

SCALING UP

Advancing ESG at Juhayna
2023

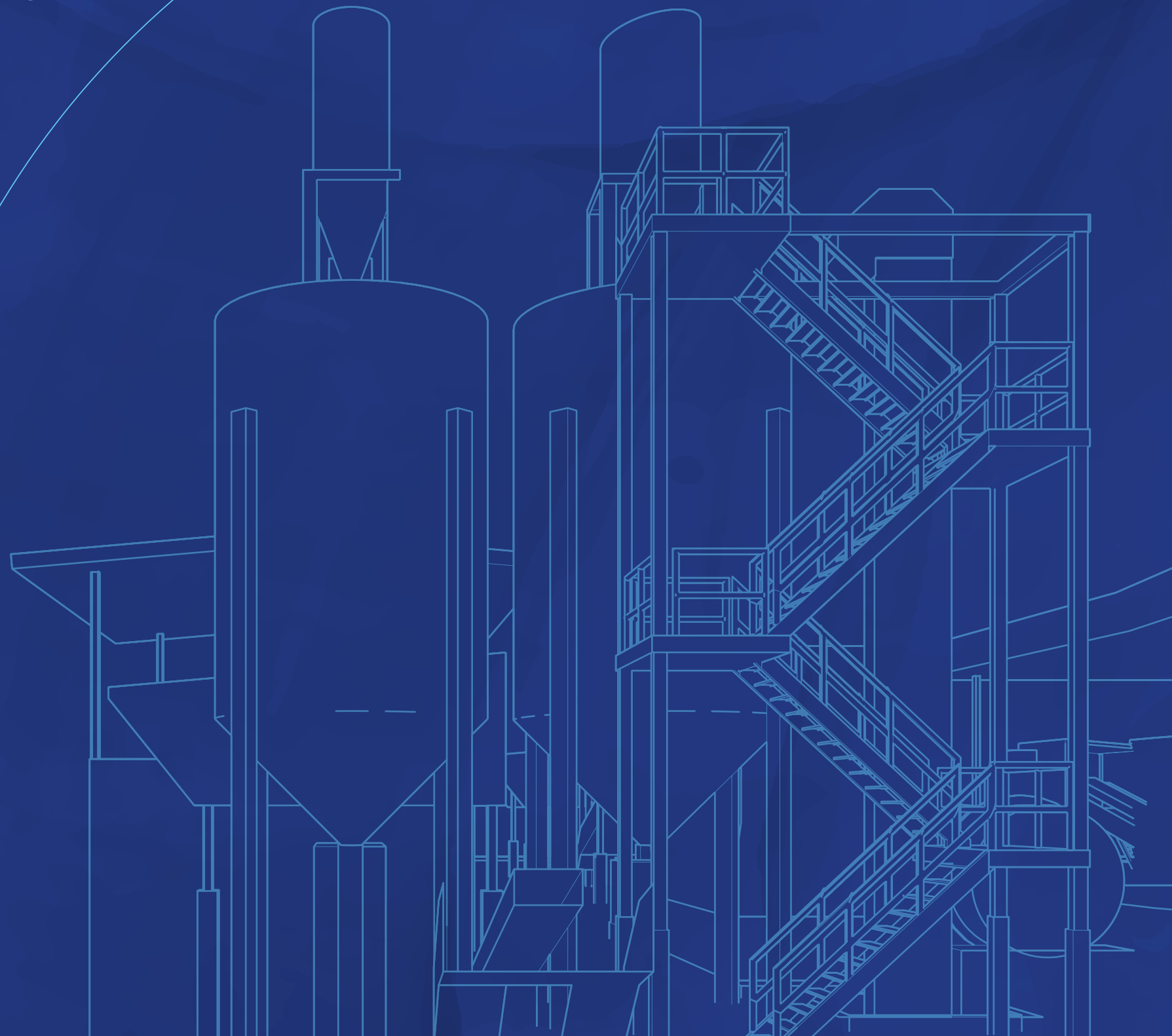


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CEO Message

To our esteemed stakeholders,

As we look back on 2023, we at Juhayna are proud to have strengthened our commitment to sustainable growth while embracing a global perspective. This year has brought new challenges and opportunities, fueling our mission to create positive impacts for people, communities, and the planet.

Our approach to sustainability is ever-evolving, driven by three guiding pillars: People, Planet, and Purpose. These core pillars shape every aspect of our work, from supporting local communities and advancing environmental stewardship to innovating our product range in line with global trends. We believe that sustainability is more than a goal—it's a responsibility, and we are dedicated to embedding it deeply into our everyday operations to create lasting value.

We see our role as more than a producer—we are community partners, contributors to economic progress, and advocates for environmental health. From supporting farmers through capacity-building programs to empowering women in local communities, our initiatives this year have underscored our belief that shared success is the key to sustainable growth.

This year, we have expanded our global footprint, now reaching 62 countries and bringing Egyptian-made products to the world stage. With each milestone, we renew our dedication to delivering quality, reducing our environmental impact, and fostering trust among our partners and consumers. Our team is continuously exploring ways to reduce resource usage and invest in renewable solutions, ensuring we are part of the solution to global climate challenges.

Looking ahead, our ambition is clear: to lead with integrity and innovation in every market we serve, making positive contributions to society while setting benchmarks for responsible business practices in our industry. We are excited about the road ahead and the progress yet to come, and we invite you to join us on this journey.

Thank you for your continued trust and support.

Sincerely,

Seif ElDin Thabet

Our Heritage

For over 40 years, we have witnessed people's lifestyles and tastes evolving, markets growing, economic and climate risks unfolding, yet Juhayna has continued to anticipate and innovate to meet people's needs.

Since inception, Juhayna has always been recognized for its heritage of social impact that is historically twining with its business growth.

As the world continues to experience unprecedented levels of environmental & demographic transitions and fragmented supply chains, those changes are manifesting through major social changes and technological advancement that are in perpetual movement at a global level, and expected to continue to shift and evolve for generations to come.

For that reason, it has never been more evident nor more critical that the social commitments and the bidding ethical contract between businesses and society needs renewal and reinforcement as businesses grow.

At Juhayna, we have always reaffirmed our commitments and played a meaningful role into our communities.

This has only been possible due to our ability to adamantly curate, efficiently maintain and powerfully hold control over our business model. From breaking ground of our agricultural development farm in 2008 to bringing together local farmers, to quality health standards to employee's family and farmers, and to the integration of social objectives into company bylaws, our social heritage has forged a unique culture within our brand identity, where purpose is deeply integrated into how we do business.

As our business model matured, it enabled us to build a unique health-focused portfolio of products, with ONE unchanged focus of "wellbeing and health" as the cornerstone of our impact. Today, we do not share with our stakeholders a traditional Company history, but we focus on presenting the significant milestones of our products history as we brought to Egypt the first packaged milk in 1987, backed with our manufacturing and farming history that has grown since breaking ground in 1983 at Egypt's first industrial region – back at the time – at 6th of October City.

Over the last decade, Sustainability has grown as a global need to meet those needs, yet at Juhayna, it was always considered as the natural continuation of its Heritage. Therefore, as we SCALE UP ESG in Juhayna, we have welcomed new generations into Juhayna's family, who have learned and were mentored by our distinguished pool of Senior Management allowing our stakeholders to know about our Company history that has grown since breaking ground in 1983 at Egypt's first industrial region – back at the time – the 6th of October City.

Today, we wish to zoom on selective and significant milestones of that History: Our Products History as we brought to Egypt the first packaged milk in 1987, backed with our Manufacturing and Farming History that enabled Juhayna's sustainable growth, and drove its expansion year over year, while creating meaningful sustainable impacts into the lives of our stakeholders.

SCALING UP Sustainability through Our Ambassadors as part of our Heritage

To drive our impacts forward across Juhayna's 4000+ members, we are proud to delegate the internal ESG actions to a selective group of Sustainability Ambassadors, dedicated to monitor and assess the implementation of our ESG Strategy and report to our newly established Sustainability Committee.



Sustainability:
Farah Ellabbad



Farms:
Mahmoud Abouzeid,
Tamer Abdelkareem, Omar
Abdelrahman, Gamal Hoda



Product Development:
Maram Hesham



Manufacturing:
Ahmed Mostafa Soliman,
Mohamed Fouad,
Abdelrahman Hassan, Nader
Rayhan



Packaging Development:
Yosra El Shimy



Quality:
Ahmed Salamony



Operations:
Sherin Sedky



Sales & Distribution:
Mariam Khalil



Finance:
Mohamed Mortada, Mostafa
Abdelrehim, Mahmoud
Mahmoud



HR:
Mariam Tarek,



H&S:
Mohamed Ragab



Marketing & Business Development:
Ahmed Salem and Norhan
Yousry, Razan El Meligi,
Menna Salah



Customer Care:
Ameer Amgad



Community Investment:
Farah Ellabbad

They helped identifying our ESG practices across the value chain through an unprecedented representation of each functions' workflow process and the ESG initiatives, actions and impacts our internal processes create.

Our Products Journey

A Products History that continues to introduce innovative production methods for packaged milk, dairy, and juice products. With a mission centered on innovation, the Company has successfully developed an extensive portfolio of products, introducing new competitive segments of production to domestic and cross-border markets.

1987

Juhayna launches the FIRST EVER packaged milk in Egypt, along with other yogurt, and juice products.

1998

Production of juice concentrates and pulps.

2000

Juhayna introduces a first-of-its-kind cooking and whipping cream into the Egyptian market.

2001

Juhayna launches Zabado drinkable yogurt, which quickly became a market best-seller; PURE 100% natural juice line

2003

Juhayna launches Bekhero milk, a high quality and affordable product, thus opening the packaged milk market to low-income consumers

2012

Juhayna's 0% fat milk launches as the first-of-its-kind in the Egyptian market.

2015

Juhayna launches ARJU with partnership with ARLA Food, unleashing a full new range of products to the market.

2017

Juhayna announced its "Happy Kitchen" products line with creative recipes.

2018

Juhayna launches 100% natural lactose-free milk.

2023

Juhayna launches its innovative, all natural fruit yogurt.

2022

Juhayna expands its Greek yogurt range, introducing three flavors of drinkable flavored Greek yogurt. And launches N&G almond Barista plant-based milk with foaming capabilities.

2021

Juhayna launches its dairy-free Nuts & Grains plant-based milk line, and its line of flavored spoon-able Greek yogurt.

2020

Juhayna partners with Rabea Tea for a third-party distribution agreement.

2020

Juhayna launches its Greek Yogurt range, as the first and only local producer of traditional method Greek yogurt.

Our Manufacturing Journey

The Company operates under a “farm-to-consumer” vertical integration framework, exercising end-to-end control of its fully owned farms, labs, factories, and distribution network, as it also maintains strong relationships with top global and local partners for the procurement of machinery, packaging, and additional raw materials at competitive prices.

1983

Juhayna Food Industries is founded in Giza, Egypt with the aim to provide world-class products.

1998

Al Marwa plant is established, announcing Juhayna's production of juice concentrates and pulps

2005

Al Masreya plant is acquired, expanding Juhayna's milk production capacity as a central manufacturing facility for producing plain, flavored, and plant-based milk.

2007

Tiba for Trade and Distribution is launched, growing Juhayna's distribution capabilities throughout Egypt

2014

EgyFood 6th of October City is launched, elevating innovation of Juhayna's yogurt production

2013

EgyFood Assiut is inaugurated, announcing the first manufacturing facility of its kind in Upper Egypt.

2012

Juhayna introduce new TBA-Edge Technology in collaboration with Tetra Pack, guaranteeing the highest level of sterilization.

2009

Al Dawleya plant is inaugurated, enabling Juhayna's first fully automated high-bay storage warehouse.

2008

Al Marwa plant is revamped, enabling Juhayna's presence in 25 markets.

2015

Juhayna partners with Arla Foods for third-party distribution, evolving its reach in the Egyptian market.

