of the Corporate Banking Division. He is a member of the Advisory Council of the Emerging Markets Private Equity Association (EMPEA).



Mariam Thabet
Non-Executive Member

Mrs. Thabet has been a Non-Executive Member of the Board since 2010. She currently focuses on strategic planning for the Group, where she works to develop production divisions at Juhayna. She previously held the title of Assistant Procurement Manager within the Group.



AUDIT COMMITTEE MEMBERS

Yasser El Mallawany – Chairman
(Independent, Non-Executive Board Member)

Ahmed El-Abin – Member
(Non-Executive Board Member)

Mohamed Al Doghiem – Member
(Non-Executive Board Member)

Juhayna's audit committee met four times in 2019 and twice in 2020.

REMUNERATION COMMITTEE MEMBERS

Yasser El Mallawany – Chairman
(Independent, Non-Executive Board Member)

Ahmed El-Abin – Member
(Non-Executive Board Member)

Mohamed Al Doghiem – Member
(Non-Executive Board Member)

Juhayna's remuneration committee met once in 2019 and has yet to meet in 2020.

RESPONSIBILITIES OF THE BOARD

Juhayna's Board of Directors is responsible for setting the company's corporate strategy, identifying risks to its operations, as well as instilling risk mitigation measures and presenting them to shareholders. Additionally, the Board's responsibilities include approving work progress plans and monitoring the performance of the company's executive management team, delegating powers to members and committees, ensure effective controls and risk mitigation measures are in place to protect the company's security and integrity of its data, supervising disclosures, ensuring accuracy of financial reporting, and ensuring the independence of auditing activities.

Board Committees

Juhayna's Board committees are tasked with executing certain specialized activities under the functions of the Board of Directors. Upon reaching resolutions or results, the committee must then submit its findings or decisions to the full Board with absolute transparency for review. Our committees' findings are disclosed in the company's annual report and the committees' chairpersons attend the general assembly meeting to respond to inquiries raised by the shareholder where required.

The Board of Directors may form committees from its non-executive and independent members. Each committee shall consist of a number of not less than three members. Some committees with converging specializations may be merged into one committee.

Audit Committee

The Audit Committee assists the Board in its oversight of the integrity of the company's financial statements, oversees the financial report process and monitors the independence of both the company's internal and external auditors as well as general compliance with all binding legal and regulatory requirements.

Remuneration Committee

Remuneration for Board members includes a salary, allowance, benefits, bonus shares as well as other monetary elements with most components being dependent on company performance. Distinction between remuneration for non-executive Board members is generally only made due to special duties, assignments, or committee participation. Bonus shares are distributed with the dual aim of both compensating and motivating members of the Board to commit to enhancing the company's performance. Executive management is compensated to attract and preserve talent across the company.

The Board's remuneration committee is tasked with consulting with and making recommendations regarding compensation for both executive and non-executive members of the Board. These recommendations are then referred to the General Assembly in order to be adopted and enforced. At the General Assembly meeting, a detailed statement is brought forward to the Board which includes the following information:

- Remunerations and profit shares suggested by the Board of Directors
- Details regarding any financial compensation obtained by the Board members
- In-kind privileges granted to the Chairman and all members of the Board
- Funds allocated to reserve pensions and severance pay for Board members
- Funds spent on advertising of all forms with details
- Any transactions in which a Board member or managing partner has an interest conflicting with that of the company
- Any donations made along with relevant details

During voting on remuneration decisions, Board members' votes are not accounted for during voting quorum in order to ensure fairness

Internal Audit

The Internal Audit Department holds multiple central functions, providing independent, objective assurance and consulting using a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes as designed and represented by management. The Internal Audit Department has unrestricted access to all functions, records, property, and personnel. As an independent consulting function, the Internal Audit Department reports directly to the Chairman on all critical concerns of a sensitive nature.