2016

Juhayna state-of-the-art innovation center for research and evaluation labs is launched.

2020

NEW HORIZON: Al Masreya expanded with two new production lines, Al Marwa with an additional line, and EgyFood with upgraded packaging line.

2020

Juhayna Central Lab acquires the ISO 17025:2017 accreditation, as the first private dairy and juice business in Egypt to receive it.

Our Farming Journey

“Dairy Excellence” reflects the Importance of Farming as a fundamental first phase to a dairy production and the backbone of our entire operation. Our ability to supply quality, safe and tasty milk and dairy products start with healthy dairy cows and depends on the production of high-quality raw milk from both company-owner and partnering suppliers.

2008

Establishing Al-Enmaa for Agriculture & Livestock Development with two subsidiaries; Al Enmaa Livestock and Al-Enmaa Agriculture.

2012-2018

Organizing the “Annual Conference of Dairy Farms Development” for industry experts to tackle and find solutions to the industry’s most pressing issues for six years on a row.

2013

Collaborating with EBRD for the first-of-its-kind “Farmers Technical Support Program” in Egypt, which took off with the Delta region’s farms.

2019

Collaboration with EMPA (EGYPTIAN MILK PRODUCERS ASSOCIATION) to set a fair price formula against supply risks and milk price volatility.

2019

Setting our new extended network of “Milk Collection Centers (MCCs) as part of our suppliers’ network, supporting rural communities and local economies by sourcing milk directly from local farmers, and contributing to job creation that supports family-owned businesses

2018

Launching the “Farmers Social Loans Program” with EBRD for local farmers, ensuring the standardization of quality responsible farming and milk produce.

2017

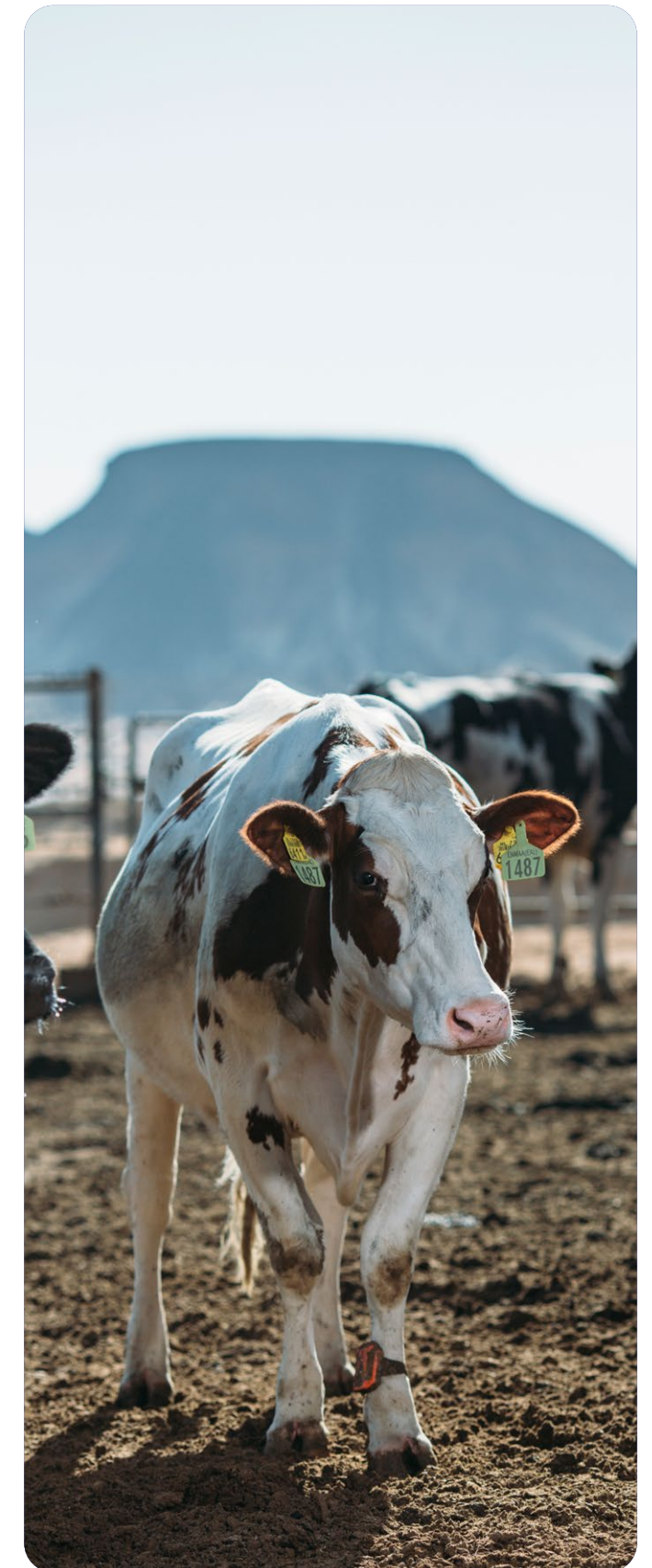
Launching “Ka’aa (Aptitue) Local Farmers Network”, providing a nationwide safety net of domestically produced quality milk resources.

2020

Offering agri products from our farm to other local suppliers by leveraging our agricultural assets of 2,680 acres in Farafra, including 1,000 acres of citrus trees and 1,500 acres of field crops.

2022

Achieving certification and listing of Al-Enmaa on the NFSA Whitelist as the first farm in Egypt.



About This Report

Past to Present

In 2023, Juhayna Food Industries celebrated its 40 years in the market and the completion of its 4th edition of Assured Sustainability Reporting in accordance with the latest global ESG Frameworks.

Past reports, despite reporting on specific periods of time, yet they consistently revealed Juhayna's long-standing legacy of a "Responsible Business" through Caring for People, Planet and Purpose since its establishment in 1983, a legacy that was witnessed long before the notion of Sustainable Development came to life.

To capture the fundamentals of Juhayna's sustainable business practices, while assessing and demonstrating its environmental, social and economic impacts, the leadership has adopted a tailored Sustainability Reporting methodology in 2022, one that can best represent the Company's EESG Strategy and its Value Creation across its business model components.

Accordingly, last year's Report has set the parameters of Juhayna's reporting model with the purpose to provide consistency, reliably and transparency of information through a Value Creation Blueprint and Matrix, connecting the six capitals (1), intersecting with its EESG(2) Strategy Pillars, while staying focused on Juhayna's Mission towards People, Plant and Purpose. It is a multidimensional model aimed to be carried-out over the short, medium and long terms.

This Report

Building on such a transformational (transitional) approach, this 2023 Sustainability Report (representing the annual cycle of January 1st to December 31st, 2023) continues to adopt that blueprint, aiming to provide stakeholders with a consistent structure year-on-year that facilitates easy tracking and assessment of our sustainability journey. Furthermore, in this year's iteration, we provide more in-depth information on Risks and Opportunities, and our EESG Strategy Progress along our vertical integration business model: from Farm to Consumer.

To ensure a granule level of information and consistency across our departments, this sustainability report leaps beyond the conventional aggregate information, and presents the profound financial, economic, social and environmental impacts through a mapping of each of our business workflows.

This significant advancement in this year's reporting process was made possible through the enhanced involvement of every function within Juhayna.

Over 100+ hours of in-depth internal stakeholders' engagement and capacity building sessions were dedicated to inspect, identify and analyze Juhayna's risks, management approach and impacts of each workflow in our farms, factories, supply chain, quality & auditing, packaging, product innovation & development, sales & distribution, facilities & operations.

The collaborative effort is vividly depicted through the workflow charts visualized across the different section of the report, highlighting significant material issues and critical impacts for each function, and for the organization as a whole. Through this approach, and with the expert-lenses of our Sustainability Ambassadors, the report presents the interconnectivity - yet the seamless integration of business operations, with focus on critical issues and industry insights. Furthermore, they outlined the method for identifying and prioritizing significant issues. This consistent focus and reporting methods on critical matters across the business functions allows the company and stakeholders to compare performance from year to year.

The 2023 Innovative Reporting Representation of our Business Workflows aims to offer our readers a seamless understanding of our processes and their impacts across our functions, with consistent and comparative information across years to come.

This report is developed in compliance with the Global Reporting Initiative 2021 Standards and the principles of Integrated Reporting, marking our second year under this enhanced reporting methodology. A set of selective key indicators are presented as per the SASB sector specific metrics. By implementing these frameworks, we also integrate forward-looking statements to guide future expectations beyond 2023.

As part of this Report Development process, and in deciding what information to present, careful judgment was used, and taking into account the perspectives of external stakeholders, ensuring our integrated reporting approach fulfills its fundamental objectives.



SUSTAINABILITY At JUHAYNA

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*Scaling Up Sustainability
at Juhayna*

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*Managing our Capitals
and Creating Value*

Scaling Up Sustainability at Juhayna

A zoom-in on our Workflow Process

Scaling UP Sustainability in Juhayna refers to the full ESG integration by anchoring environmental and social performance into the business model. The 2023 Report brings an unprecedented transparent and in-depth insight into the workflow process of each of our core business and supporting function , and how this integration takes place - currently or gradually - across each of those processes. *For more information, refer to the Workflow Processes included in each section of the Report.*

A zoom-in on our Product Innovation

Scaling UP Sustainability in Juhayna refers to ensuring that consumer behavior change does not only drive innovation, but it actively triggers the needs to promote consumer education on healthier lifestyles and diets. Juhayna notably partners with local authorities and organizations, as well as retailers, in provide knowledge on its products and health. At Juhayna, we curate products that places people at the heart of everything we do. We pioneer products with specialized nutritional value that speaks for their needs and cater for their health as part of our Social Value Creation. The 2023 Report brings a summary of our Value Creation through nutritional values of selective products on our portfolio.

[For more information, refer to the Product Innovation Section.](#)

A zoom-in on our Capitals

Scaling UP Sustainability in Juhayna refers to the ability of looking at the value created across all capitals, rather than only the financial capital. Moreover, we look into how a good investment into sustainable practices has led to undeniable business gains and growth. *For more information, refer to the Value Creation tables included in each section of the Report.*

As we are presenting our 7th Sustainability reporting cycle since 2017, we are no longer merely monitoring our capitals performance, but we are seeking to strengthening them through stronger policies and progressive performance indicators, with focus on more material issues and value creation outputs year-on-ye, governed today by our newly established and dedicated Sustainability Committee.

[For more information, refer to the Leadership Through Governance section.](#)



Human Capital

- Diversify our pool of age variant knowledge and expertise.
- Increase investment in employee development



Social Capital

- Maintain our historically brand culture and healthy work environment.
- Optimize and sustain the value of milk through high nutritional products.



Natural Capital

- Maximize usage ratios for energy and water resources.
- Maintain strong waste management practices.



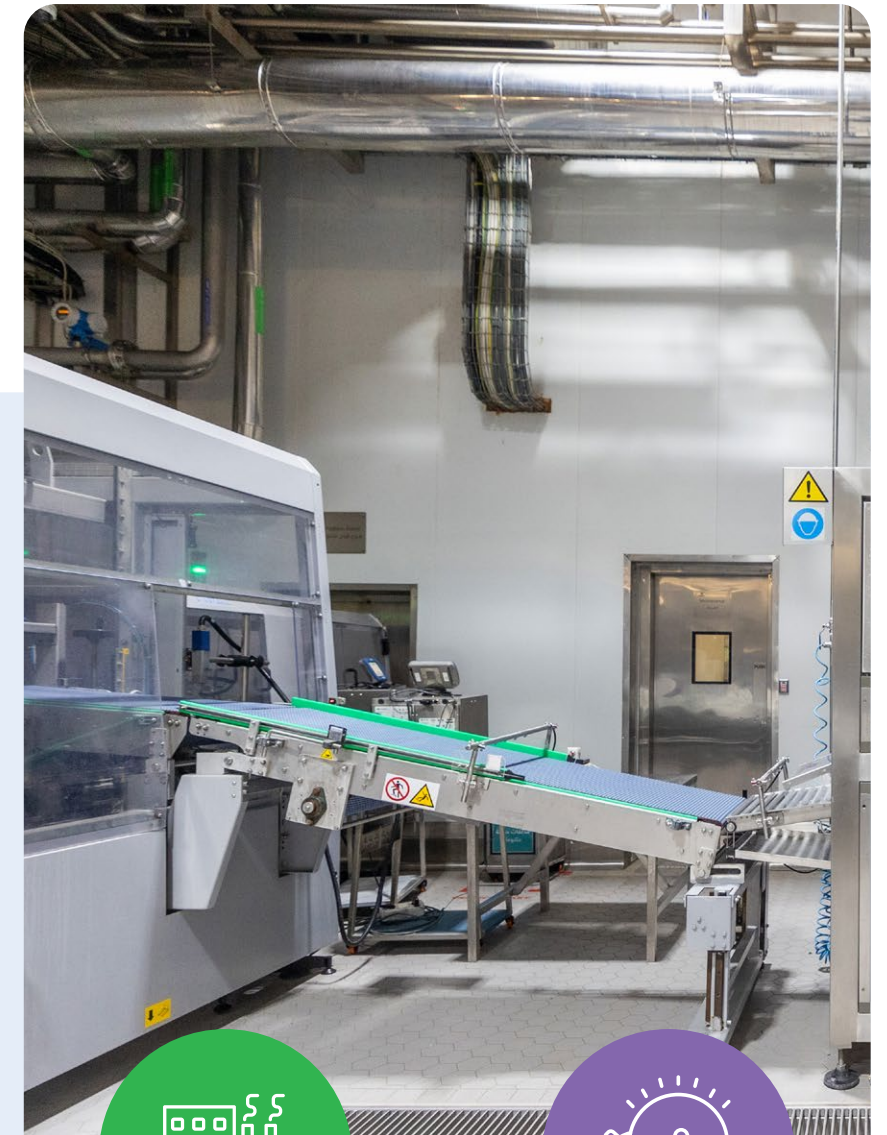
Manufactured Capital

- Expand growth and environment-related capex .
- Increase the use of environmentally friendly raw materials.



Intellectual Capital

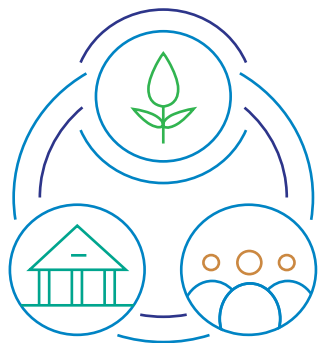
- Develop materials that help to solve food and health issues.
- Focus on research and innovation activities and overseas operations.



International Guidelines

Global & Sector-Specific Standards in ESG

Juhayna incorporates a set of global and sector-specific sustainability frameworks, standards and guidelines that enable us to systematically standardize, monitor, and report on our ESG performance:



- We contribute to the United Nations 2030 Agenda.
- We are signatory to the United National Global Compact Principles.
- We are signatory to the Women Empowerment Principles (WEPS).
- We apply the 2021 GRI Standards for the systematization of ESG information.
- We adopt the SASB Standards applicable to our business.

This year, this report takes into consideration an Integrated Thinking approach in alignment with the Integrated Reporting Principles and Framework.

Regulatory and International Standards



Juhayna complies with several regulatory global standards in operations, based on which internal audits and controls take place:

- Annual External Audit by the National Food Safety Authority (NFSA) (FSSC 22000 ver.4.1)
- Annual External “HALAL” by the Egyptian Organization for Standardization & Quality
- Annual External Audits for annual review of H&S Compliance Certification (originally the OHSAS 18001:2017, now the ISO 45001)
- Annual External Audits for annual review of ISO Compliance Certification (ISO 9001:2015 - ISO 14001:2015 - ISO 50001:2011)

For more information on the IR Content Elements and Guiding Principles, refer to Appendix 1.



Organizational Overview

Established in 1983, Juhayna Food Industries SAE ("Juhayna" or the "Company") is a leading Egypt-based producer, processor, packager and distributor of dairy and juice products. Juhayna's long-standing presence in Egypt, continued product portfolio evolution and focus on quality has cemented its position as the largest listed dairy company in Egypt.

**Egypt's
Largest
Listed Dairy
Company**

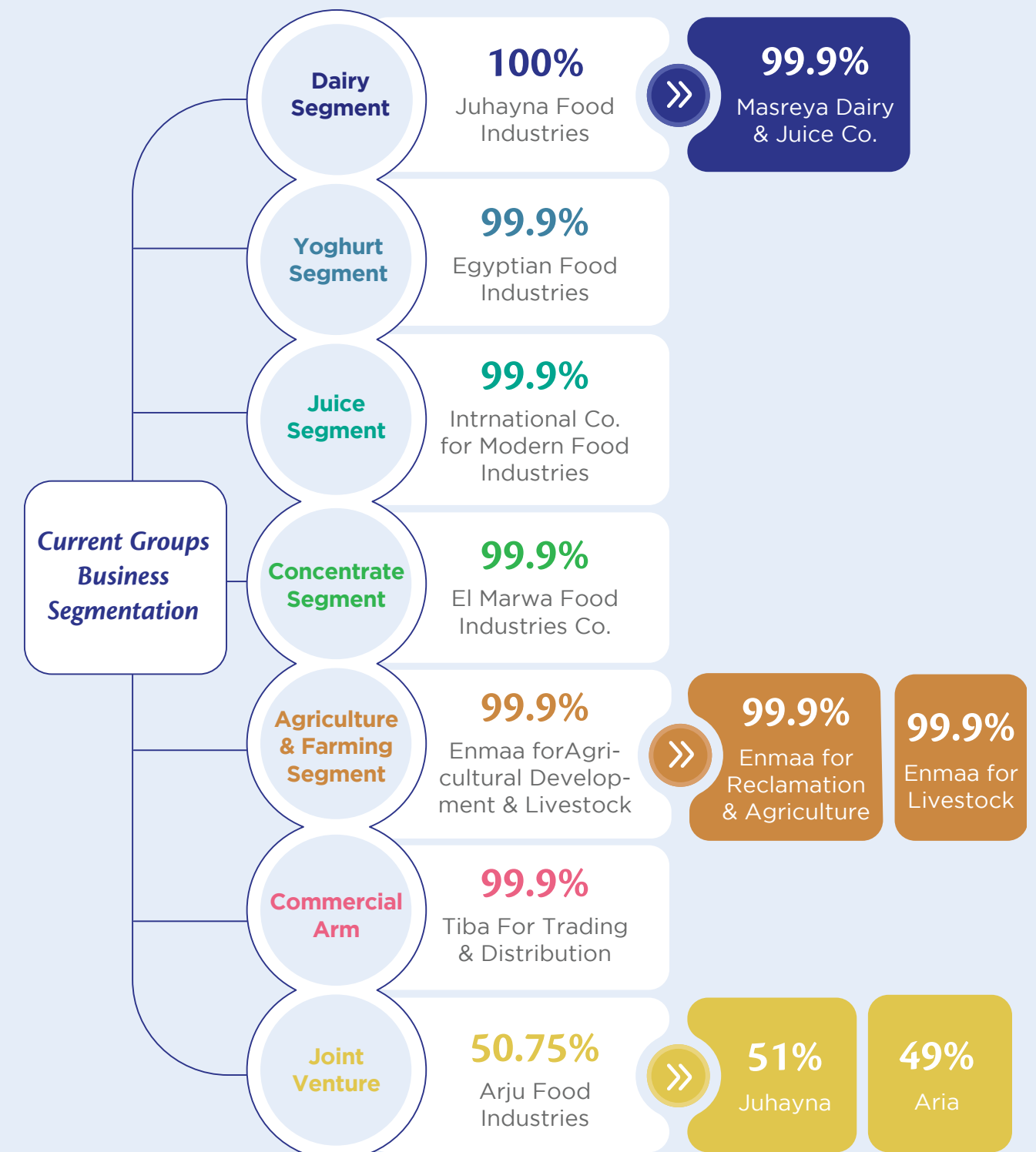


Juhayna's operations encompass all stages of the value chain - from farm to consumer - through its state-of-the-art manufacturing facilities, comprehensive logistics infrastructure, and livestock business which supplies raw materials.

Juhayna Food Industries is a leading Egypt-based manufacturer specialized in the production, processing, and packaging of milk, yogurt, juice, and juice concentrate. Juhayna utilizes the most up to date global technology to produce the highest quality dairy and juice products and has continued ever since to reinvent itself in response to both global trends and local market needs.

Today, Juhayna has a well-earned reputation as a trendsetter in both manufacturing know-how and product innovation. Recent market studies indicate that Juhayna enjoys a level of brand awareness that is significantly more acknowledged than its leading competitors in the Egyptian market.

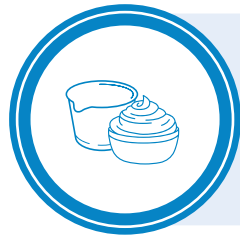
Juhayna has steadily increased production capacity while developing and expanding its product range, reaching more than 200 different products on the supermarket shelves produced at four separate manufacturing facilities. With an eye for strategic investing, Juhayna has carried out several incremental expansions in line with its primary objective to offer the market a diversified bouquet of products.





Milk

- Milk | full / skimmed / 0% fat
- Milk | Lactose Free
- Milk | Flavored
- Milk | Bagged



Yogurt

- Yogurt | Plain/Fruit
- Yogurt Drinks | Rayeb/Fruit
- Cooking Creams
- Greek Yogurt



Juice

- 100% Fruit Juice | Pure
- Fruit Juice | Drinks
- Oriental Ramadan Fruit Juice



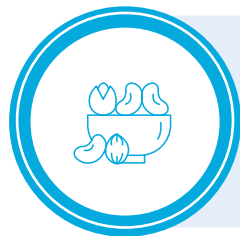
Concentrates & Agriculture

- Citrus Fruit Concentrates
- Tropical Fruit Concentrates
- Tomato Paste
- Purée



Happy Kitchen

- Happy Kitchen | Sour Cream
- Happy Kitchen | Cooking Cream
- Happy Kitchen | Whipping Cream
- Happy Kitchen | Tomato Purée



N&G (Nuts and Grains)

- N&G | Hazelnut
- N&G | Almond
- N&G | Almond Barista Edition
- N&G | Coconut



THIRD-PARTY DISTRIBUTION

- 3rd Party distribution for leading international and regional players
- Arla Foods
- Rabea Tea