Within various assignments carried out as per the annual audit plan and other adhoc plans, the Internal Audit Department ensures that:

1. Risks are appropriately identified and managed
2. Interaction with various governance groups occurs as needed
3. Significant financial, managerial, and operating information is accurate, reliable and timely
4. Employees' actions comply with policies, standards, procedures, and applicable laws and regulations
5. Resources are acquired economically, used efficiently, and adequately protected



“ We aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations, while the Board oversees how management monitors compliance with the company’s risk management policies and procedures. ”

6. Programs, plans, and objectives are achieved
7. Quality and continuous improvement are fostered in the organization’s control process
8. Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately

The objectives of internal control (considered by Internal Audit) are:

9. Compliance with policies, procedures, plans, rules, regulations, and laws
10. Reliability and integrity of information
11. Economical and efficient use of resources

The Internal Audit assignments include:

1. Operational and Financial Audits
2. Consultancy
3. Investigation on fraud, corruption, and violation of laws and regulations

The company has adopted a comprehensive approach to addressing potential risks. Juhayna’s digital integrated system, SAP allows for seamless information sharing, ensuring accuracy, accessibility, and accountability for all data. This system facilitates the department’s auditing activities, which are later reported to the chairman and CEO. The Board then decides whether issues require further action and reports to shareholders at the general assembly or the call of an extraordinary assembly, if necessary.

In order to further ensure its operational integrity, the company commissions external audit services on a quarterly basis by global audit firms KPMG — Hazem Hassan and Grant Thornton — Hossam Helal. The company’s disclosure methods include the following tools:

- Juhayna’s Annual Report
- Board of Directors’ Report
- Financial disclosures
- Website
- Sustainability Report

Risk Management

The Board of Directors prioritizes a risk control culture that is efficient and sustainable. It holds the overall responsibility for the establishment and oversight of the Juhayna’s risk management framework and is responsible for developing and monitoring the company’s risk management policies.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. Through training and management standards and procedures, we aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations, while the Board oversees how management monitors compliance with the company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

While the company does not have a risk committee, executive members of the Board along with executive directors from all departments assume those responsibilities. As presented across this report, each function in the company is in charge of identifying, reporting, and implementing the risk prevention and mitigation actions relevant to their responsibilities that would reduce any risks facing the company such as market risks, credit risks, information systems risks, and all types of risks that affect the activity and sustainability of the company.

Corporate Governance Policies

Juhayna’s lead team has adopted a number of key policies with the aim of incorporating sustainability and integrity across its operational framework as well as entire value chain in order to promote ethical, long-term growth for the company. These policies form part of the new corporate strategy, centered on creating shared value for all stakeholders.

Succession Policy

Juhayna's succession policy aims to ensure that the company is able to benefit from uninterrupted leadership across all departments and units by building the capacities of talented employees across the company. This is done by offering learning and development opportunities to employees demonstrating potential, expertise, and leadership qualities. Our development strategy seeks to optimize their experience through on-the-job training and motivation to prepare them for more senior roles when the opportunity arises.

Conflict of Interest Policy

Juhayna's Conflict of Interest Policy ensures conflicts of interest are avoided and managed. It outlines the Board's expectations of conduct, and the consequences for misconduct, for the people involved with the organization and identifies all types of conflicts of interest and how they are identified, disclosed, and managed. The Internal Audit Department, HR Department, and Legal Affairs Department coordinate should any suspected incident or misconduct arise that needs investigation.

The policy explicitly states and requires disclosures of Conflicts of Interest related, but not limited to:

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

Equal Opportunity and Anti-Harassment Policy

Juhayna's core values are centered on diversity and respect for the personal dignity, privacy, and rights of each of its employees. The company is committed to providing a workplace that is free from discrimination and harassment in order to allow its employees to meet their full potential.

The company does not tolerate any sort of discrimination on the basis of origin, nationality, race, gender, or age against its employees. Any employee facing verbal or physical harassment based on the aforementioned reasons or others are asked to bring their concerns to the HR department in order for the complaint to be dealt with accordingly.

Whistleblowing Policy

Any complaints pertaining to suspected fraud or foul play within the company are currently handled by the Internal Audit and Human Resources departments, which then undertake confidential investigations into the complaint. Juhayna is currently studying automated pathways to handle whistleblowing procedures to boost the efficiency and accuracy of the process.

“Juhayna's core values are centered on diversity and respect for the personal dignity, privacy, and rights of each of its employees.”