6 million packs daily
Juhayna has the capacity to produce 6 million packs daily

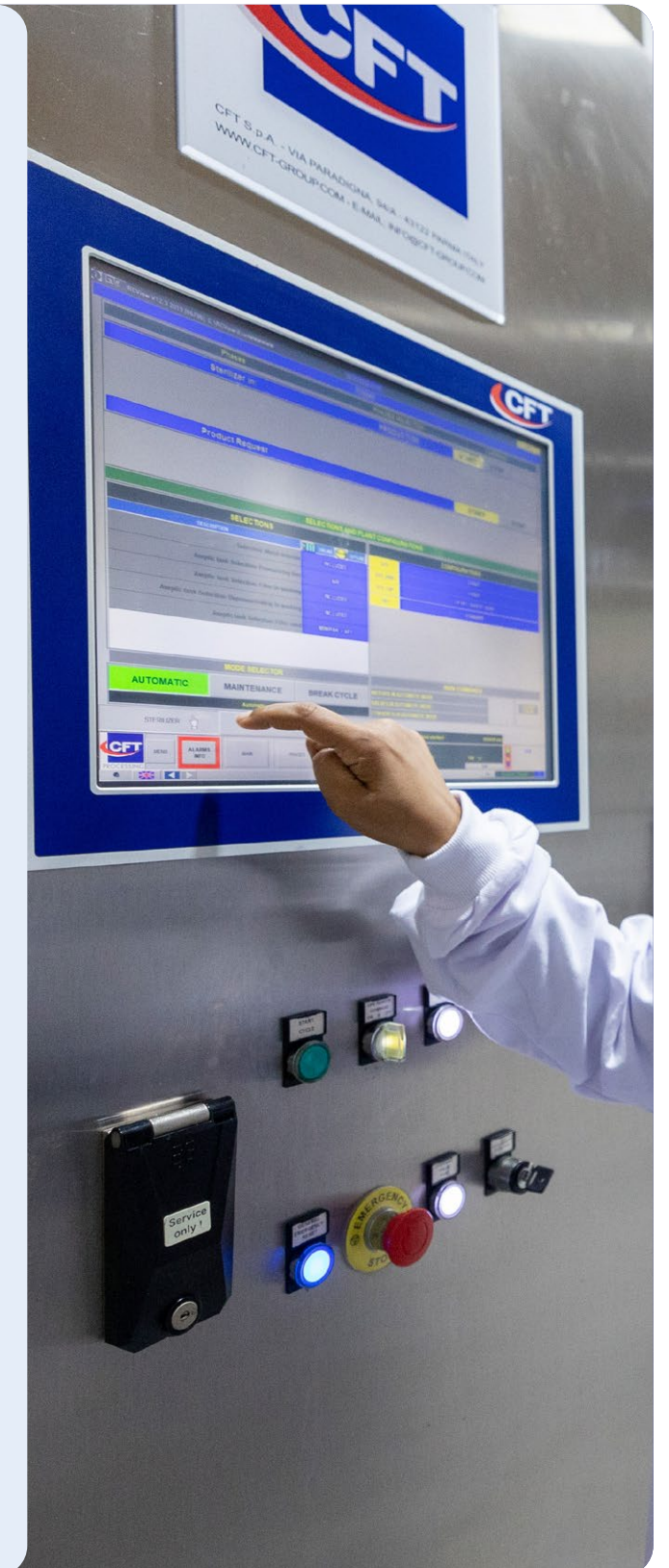


How Do We Navigate Changes Of The External Environment?



Strengths

- ✓ More than 4 decades in the milk formula development, production and research.
- ✓ Extensive knowledge and quality measures on bacteria and function ingredients in response to strong halt interest.
- ✓ Ownership of our own vertical supply chain
- ✓ Manufacturing power through state of art equipment, labs and fully automated systems.
- ✓ Efficient utilization of locally produced milk and fruits resources
- ✓ Enhanced climate-conscious processes and products.
- ✓ An organizational structure and leadership that support innovation .
- ✓ Ability to develop innovative products in light of markets changes and changing consumer preferences.
- ✓ Empowered human capital and expert knowledge.
- ✓ Reputation for quality and reliability.
- ✓ Long-standing history of uninterrupted business and presence.

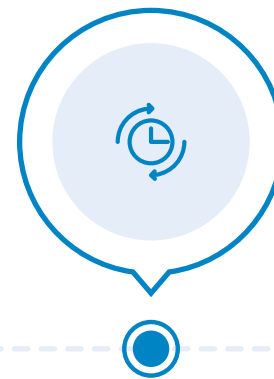


Outlook

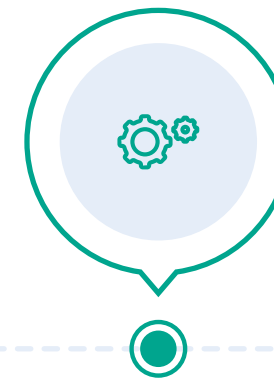
Our National Performance Highlights



Our substantial growth recorded total revenue reaching EGP 16.1 billion.



Our Export success recording EGP 1.2 billion in revenue, supported by resilience and a strength of our local presence with sales totaling EGP 14.9 billion.



Our products' success continues to be propelled in part by the enduring popularity of Bekhero, a staple in Juhayna's product lineup.



Our distribution success can be attributed to its robust cash cycle, meticulous internal business planning, and a forward-looking rolling forecast system that anticipates market changes.



Our e-commerce success is attributed to acknowledging the impact of digitization and online platforms on consumer behavior, and actively ensured products' availability on these platforms.

Zooming on Third-Party Distribution

01

Tiba effectively utilizes its extensive fleet to distribute several products thanks to third-party distribution agreements with different manufacturers.

02

Since 2015, Tiba has become the sole distributor for Danish cooperative Arla's products in Egypt, encompassing brands that include Dano, Lurpac, Ladybird, and Castello.

03

In 2023, Tiba faced challenges due to disrupted supply chain and local port restrictions affecting the entry of non-essential imported goods into the market.

04

Despite these challenges, third-party distribution revenue demonstrated resilience, experiencing a 24% year-on-year increase, amounting to EGP 287 Million in 2023.

05

Juhayna continues to seek additional expansion of Tiba's third-party distribution business by forming partnerships with FMCG manufacturers whose products align with Tiba's existing infrastructure and fleet capabilities.

06

This strategic expansion continues to be a focal point, underscoring Juhayna's commitment to diversifying and enhancing its distribution activities.

Our Global Performance Highlights

MENA region: Redifning Our Presence

With a rich legacy spanning decades and serving as a household staple for millions, Juhayna aims to penetrate the market with its stellar Juice segment, a longstanding top seller in both value and volume. By fostering relationships from an early age, the Company is strategically deepening its roots in the households of the region.

We also succeeded in relaunching the Juhayna brand in the Libyan market in 2023 by partnering with one of the country's largest distributors to cater to the ever-increasing demand in Libya, while leveraging the logistical advantages of its proximity with Egypt.

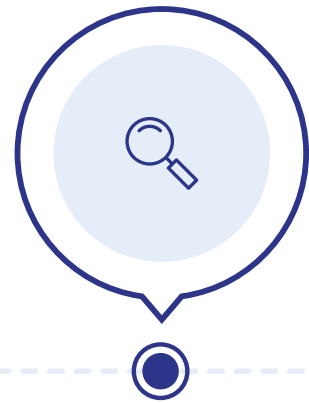
European markets: Notable Success

Navigating challenges posed by dairy product import bans, Juhayna achieved notable success through its juice categories, realizing a growth of 43% this year. Introducing the N&G dairy line further bolstered its market presence, echoing its domestic triumphs in Egypt.

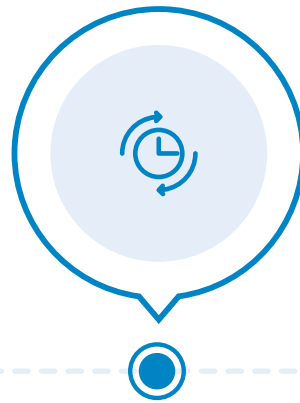
Focused efforts on newly opened avenues in Germany and the Nordic area aim to replicate the success witnessed in the UK after introducing products across major modern trade channels.



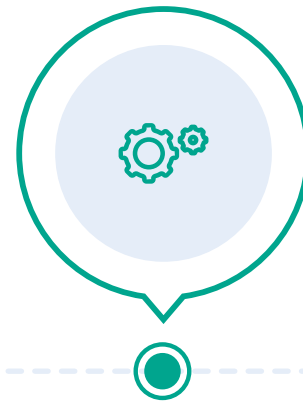
Zooming on Exports



In 2023, the Company tailored its export strategy to solidify its standing in key markets, while preparing for entry into new territories, particularly in Europe and the MENA region.



Juhayna experienced significant growth in export sales, reaching USD 38 million by the end of 2023.



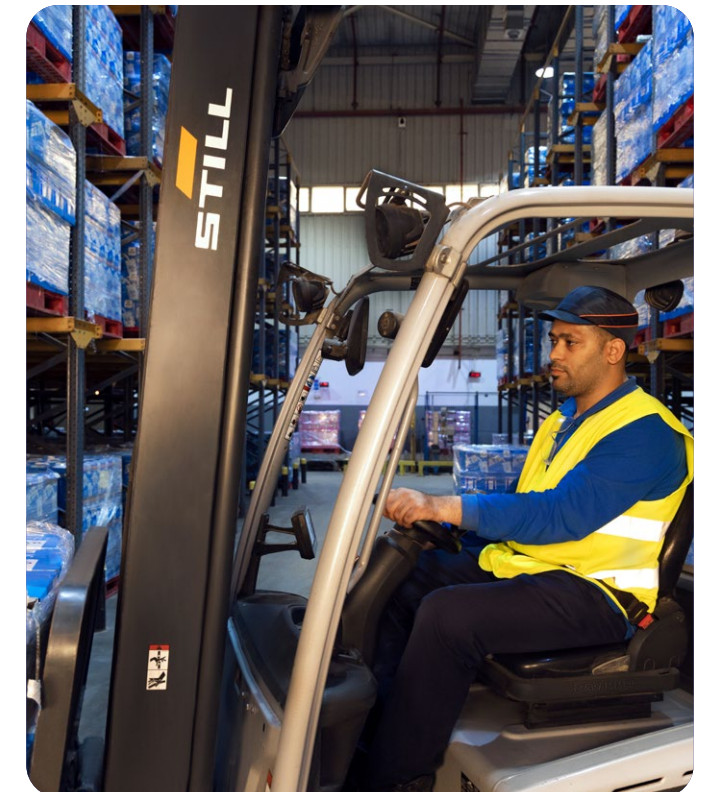
This represents a remarkable growth rate of 51% driven primarily by an increase in concentrates exports, which played a vital role in mitigating FX related challenges. The Company therefore capitalizes on the versatility of the fruit while gaining an additional avenue for procuring foreign currency.



Exporting to 33 countries and contributing 7% to our total revenue.



This growth stands as a testament to the robustness of Juhayna's core operations, showcasing its ability to thrive amid the dynamic and fluctuating market conditions experienced throughout the year.



Zooming on Fruits Concentrates

- 01 In 2023, concentrates maintained their prominence as a leading export for Juhayna, driven by adept sourcing strategies and careful crop level management.
- 02 Global shortages in oranges and mangos, triggered by unfavorable climate conditions, underscored Juhayna's pivotal role in meeting the heightened demand through its Al Marwa facility in Egypt.
- 03 The sourcing team displayed unwavering dedication throughout the year, minimizing procurement delays by fortifying existing relationships and cultivating new partnerships. This ensured a seamless continuity of supply and competitive pricing, reaffirming Juhayna's resilience in navigating market challenges. Given the increased global demand for oranges, Juhayna maximizes its efficient utilization of the fruit by extracting oils from its peels and selling orange pulp and zest to domestic and foreign producers.

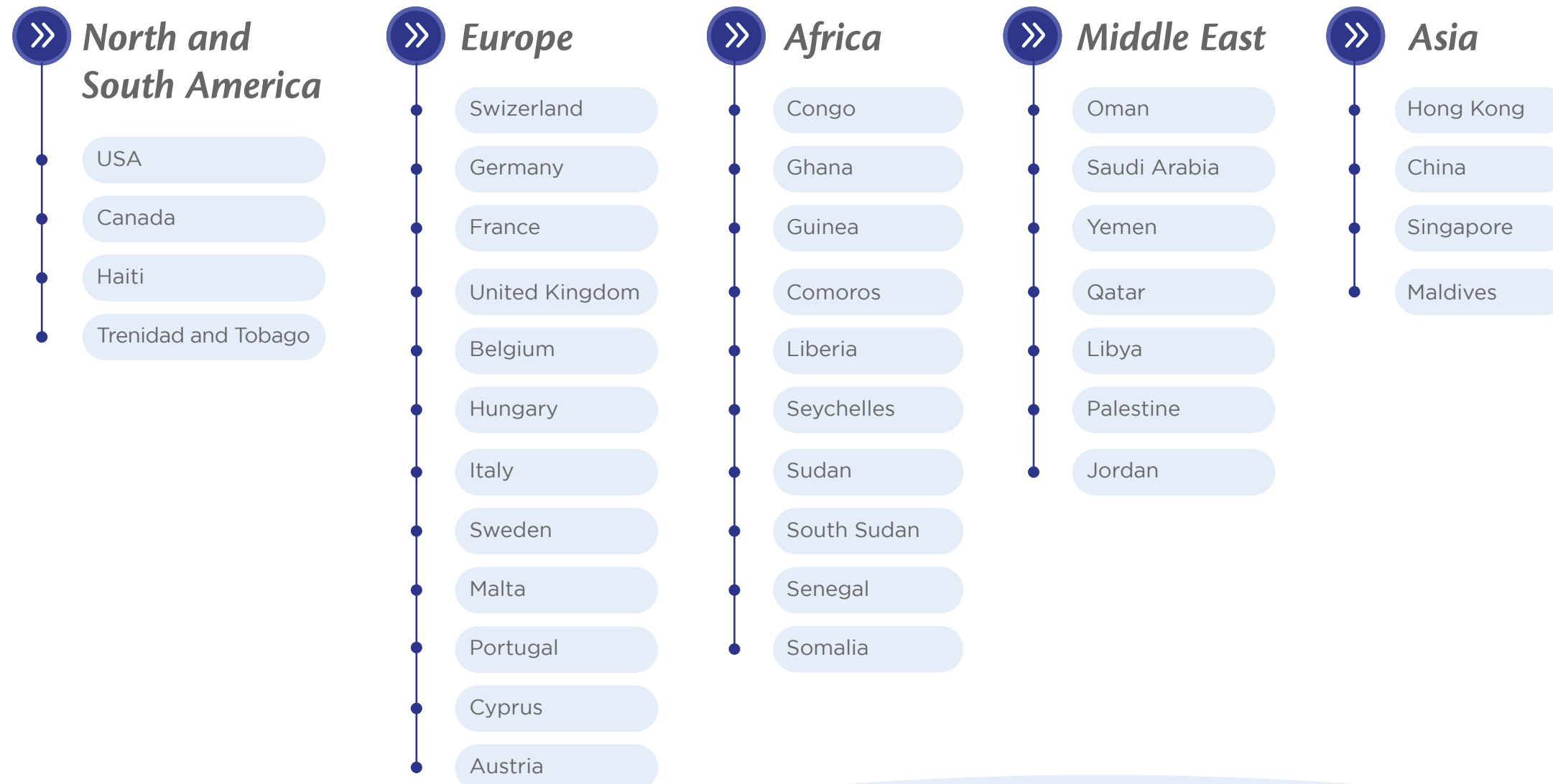


Mitigating Foreign Currency Challenges

Crucially, the Company's concentrate exports played a key role in securing foreign currency, mitigating the impact of Egyptian currency devaluation witnessed in the latter half of 2022 and early 2023.

Notably, concentrates emerged as the highest exported product, generating revenue amounting to EGP 1 billion of the EGP 1.2 billion in revenue from total exports — a remarkable 164% increase from the previous year.

Global Reach: Juhayna's Export Destinations



Looking-forward Direction

Juhayna's future vision is two-fold, intertwining ambitions to achieve double-digit growth year-on year and expand its geographic footprint. Drawing strength from resilient core operations, an enduring market presence, and adaptable strategies, the Company confidently paves the way forward. The next phase involves amplifying expansions in North and Sub-Saharan Africa, strategically aiming to make Juhayna's diverse product range globally accessible. Envisioning a future where unwavering commitment to growth and adept navigation of dynamic market landscapes solidify its position, Juhayna aims to emerge as a global leader in the food and beverage industry.

Our Stakeholder Engagement & Materiality

Stakeholder Engagement

Our Stakeholders' engagement follows a systematic process with our internal and external stakeholders, highlighting how we engage with them, and what are the areas of significant interest and/or impacts.

[For more information, refer to Appendix 3.](#)

We consider each of our dedicated functions as a proxy to its relevant external stakeholders. Through them, Juhayna captures emerging interests and needs of our external stakeholders. At the end of this process, the reporting managers consolidate their inputs as part of Juhayna Integrated Business Planning (IBP) Cycle, where all issues are raised, analyzed, resolved or escalated to the concerned Board committee. Through this bottom-up approach, we were able to continuously capture our stakeholders' feedbacks and work collectively on making informed decisions at the Board level.

In 2023, there were no major changes in our material topics based on those engagements, except for those that are inherently required to achieve our set plans for our business growth objectives, financial performance, and sustainability commitments.

While our detailed management approach to each material issue is detailed across each section of this report to reflect one or more of our stakeholders' interest, we are equally presenting the following key outputs that feature the interrelated growth between our sustainability commitments and financial performance:

Stakeholders	Glimpse of key focus-outputs	Reference within the Report
Our Employees	<p>We provide and enable a unique work environment:</p> <ul style="list-style-type: none"> Cherishing our employees as one of our most valuable assets, where 100% of our employees and their family members (to the first line) are part of our medical program and insurance policy. A total of 18 HR Business Partners that act as the focal persons to each group of employees, providing space for grievance, guidance and support where is needed. A total of EGP 41,212761 in paid dividends to our employees, with health care and benefits packages. 	Human Capital
Our Customers	<p>We serve 60,000 and 232,000 of direct and indirect customers, respectively, with continued facilitation of digital payments to all retailers and wholesalers at 136,000 Points of Sale with total of EGP 8 billion of payment through Fawry Fintech system, as well as investing in new chillers and in-store upgrades, with total investment of EGP 272 million in purchase of 10,000 new chillers.</p>	Sales and Distribution
Our Suppliers	<p>We recorded an increase in cost of goods sold (COGS) by 41% in FY23 and 36% in 4Q23 was driven by rising raw material prices, particularly raw milk and packaging materials. The gross profit margin increased by 0.6pp in FY23 and 2pp in 4Q23, supported by the outstanding profitability of the concentrates segment.</p> <p>Strong long-standing relationships with global and local suppliers played a vital role in mitigating the challenges related to FX availability, leading to a notable surge in export sales, achieving a remarkable growth rate of 137%, reaching EGP 1.2bn in FY23. Export sales accounted for 7.3% of the company's total revenues for the full year vs. 4.3% in FY22, and 5.4% in 4Q23, compared to 5.3% in 4Q22. In US dollars, annual growth rate reached is 51% for FY23, and 7% for 4Q23.</p> <p>Continued partnership with GIZ, for the technical program that supports Egyptian suppliers in developing their capabilities and skills, therefore aiding their seamless integration into supply chains.</p>	Supply Chain



Stakeholders	Glimpse of key focus-outputs	Reference within the Report												
Our Consumers	<p>We witnessed the recent high inflation in Egypt, resulting in a challenging national impacts, where a reduced consumer purchasing power has lead to reduced consumption, while consumer - in parallel - expected and sought new preferences .</p> <p>Juhayna was well-positioned to capitalize on its ability to offer various price points while cater to different consumer needs.</p> <p>We launched new products and enhanced existing ones , as well as expended our distribution channels to additional remote regions across Egypt through El Commando Program in delta and Upper Egypt.</p>	Product Innovation, Sales and Distribution												
Our shareholders	<p>We recorded a 42% y-o-y increase in net revenue to EGP 16.1bn in FY23, and a record breaking 60% y-o-y increase in net income to EGP 1.0bn in FY23, with earning per share for the year (L.E /share) is 0.98 for 2023 compared to 0.63 for 2022.</p>	Economic Performance												
Standardization Organizations	<p>We succeeded in certifying our three factories, EL Masreya, EgyFood and El Dawleya as BRCGS food safetycertified with AA+ and AA scope.</p> <p>The BRCGS Food Safety Global Standard is the most widely accepted food safety standard in the world and has set the benchmark for nearly 25 years. Adopted by over 22,000 sites in more than 130 countries, the standard is accepted by 70% of the top 10 global retailers, 60% of the top 10 quick-service restaurants, and 50% of the top 25 manufacturers.</p>	Responsible Manufacturing												
Our local community	<p>We invested in our community, with a unanimous Board approval to donate (cash, company products) up to an 20 million EGP (twenty million EGP) in CSV activities in 2023.</p>	Community Investment												
Our Regulators	<table><tr><th colspan="4">Equity</th></tr><tr><th>Issued and paid up capital</th><th>Legal reserve</th><th>General reserve-Issuance premium</th><th>Retained earnings</th></tr><tr><td>941,405,082</td><td>742,112,963</td><td>330,920,428</td><td>2,233,885,644</td></tr></table>	Equity				Issued and paid up capital	Legal reserve	General reserve-Issuance premium	Retained earnings	941,405,082	742,112,963	330,920,428	2,233,885,644	Economic Performance
Equity														
Issued and paid up capital	Legal reserve	General reserve-Issuance premium	Retained earnings											
941,405,082	742,112,963	330,920,428	2,233,885,644											

Materiality

The identification and assessment methodology of double materiality approach remain consistent and aligned to global standards. This entails an inspection of our most critical issues that enables value creation through capitals' trade-offs.

Therefore, we continue to heavily investing-in and advancing our ESG integration into the business. We have moved further beyond our financial performance lens and we deep dived into our Corporate Strategic Pillars (PEOPLE, PLANET and PURPOSE). We present in this section how the Pillars are connecting to our focus sustainability areas, sustainability risks and material priorities.

[For more information, refer to Appendix 3.](#)