APPENDICES



Appendix A.

FEI meetings with Juhayna's CEO

- Main issues discussed in 2020 Seminar on Food Safety Management, Production, Security, and Food Packaging
- Green Value Chain Initiative Project
- Seminar on the Integrated System for Pest Control in Food Factories
- Symposium and report of the dairy sector and the Egyptian Center for Economic Studies laboratories
- The Swiss Agency for Development and Cooperation (SDC) project, developing skills and improving socio-economic adaptation

Appendix B-1

Criteria for joining Kafa'a

The basic criteria for joining Kafa'a state that a participating farm must have the below on premises to join the initiative:

- Cooling systems for all the barns
- Feeding mixer
- Data on the herd
- Resident veterinarian/resident engineer
- Shades for the cows
- Automated milking parlor

To continue being a part of the program, a farm must maintain a score above 75 credit points, earned through different criteria that include:

- Number of employees
- Number of milking cows
- Milk production capacity (ton/year)
- Milk production per cow (305 days/year)
- Feed quality and management
- Vaccinations
- Ration of animal disease infections
- Herd breeding capabilities
- State of equipment for cooling and storage
- Parlor design and hygiene management
- Farming management system and its connection with the parlor registration system

If a farm scores below 75, it is sanctioned, and support is provided until it improves. Failure to comply or showing repetitive patterns puts the farm under risk of elimination from Kafa'a and Juhayna's supply network.

Appendix B-2

Farm Assessment Form

(each farm must achieve at least 75 points)

Summary Page Farm Classification				
Basic Farm Data	Farm code		Date Audit	
	Region Code		Auditor	
	AVG No. of milking cows 2019		Breed	
	Total milk production 2019 (ton)		Yield/Cow/yr (kg)	
	Total delivery to Juhayna 2019 (ton)		Total Land (ha)	
	Number of FTE		Milk Production/FTE	
Section	Key Indicator	Score	Max Score	Remarks
Milk Production and Quality	AVG milk production per cow/year		9	
	Average composition and quality		4	
	Seasonal variation		5	
	Milking and milking equipment		4	
	Rapid Cooling		4	
	Cooling equipment & storage		4	
Total Score			30	
Recording	Farm management software		6	
	KPIs readily available		14	
Total Score			20	
Animal Nutrition	TMR - used as required		15	
	Feeding management & cow		10	
	Kg concentrate per 100 kg milk		0	
Total Score			25	
Housing	Loose housing design & conditions		20	
	Loose housing management & care		5	
Total Score			25	
Total Farm Score			100	

Appendix C-1

The Five Freedoms for Animals – FAO

1. Freedom from discomfort (no obstruction or hazards, protection against varying conditions)
2. Freedom from thirst, hunger and malnutrition (ensure adequate water and feed through adjusted stocking rates and supplementary feeding), and check for toxic plants)
3. Freedom from fear (trainings on competent stock handling and husbandry skills)
4. Freedom from pain, injury and disease (appropriate birthing and weaning practices, protection against lameness, processing milk from lactating animals regularly, forbid poor milking practices)
5. Normal patterns of animal behaviour (freedom of movement, preserving gregarious behaviours)

Appendix C-2

Frequency of Testing

All milk across the network is tested for:

1. Heavy metals: Annually
2. Staph: Twice a year
3. SCC: Twice a year
4. M1: Weekly
5. TPC: Each tank of milk is tested with every transportation round
6. Mycoplasma: Twice a year
7. PARA and dioxins: Annually

The quality of the feed provided is analyzed to check for diseases with every new batch

Appendix C-3

Audits:

- Annual quality control audits to ensure that all animals are properly vaccinated
- Two external audits annually across the entire network to ensure herd wellbeing from the Ministry of Agriculture in Egypt

Appendix C-4

The Animal Health Management Program

The program primarily entails:

- Providing secure boundaries and fencing around each farm
- Avoiding direct contact between visitors and the herd to limit concerns
- Installing biosecurity measures that limit the transfer of diseases from farm to farm

Appendix D.