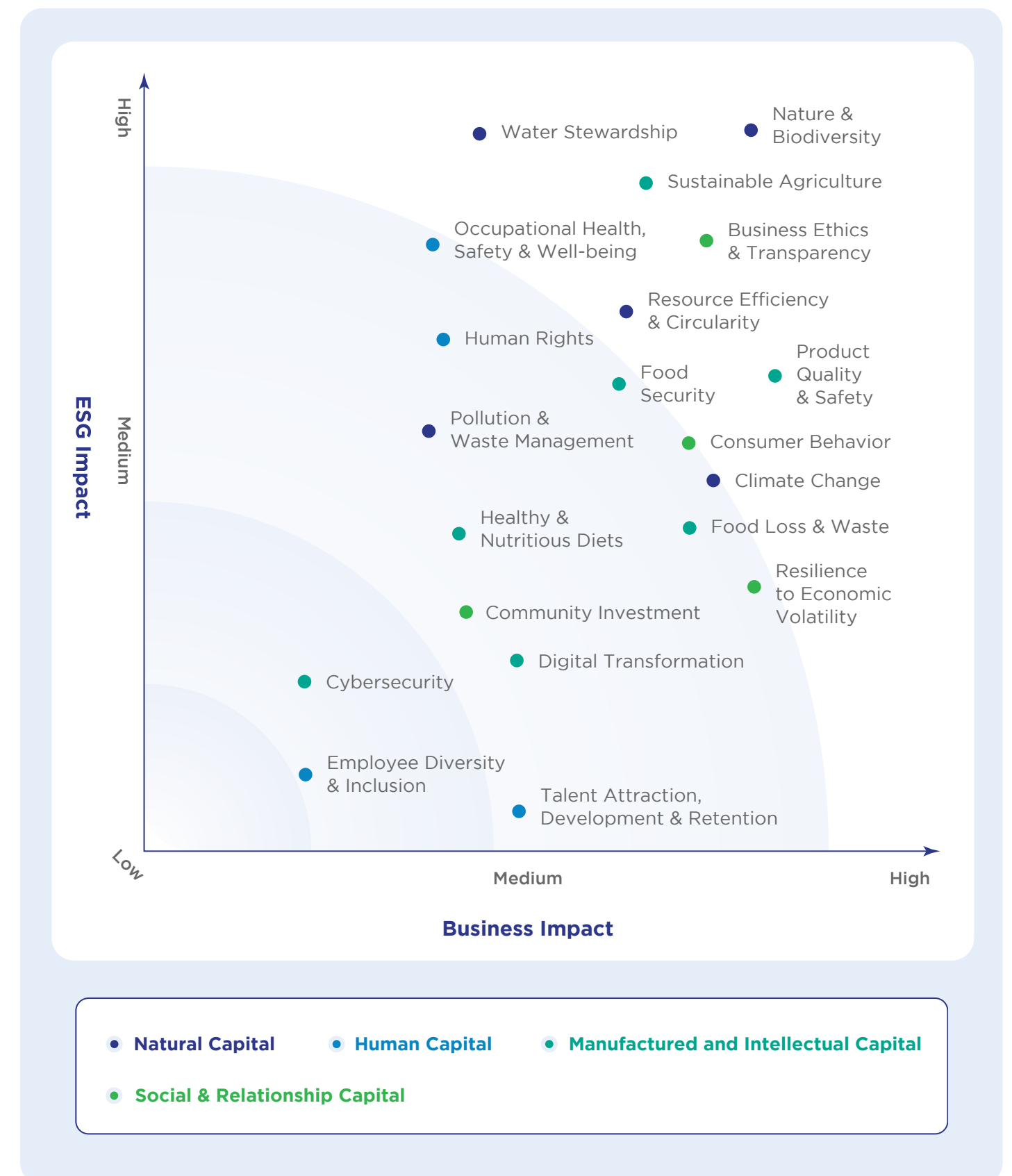


Our Corporate Strategic Pillars	Focus Sustainability Areas	Sustainability Risks	Material Issues
PEOPLE	Progress and Lead Health Through Nutrition and Products	Consumer Behavior Change	1. Product quality and safety 2. Nutritional Value of Product Portfolio 3. New Consumption Patterns/Planetary Diet
	Thriving People & Communities	Talent Retention	4. Inclusive talent development 5. Health, Safety & Well-being
		Social Impact	6. Human rights 7. Community Investment
		Sustainable Sourcing	8. Sustainable Supply Chain 9. Local Sourcing and rural/farmer development
PLANET	Preserve and Regenerate Nature	Regenerative Farming	10. Climate change 11. Sustainable Farming and Land Use
		Circularity and Resources Efficiency	12. Responsible Packaging 13. Water stewardship 14. Pollution and Waste Management
		Food Security	15. Food Loss & Waste 16. Products Accessibility and Affordability
PURPOSE	Sustainable Business Growth	Brand Reputation and Business Continuity	17. Innovation and Digital Transformation
			18. Business Ethics & Transparency
			19. Resilience to Economic Volatility

Following the identification of our Material Issues, they are prioritized as per their ESG and Business Impacts, as well categorized as per their relevant capital.

Capital	Material Issue	ESG Impact	Business Impact
Social and Relationship Capital	Business Ethics & Transparency	H	H
Natural Capital	Sustainable Farming and Land Use	H	H
	Responsible Packaging	H	H
Social and Relationship Capital	Sustainable Supply Chain	H	H
	Local Sourcing and Rural/Farmer Development	H	H
Natural Capital	Water Stewardship	H	MH
	Climate Change	MH	H
Social and Relationship Capital	New Consumption Patterns/Planetary Diet	MH	H
Manufactured Capital	Product Quality & Safety	MH	H
Human Capital	Health, Safety & Well-being	MH	H
Manufactured Capital	Food Loss & Waste	MH	H
Social and Relationship Capital	Human Rights	MH	H
	Resilience to Economic Volatility	MH	H
	Products Accessibility and Affordability	MH	MH
	Nutritional Value of Product Portfolio	MH	MH
Natural Capital	Pollution & Waste Management	MH	MH
Intellectual Capital	Innovation and Digital Transformation	M	MH
Social and Relationship Capital	Community Investment	M	MH
Human Capital	Inclusive Talent Development	L	H

Materiality Matrix



Our ESG Strategy

The 3D Value Creation Model of Juhayna Heritage

Juhayna's Heritage has evolved and progressed along its 40+ Years of operations to create its three-dimensional Value Creation Model across "Pillars, Dimensions and Capitals".

Dimension 1: The MODEL addresses Juhayna's Key Sustainability Pillars

- **PEOPLE:** Wellness of People
- **PLANET:** Circularity for Planet
- **PURPOSE:** Growth with Purpose
- **GOVERNANCE:** Leadership through Governance

Dimension 2:

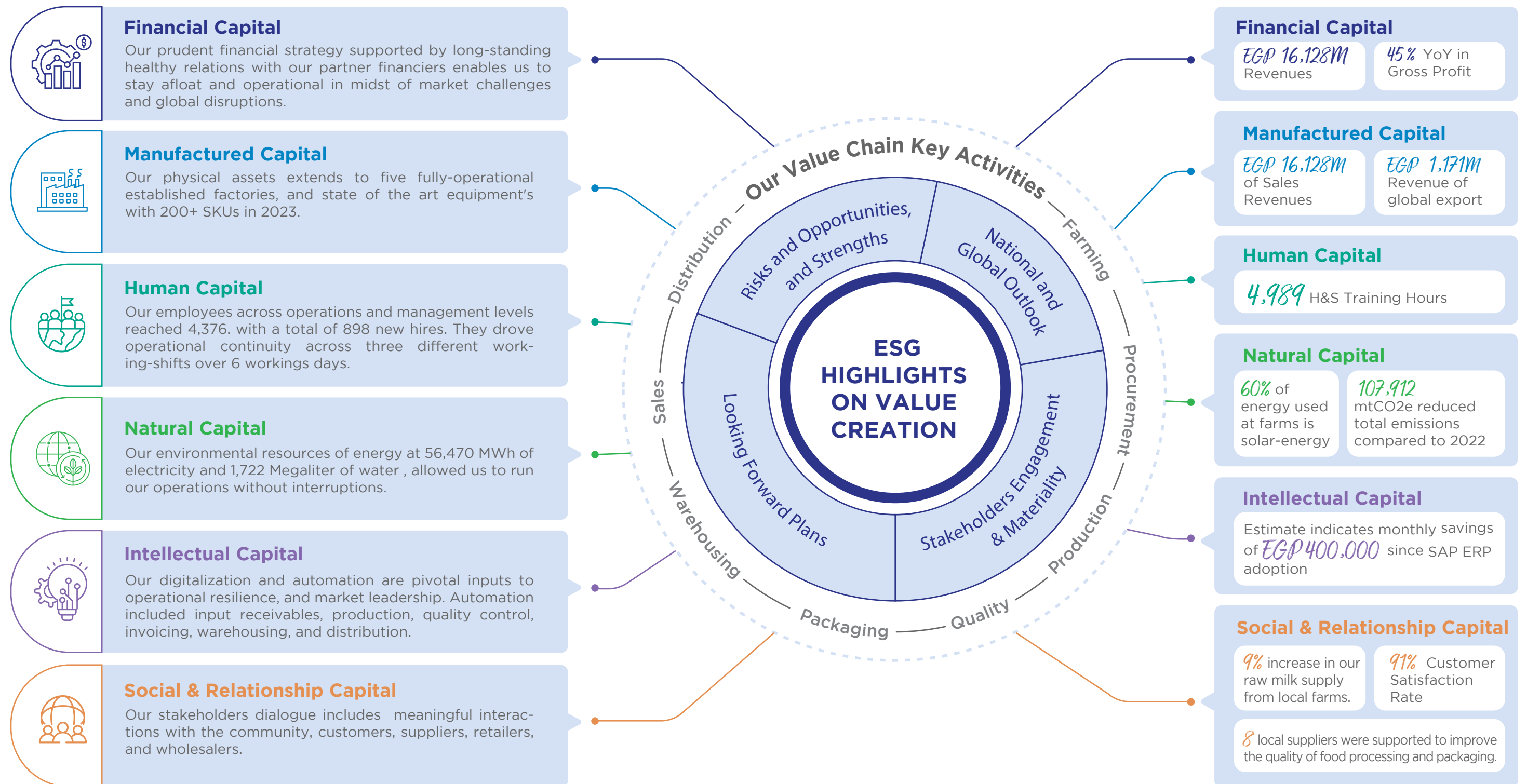
The MODEL addresses Economic, Environmental, Social and Governance Dimensions by identifying 36 Strategic Objectives that address Juhayna's Key Material Issues.

Dimension 3:

As we serve our Purpose, People and Planet; Juhayna reports on its commitments and practices across those EESG dimensions by keeping vigilant eye on the tradeoffs between its six capitals on the short to the long term:

		 PURPOSE	 PLANET	 PEOPLE	 GOVERNANCE
		Growth with Purpose	Circularity for Planet	Wellness of People	Leadership through Governance
		Economic Objectives	Environmental Objectives	Social Objectives	Governance Objectives
 Financial Capital Sustainable Services			Climate Technologies Investment		ESG Data-driven decision making.
 Human Capital Sustainable Employer		Fair and competitive wages, and benefits		Enabling Career Development	
 Natural Capital Sustainable Resources			Protected Biodiversity and Natural Habitat		E&S and Climate Risk Management and Compliance
 Intellectual Capital Sustainable Solutions		Expand global footprint		Innovation & Services Excellence	
 Manufactured Capital Sustainable Operations		Sustainable Livestock and Responsible Farming and Production Models		Food Quality, Safety & Security	
 Social & Relationship Capital Sustainable Society		Sustainable Procurement			Responsible Conduct & Human Rights