Juhayna's Main Policies and Procedures

for Human and Labor Rights

Child Labor

Our company only employs individuals above the age of 18. Children under 18 are exceptionally included in the Mubarak Cool Project, a vocational and management training program under the auspices of the Egyptian government. The program supports marginalized children, providing them with work experience in maintenance and finance. Juhayna was the first Egyptian company to be introduced in this system in the early 2000s, and we have been proudly committed ever since. Each training cycle takes up to three years, accepting 30 young workers with a salary payment that increases yearly. The project is run in compliance with internal regulations and national laws to ensure safe and healthy conditions. We respect the minors' rights to attend school, and participate in vocational orientation or training programs where applicable, in addition to providing the necessary guidance and training. This apprenticeship program does not constitute any significant portion of the workforce, but it is rather our societal contribution to train and support the growing segments of young children who seek work or technical experience in our sector. The program is performed in conjunction with a school program, and does not interfere with compulsory education. All health and safety measures are applied at all our sites and working conditions.

Given the industry in which Juhayna operates, our largest and most significant suppliers are the providers of raw sourcing for our dairy, juice, and concentrates productions. With Egypt's complex agricultural heritage and culture, national laws do not prohibit young workers on the field. Educational systems in rural areas were developed over the centuries to accommodate multiple optional schooling hours to accommodate the legacy of agriculture in Egypt. However, we at Juhayna do not allow the hiring of young children under 18 in our own farms. We also implement monitoring and auditing measures for the farms under our care.

Code of Conduct

Our Code of Conduct and its related procedures and measures are applicable to all employees, including senior executives and officers. Juhayna's objective in establishing this Code of Conduct is to promote ethics, honesty and professionalism throughout the company. Employees are expected to behave in a professional and responsible manner, and have an awareness of their responsibilities as representatives of the company. The Code of Conduct provides guidelines on appropriate business operating behaviors and standards with which employees must comply. Employees are expected to observe and comply with Juhayna's workplace policies, rules, regulations, practices, procedures and guidelines, as amended or issued from time to time, as well as any implied confidentiality of information, which includes, but is not limited

to, trade secrets, business, marketing and service plans, consumer insights, manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data to which employees have access. This information is to be shared only as appropriate and only as required by the company's business needs. Juhayna respects third parties' similar interest in protecting their confidential information. In case third parties, such as joint venture partners, suppliers or customers, share with Juhayna confidential information, such information shall be treated with the same care and confidentiality. In that same spirit, employees shall protect confidential information that they have obtained in the course of their prior employment.

The document also stipulates issues including, but not limited to:

- Non-Discrimination and Anti-Harassment
- Grievances.
- Confidentiality of Information
- Insider Trading
- Conflict of Interest
- Employment of Relatives
- Outside Activities or Employment
- Violence in the Workplace
- Political Activities
- Company Property
- Use of Social Media

Equal Opportunity and Anti-Harassment Policy

Juhayna rejects all forms of harassment and discrimination on the basis of disability, age, gender, ethnic origin, or religion, among others. The company established the Equal Opportunity and Anti-Harassment Policy in order to facilitate the enforcement of such measures among the various functions bodies within Juhayna Group. This policy applies to all employees within Juhayna Group. The policy focuses on three main pillars, namely:

- Equality in working life.
- Harassment.
- Sexual harassment, vilification, bullying, victimization.

Under this policy, every member of Juhayna has the right to learn and work in a safe and inclusive environment that is free from discrimination, harassment, bullying, vilification and victimization. Our Gender Equal Opportunity Committee (GEOC) regularly reviews the policy, which is then ratified by the CEO. Our Human Resources Department is responsible for investigating and addressing any issues that fall under this policy. The department may also involve the Internal Audit Department in cases of serious violations where special investigations are needed.

Grievance Procedures and Whistleblowing

Juhayna's Grievance Policy represents the grievance resolution techniques that are introduced to foster a fair and ethical work environment and to contribute to building high workforce morale. The employee grievance policy is a formal communication channel extended to all employees to professionally resolve interpersonal conflicts with their colleagues and superiors. It is communicated to the employees during the process of hiring. A problem facing an individual employee should not be kept unresolved until it reaches a distressful point where the employee will have no choice but to raise a grievance. Every endeavor should be made to resolve it informally. In circumstances where an informal resolution of the employee's problem has become impossible, there is a formal procedure that the employee should follow.

Any employee could report a grievance against his/her direct boss or a coworker regarding any issue, provided sufficient supporting evidence is presented, so as to maintain a positive work relationship. Employees who choose to report grievances can do so without the risk of retaliation or harm. Juhayna's management encourages employees to report any ethical or professional violations, and decisive measures are taken towards violators while protecting the reporting parties, taking into account that the reporting process is based on objective documents or information. We are currently putting in place Juhayna Whistle blowing Policy and Procedure to ensure that the employees can provide both grievance and concerns on unethical behavior anonymously.

Grievance Resolution Procedures

- The employee discusses the grievance with his/her direct supervisor or manager.
- In case the grievance involves the direct supervisor/manager, then the employee can report the matter to the next higher managerial level.
- At stage one, every attempt should be made to resolve any conflict or problem in an amicable manner.
- If the grievance is unresolved informally at stage one, the employee must put the grievance in writing to avoid any possibility of misunderstanding or misinterpretation.
- If the matter is not mutually resolved at stage two, the employee may take the grievance in writing to the HRBP.
- The issue under complaint is investigated in order to establish facts.
- The conclusion of the investigation will be discussed with the employee and all concerned parties within ten working days of submitting the written grievance, unless there is a good reason for delay.
- HRBP may refer the matter to the Legal Affairs Department if needed. The decision of the HR Director will be final.

Freedom of Association

We recognize and uphold our employees' right to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions, and this commitment is clearly communicated to all employees, in accordance with national labor laws. All our employees, across all operations, are represented through their elected committee and trade unions. Our Employee Representation Body plays a vital role in establishing an open communication channel with top management. Our trade union covers 100% of our employees, and their representatives are regularly informed of any strategic direction for the company.

We also work closely with the trade unionists to receive any concerns and recommendations regarding any business decisions, ensuring those concerns are well considered. Collective agreements also take place at the industry level through the Federation of Egyptian Industries (Food & Beverage Sector), in which Juhayna is a member through its CEO. Our due diligence has been in practice for years through our close collaboration with the Egyptian Milk Producers Association (EMPA), an official platform promoting the right to freedom of association and collective bargaining at the industry level and where all concerns by the industry's stakeholders are raised and discussed. For seven consecutive years barring 2020, Juhayna has led the industry through its Annual Conference to collaborate with Famers and discuss arising risks in the sector.

Appendix E. Compensation and Benefits

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

Annual Total Compensation

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

Benefits

Medical Care: Medical insurance is provided to all our employees and extends to include their families. In 2018, Juhayna launched the Towards a Healthy Lifestyle initiative, which included discounted rates in several health centers (gyms), and a nutritionist's clinic for an optional subscription.

Flexible Hours: We value the importance of a good work-life balance, which is why we have adopted a flexible working hours model. We provide digital tools for increased mobility and fewer onsite working hours by capitalizing on our digital transformation. This has proven particularly apt this year, amid the global COVID-19 pandemic.

Maternal Leave: Juhayna provides up to 12 weeks of paid maternity leave per child, with an additional 12 weeks of unpaid leave on the recommendation of the reporting manager. Because of Juhayna's focus on promoting work-life balance, 76% of female employees that took maternity leave returned to work (19 out of 25 female employees).

Recognition: An employee of the month for manufacturing and commercial is selected on a monthly basis, as part of our Employee Recognition practices. To reinforce exemplary behaviors, performance and positive business results, the selection is made based on KPIs and business behavior.

Life Insurance: Our life insurance policy has been in place since 2012, and is part of Juhayna's commitment to and responsibility for the rights of our employees that extend beyond the boundaries of the work commitment. Our life insurance policy is paid to employees' families in the event of employees' loss of life during their employment with company, whether the death was of natural causes, an incident at work, or accident inside or outside work duties. It covers all our employees with permanent contracts starting from the day after the conclusion of their probation period (which are 100% of our employees).