Managing Our Capitals and Creating Value



GROWTH WITH PURPOSE

01

Economic Performance

02

Product Innovation

03

Sustainable Farming

04

Responsible Procurement

05

Responsible Manufacturing

06

Packaging R&D

07

Quality Control

08

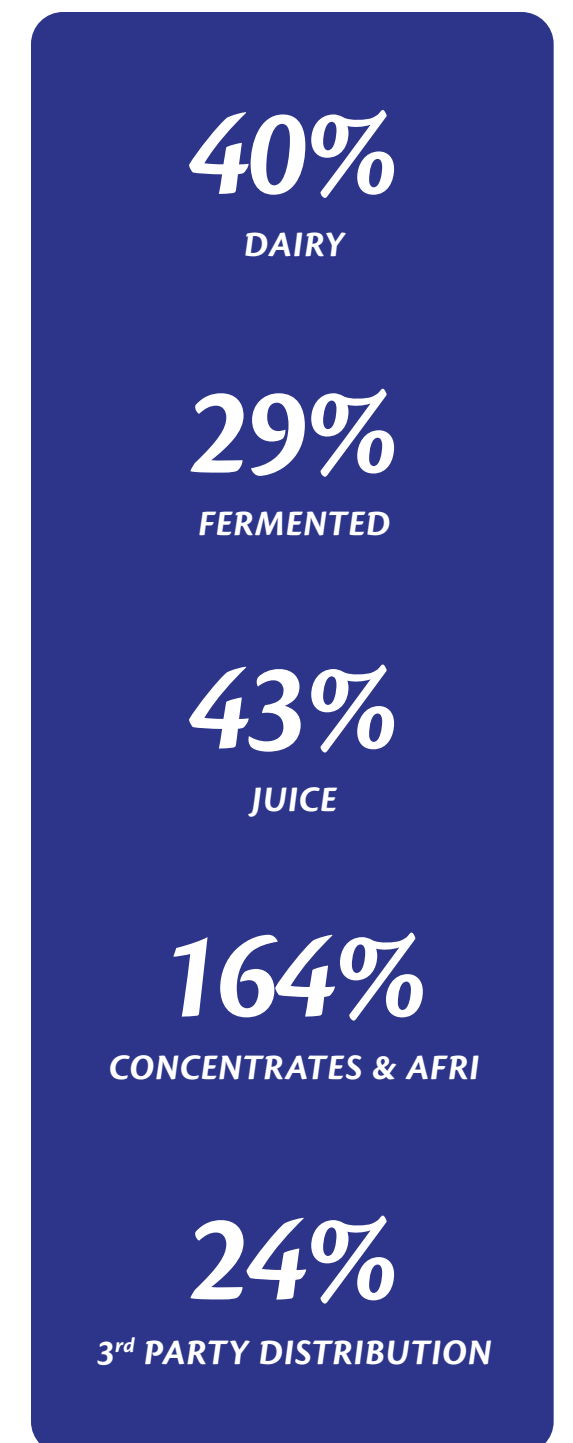
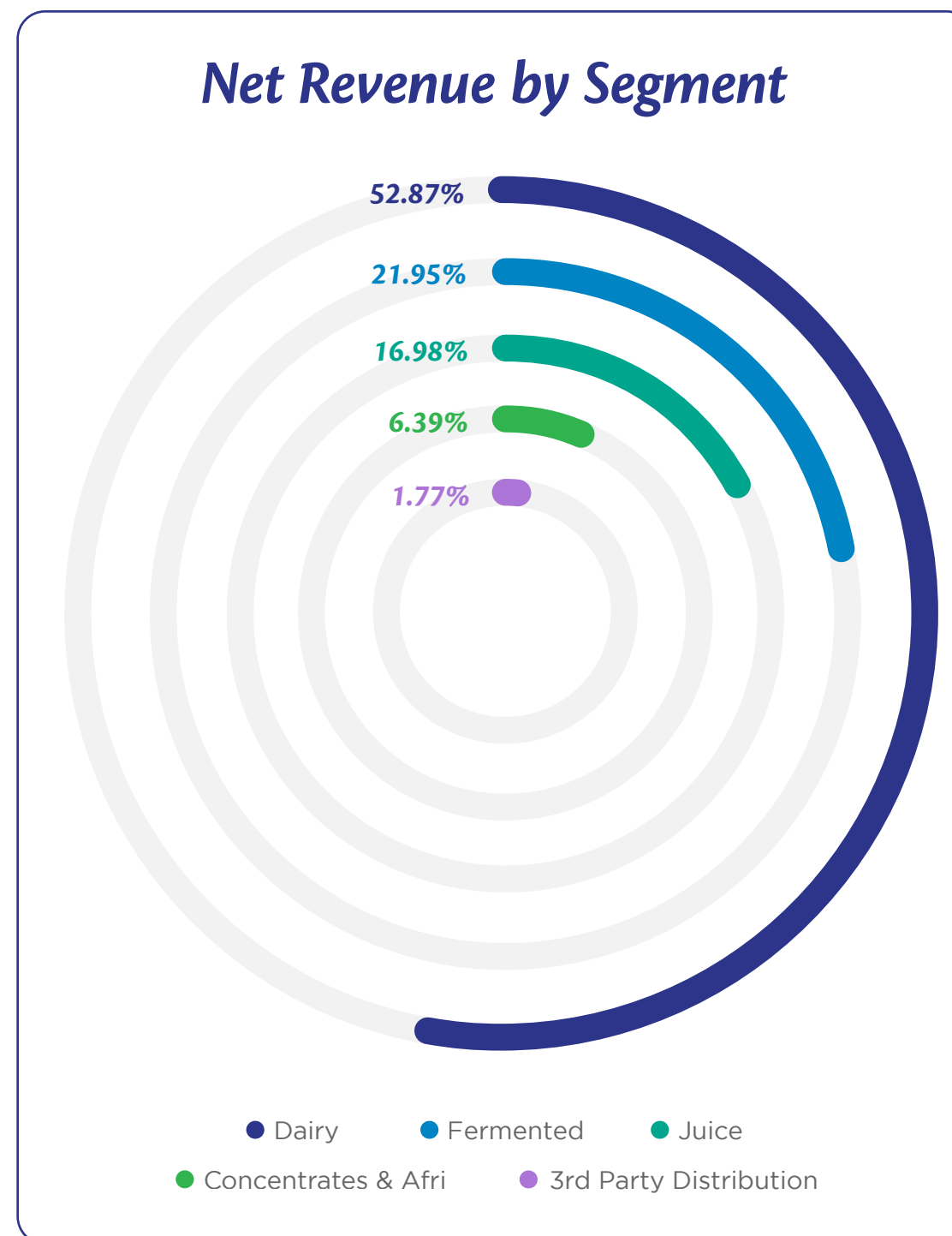
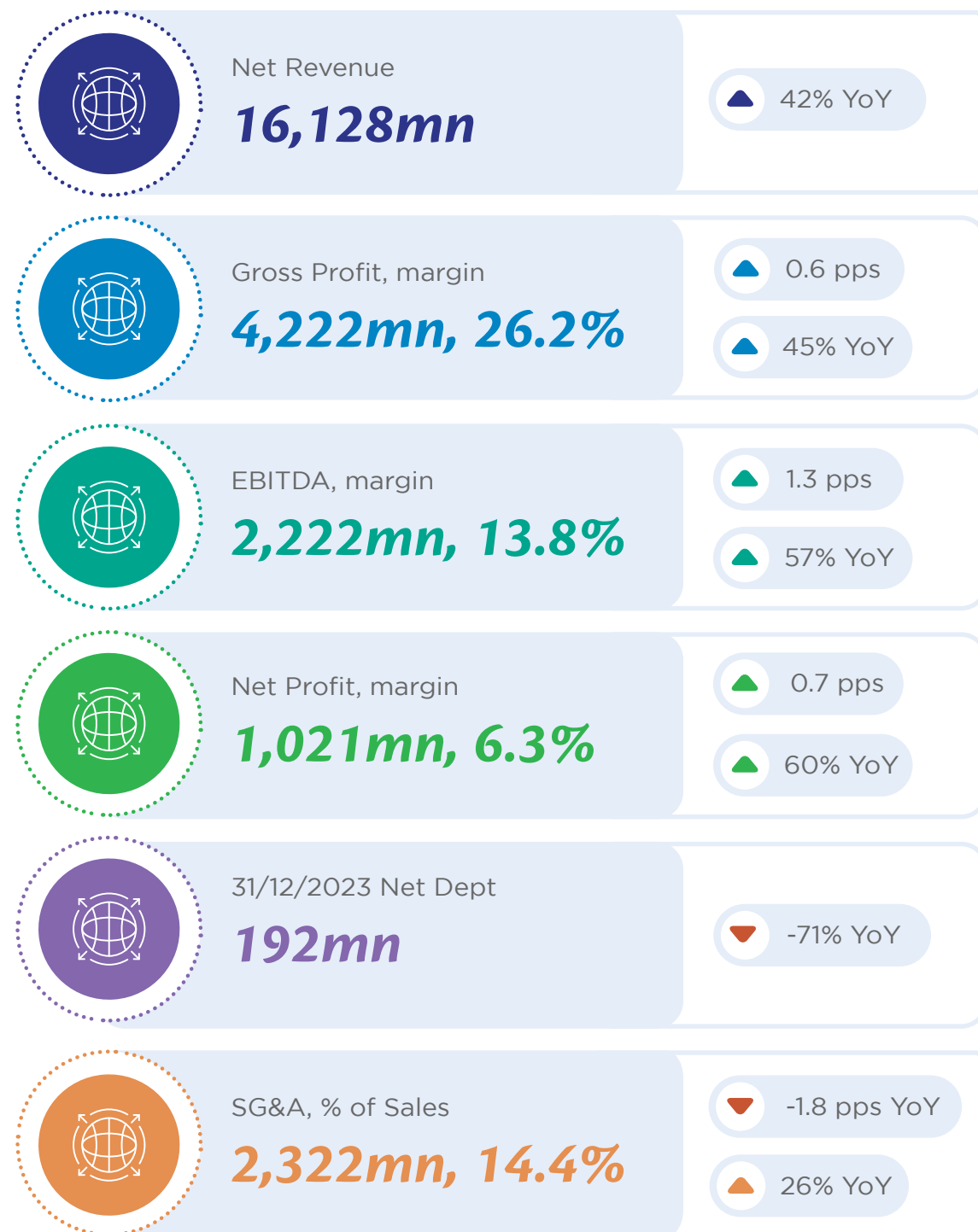
*Administration and Facilities
Management*

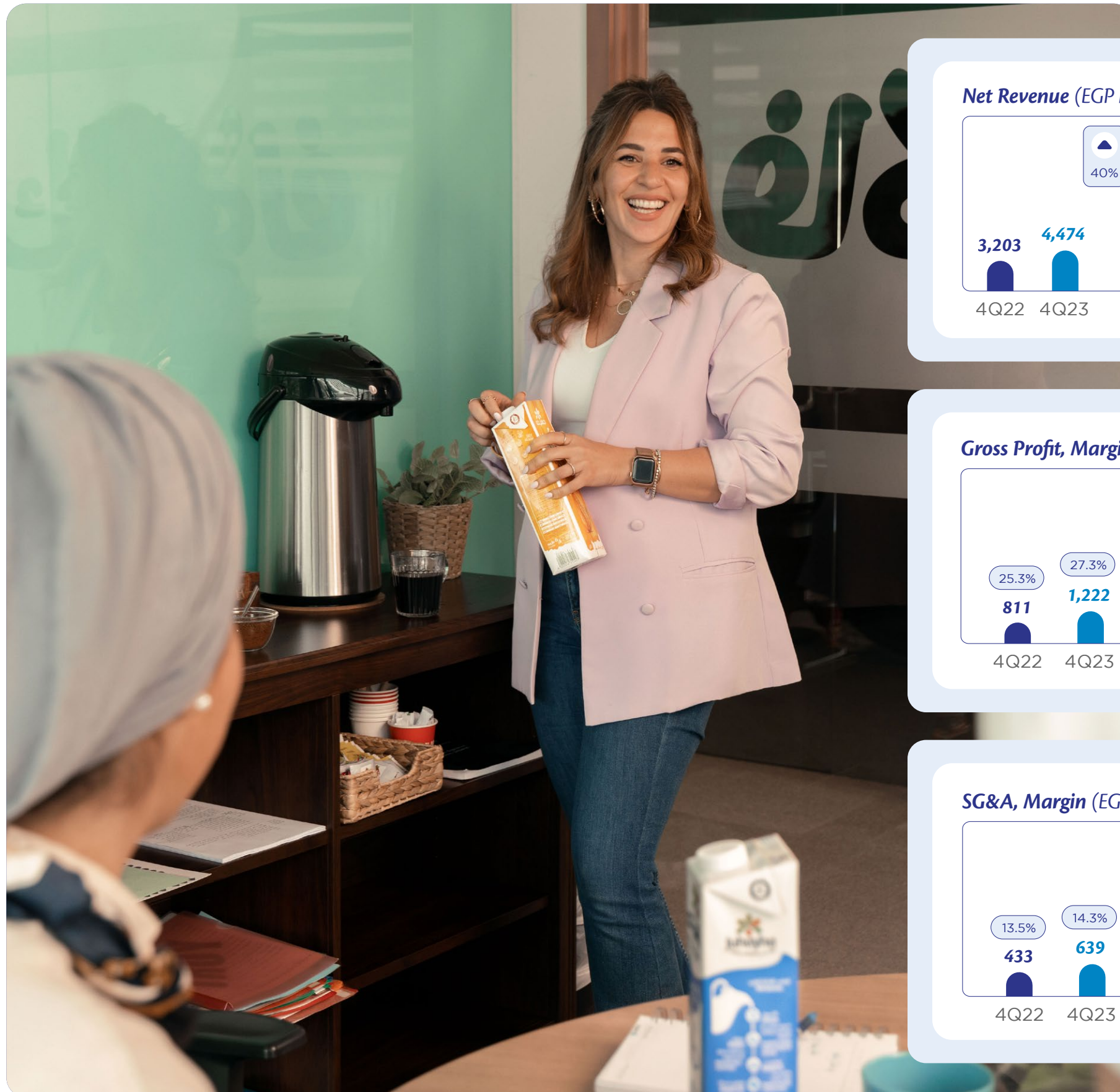
09

Sales & Distribution

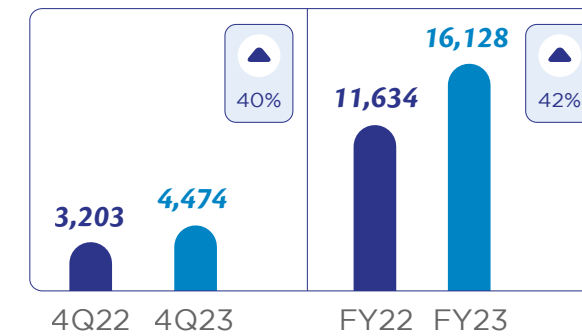
Economic Performance

FY23 Highlights



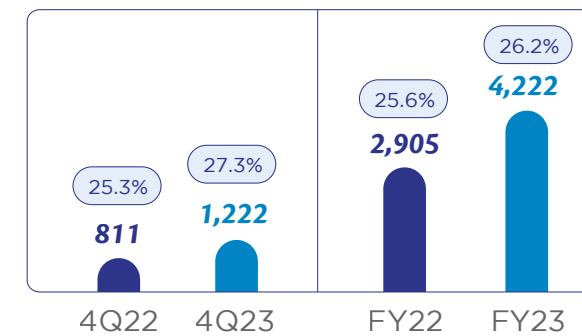


Net Revenue (EGP mn)