Families receive total compensation equivalent to 12 months of the employee's latest salary, rising to 18 months in the event of death due to a work-related incident, in addition to the value of the insurance policy with a minimum of EGP 50,000. This is equivalent to 33 times the lowest salary at the company and 41 times the Egypt's minimum wage in the industry. The policy can reach EGP 75,000 in the case of a work-related death.

GRI CONTENT INDEX



GRI CONTENT INDEX

This report considers our operations in the context of the Global Reporting Initiative (GRI) Sustainability Reporting Standards and has been prepared in reference to the GRI core option.

Please see our [2019 Annual Report](#), [2017-2018 Sustainability Report](#) and [2019 Carbon Footprint Report](#)

GRI Standard	Disclosure	Location/Information/Omission												
General Disclosures														
Organization Profile														
GRI 102: General Disclosures	102-1	Name of the organization Juhayna Food Industries												
	102-2	Activities, brands, products, and services At A Glance 2019 Annual Report												
	102-3	Location of headquarters Cairo, Egypt												
	102-4	Location of operations Egypt												
	102-5	Ownership and legal form Juhayna Food Industries is listed on the Egyptian Stock Exchange Ownership Structure												
	102-6	Markets served Juhayna serves the local Egyptian markets and exports to several others beyond its borders Export Markets												
	102-7	Scale of the organization Financial Highlights Juhayna Financial Statements Employees: Core Pillars to the Operation												
	102-8	Information on employees and other workers <table border="1"> <thead> <tr> <th>Gender</th> <th>Full Time Employment</th> <th>Part Time/ Contractual Employment</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>3,944</td> <td>6</td> </tr> <tr> <td>Female</td> <td>107</td> <td>2</td> </tr> <tr> <td>Total</td> <td>4,051</td> <td>8</td> </tr> </tbody> </table> <p>As of December 2020, Juhayna does not use the labor of workers that are not employees nor does it have significant seasonality in its workforce. Juhayna does not employ persons on a regional scale, all employees are in Egypt. Employees: Core Pillars to the Operation</p>	Gender	Full Time Employment	Part Time/ Contractual Employment	Male	3,944	6	Female	107	2	Total	4,051	8
Gender	Full Time Employment	Part Time/ Contractual Employment												
Male	3,944	6												
Female	107	2												
Total	4,051	8												

	102-9	Supply chain Supply Chain Management: Optimizing the Value Chain
	102-10	Significant changes to the organization and its supply chain AR19: p10-12 AR19: p18-20 AR19: p24-36 Supply Chain Management: Optimizing the Value Chain
	102-11	Precautionary principle or approach Juhayna does not explicitly refer to the precautionary approach or principle in its risk management framework but we seek to contribute to society and mitigate impacts by generating profits responsibly, which ties in with our strategy of being purpose driven. Risk Management Approach Stakeholder Engagement Stakeholder Risk Management
	102-12	External initiatives Our Strategy Our Commitments
	102-13	Membership of associations Stakeholder Engagement UN Global Compact (UNGC) Global Dairy Farmers Federations of Egyptian Industries Egyptian Export Council National Food Safety Authority (NFSA) Chamber of Food Industries (CFI) Egyptian Organization for Standards and Quality (EOS)

Strategy			
GRI 102: General Disclosures	102-14	Statement from senior decision-maker CEO Message	
Ethics and Integrity			
GRI 102: General Disclosures	102-16	Values, principles, standards, and norms of behavior Juhayna Mission and Values Creating Shared Value Our Strategy Policies and Procedures	
Governance			
GRI 102: General Disclosures	102-18	Governance structure Corporate Governance	

Stakeholder Engagement			
GRI 102: General Disclosures	102-40	List of stakeholder groups	Stakeholder Engagement
	102-41	Collective bargaining agreements	Policies and Procedures
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement
	102-43	Approach to stakeholder engagement	Stakeholder Engagement
	102-44	Key topics and concerns raised	Stakeholder Engagement Stakeholder Feedback

Reporting Practice			
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Juhayna Financial Statements
	102-46	Defining report content and topic boundaries	Our Commitments
			Stakeholder Engagement
			Materiality Assessment
	102-47	List of material topics	Our Commitments
			Materiality Assessment
	102-48	Restatements of information	No restatements of information due to any material change in the organization
	102-49	Changes in Reporting	No changes in reporting due to any material change in the organization
	102-50	Reporting Period	FY19-FY20: 1 January 2019 - 31 December 2020
	102-51	Date of Most Recent Report	2019 Carbon Footprint Report
	102-52	Reporting cycle	We report biannually
	102-53	Contact point for questions regarding the report	Passant Fouad External Communication Associate Director Passant.fouad@Juhayna .com Building no. 2 Polygon Sodic West, Sheikh Zayed Giza
			Salma Shaker Team Leader - PR, CSV & Sustainability Salma.Shaker@Juhayna .com Building no. 2 Polygon Sodic West, Sheikh Zayed Giza
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in reference to the GRI Standards: Core option	
102-55	GRI content index	GRI Content Index	
102-56	External assurance	Juhayna seeks to engage an external assurance provider in each reporting cycle to ensure that the data in this report and the standards to which we seek to comply with the GRI are met accordingly. The GRI 102 Disclosures in this report have been assured by FBRH Consultants Ltd	

Management Approach			
GRI 103: Management Approach 2016	Disclosures on the management approach has been reported on all material topics within the relevant section covering the material topic		
	103-1	Explanation of the material topic and its Boundaries	<ol style="list-style-type: none"> Farming: Sustainable Dairy Production Manufacturing: Responsible Plant Management Distribution: Delivering with Care Supply Chain Management: Optimizing the Value Chain Human Rights: Fundamental Global Duties Employees: Core Pillars to the Operation Community: Juhayna Gives Back
			<ol style="list-style-type: none"> Farming: Sustainable Dairy Production Manufacturing: Responsible Plant Management Distribution: Delivering with Care Supply Chain Management: Optimizing the Value Chain Human Rights: Fundamental Global Duties Employees: Core Pillars to the Operation Community: Juhayna Gives Back
103-2	The management approach and its components	<ol style="list-style-type: none"> Farming: Sustainable Dairy Production Manufacturing: Responsible Plant Management Distribution: Delivering with Care Supply Chain Management: Optimizing the Value Chain Human Rights: Fundamental Global Duties Employees: Core Pillars to the Operation Community: Juhayna Gives Back 	
103-3	Evaluation of the management approach	Internal Assessment Measures	

Management Approach			
Economic Performance			
GRI 201-1; Economic Performance 2016	201-1	Direct economic value generated and distributed	AR19: p4-5 AR19: p14-15 AR19: p18-20 Juhayna Financial Statements
	201-2	Financial implications and other risks and opportunities due to climate change	2019 Carbon Footprint Report
	201-3	Defined benefit plan obligations and other retirement plans	Compensation and Benefits

Market Presence			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employees: Core Pillars to the Operation
	202-2	Proportion of senior management hired from the local community	Employees: Core Pillars to the Operation

Indirect Economic Impacts			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments	Community: Juhayna Gives Back Juhayna Innovation Center
	203-2	Indirect economic impacts	Supply Chain Management: Optimizing the Value Chain Farming: Sustainable Dairy Production Digitalization Initiatives National Decision Making Agenda

Procurement Practices

GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain Management: Optimizing the Value Chain
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Environmental Environmental

Energy

GRI 302: Energy 2016	302-1	Energy consumption within the organization	2019 Carbon Footprint Report
			Energy Consumption in Farming
			Energy Consumption in Manufacturing
			Energy Consumption in Distribution

302-3	Energy intensity	2019 Carbon Footprint Report
		Energy Consumption in Farming
		Energy Consumption in Manufacturing
		Energy Consumption in Distribution

302-4	Reduction of Energy Consumption	2019 Carbon Footprint Report
		Energy Consumption in Farming
		Energy Consumption in Manufacturing
		Energy Consumption in Distribution

Energy

GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Our Commitments
			Water in Manufacturing
			Water in Distribution

303-2	Management of water discharge-related impacts	Water in Manufacturing
		Water in Distribution

303-3	Water withdrawal	Water in Manufacturing
		Water in Distribution

303-5	Water consumption	Water in Manufacturing
		Water in Distribution

Emissions

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2019 Carbon Footprint Report
			Emissions in Farming
			Emissions in Manufacturing
			Emissions in Distribution

305-2	Energy indirect (Scope 2) GHG emissions	2019 Carbon Footprint Report
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305-3	Other indirect (Scope 3) GHG emissions	2019 Carbon Footprint Report
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Waste

GRI 306: Waste 2016	306-1	Waste generation and significant waste-related impacts	Our Commitments
			2019 Carbon Footprint Report

306-2	Management of significant waste-related impacts	2019 Carbon Footprint Report
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306-3	Waste generated	2019 Carbon Footprint Report
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Social

Employment

GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employees: Core Pillars to the Operation
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401-2	Benefits provided to full-time employees	Compensation and Benefits
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401-3	Parental leave	Compensation and Benefits
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Occupational Health and Safety

GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Manufacturing Health and Safety Standards
			Health and Safety Regulations

403-5	Worker training on occupational health and safety	Manufacturing Health and Safety Standards
		Health and Safety Regulations

403-9	Work-related injuries	Manufacturing Health and Safety Standards
		Health and Safety Regulations

Training and Education

GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employees: Core Pillars to the Operation
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404-2	Programs for upgrading employee skills and transition assistance programs	Human Rights: Fundamental Global Duties
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404-3	Percentage of employees receiving regular performance and career development reviews	Employees: Core Pillars to the Operation
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Diversity and Equal Opportunity

GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employees: Core Pillars to the Operation
			Corporate Governance

Freedom of Association and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Policies and Procedures
Child Labor			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights: Fundamental Global Duties Policies and Procedures
Forced or Compulsory Labor			
GRI 408: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights: Fundamental Global Duties
Security Practices			
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Specialized Trainings
Human Rights Assessment			
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights: Fundamental Global Duties
	412-2	Employee training on human rights policies or procedures	Human Rights: Fundamental Global Duties Specialized Trainings
Local Communities			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community: Juhayna Gives Back Farming: Sustainable Dairy Production
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management: Optimizing the Value Chain
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management: Optimizing the Value Chain
Customer Health And Safety			
GRI 417: Marketing and Labeling	416-1	Assessment of the health and safety impacts of product and service categories	Consumer wellbeing
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Consumer wellbeing



Assurance Statement

Independent Assurance Statement to Juhayna Food Industries

FBRH Consultants Ltd (FBRH Consultants) was engaged by Juhayna Food Industries to provide assurance in relation to the information set out below and presented in Juhayna Food Industries' GRI Referenced Sustainability Report 2019-2020 (the Report) covering the period from 1st January 2019 until 31st December 2020.

Engagement summary

Scope of our assurance engagement: Whether the 2019-2020 information and data for GRI 102: General Disclosures, presented in Appendix I, are fairly presented, in accordance with the reporting criteria.

Reporting criteria: The GRI Sustainability Reporting Standards (GRI Standards).

Assurance standard: FBRH Sustainability Report Assurance (for GRI Reports)

Assurance level: Limited assurance.

Respective responsibilities: Juhayna Food Industries is responsible for preparing the Report and for the collection and presentation of the information within it. FBRH Consultants' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2019-2020 information and data for the following GRI 102: General Disclosures, are not, fairly presented in accordance with the reporting criteria. This GRI Referenced Report does meet all GRI-102 requirements of the GRI Standards.

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:

A review of the presentation of information in the Report relevant to the scope of our work to ensure consistency with our findings.

The limitations of our engagement

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

Appendix I: Scope of our assurance engagement

Disclosure #	Disclosure Title
General Disclosures	
102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of headquarters
102-4	Location of operations
102-5	Ownership and legal form
102-6	Markets served
102-7	Scale of the organization
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Membership of associations
102-14	Statement from senior decision-maker
102-16	Values, principles, standards, and norms of behavior
102-18	Governance structure
102-40	List of stakeholder groups
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102-51	Date of most recent report
102-52	Reporting cycle
102-53	Contact point for questions regarding the report
102-54	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index
102-56	External assurance