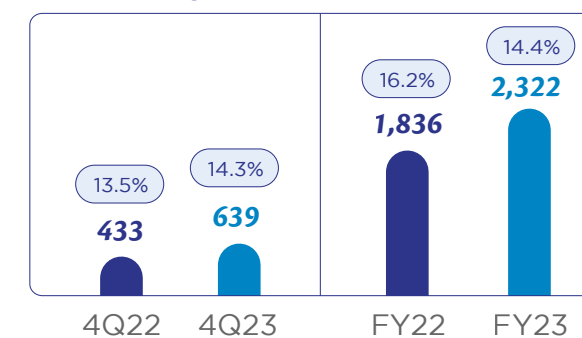
Juhayna achieved net revenues of EGP 16.1B in FY23, a 42% growth, and EGP 4.5B in Q4 23, up 40%. This growth was mainly driven by price increases of around 40% during 2023. High inflation in Egypt has affected consumer purchasing power, reducing consumption and prompting a shift toward more affordable options. Juhayna, with its diverse product range, is well-positioned to meet this demand, relying on strong brand loyalty to maintain its customer base.

Gross Profit, Margin (EGP mn, %)



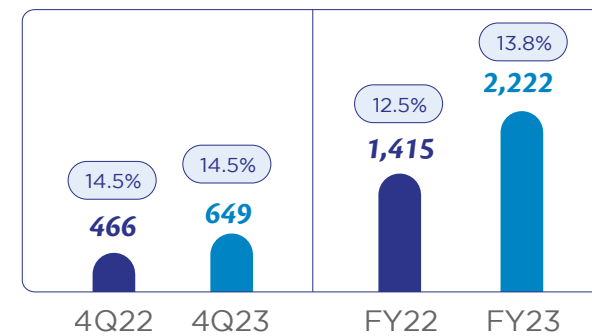
While volumes for fermented and juice products remained stable compared to Q4 22, dairy saw a slight year-on-year decrease. Juhayna retained market share through brand strength, product variety, and a focus on innovation. Rising raw material costs, especially for milk and packaging, led to a 41% increase in COGS for FY23 and 36% in Q4 23. Despite this, gross profit margin rose by 0.6pp in FY23 and 2pp in Q4 23, boosted by the performance of the concentrates segment.

SG&A, Margin (EGP mn, %)



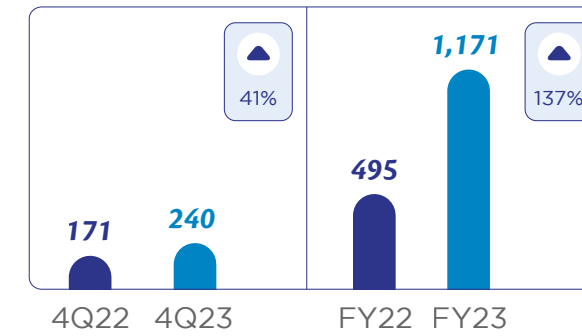
SG&A expenses decreased by 1.8% year-over-year to 14.4%, thanks to cost-saving initiatives and better distribution efficiency.

EBITDA, Margin (EGP mn, %)



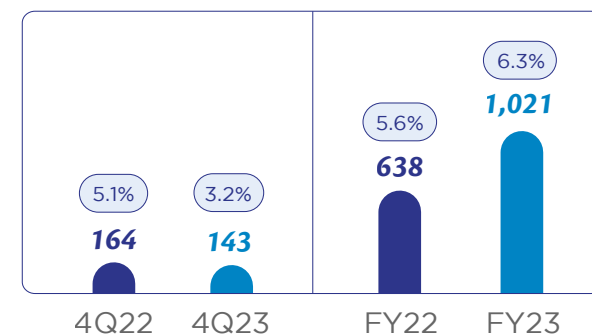
EBITDA rose by 57% in FY23 and 39% in Q4 23, reaching EGP 2,222M and EGP 649M, with margins of 13.8% and 14.5%, respectively.

Export Sales, Growth (EGP mn, %)



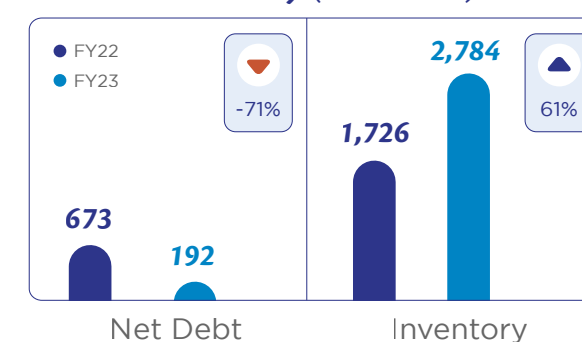
Export sales for FY23 surged by 137% to EGP 1.2B, with Q4 23 exports up 41% year-on-year to EGP 240M. Exports contributed 7.3% of total revenues in FY23, up from 4.3% in FY22, and 5.4% in Q4 23, compared to 5.3% in Q4 22. In dollar terms, export growth reached 51% for the year and 7% for the quarter. Concentrates exports were a major factor in this growth, helping Juhayna navigate FX-related challenges. The company is actively pursuing further expansion in export markets.

Net Profit, Margin (EGP mn, %)



Juhayna reached a record-high net profit of EGP 1.0B in FY23, marking a 60% year-on-year increase, largely due to stronger profitability in the concentrate segment and rising global demand. This achievement came despite a net FX loss of EGP 279M in Q4 23. Juhayna's robust supply chain, strategic partnerships with local and international suppliers, and a strong cost-cutting strategy were key drivers of this growth.

Net Debt, Inventory (EGP mn, %)



Juhayna's net debt decreased by 71%, from EGP 673M in Q4 22 to EGP 192M by the end of Q4 23, mainly due to dollar-based payables amid FX shortages and limited use of bank facilities. Additionally, the company invested EGP 561M in CAPEX in FY23, supporting its long-term plans in farming, manufacturing, and distribution.

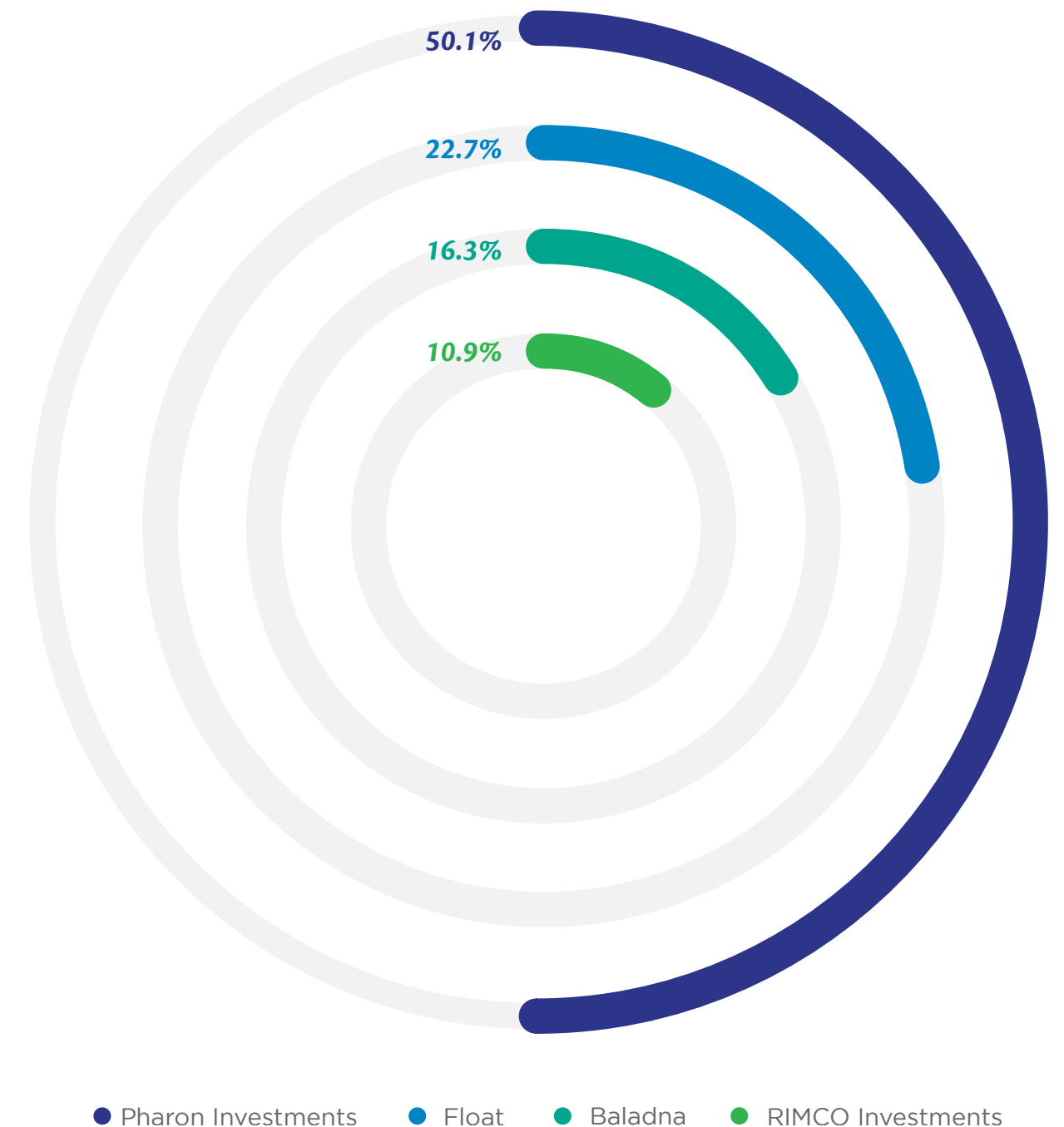


Shares and Shareholders Information

Market	Stock Ticker	Date of Listing
The Egyptian Exchange (EGX)	JUFO.CA	18 MAY 2010



Shareholders' Structure



Product Innovation

As Juhayna continues its leadership position in the market, environmental and social governance has become an integral component of its corporate strategy, business and market analysis and risks and opportunities management.

At the core of Juhayna's R&D efforts is our world-class innovation center, the first of its kind in the MENA region. This facility allows Juhayna to localize product development through in-house industrial and lab trials, focus groups, and insights from global trends. The center also features a secure data storage area, a consumer insight room, and the "Juhayna Technical Academy" for training.

A milestone in our strategic vision, this facility enhances our ability to innovate, refine manufacturing processes, and set new industry standards, positively impacting food manufacturing across the region.

Our Product Innovation addresses and aims to achieve our ESG Strategy Objectives:



**Innovation
& Services
Excellence**



**Food Quality,
Safety &
Security**



**Fair Products
& Services
Offerings**

In addition, and as part of our aim to provide transparent insights to our stakeholders, we share how the company addresses its initiatives, target setting, and management approach through a lens of risks and opportunities in relation to product innovation.

Continuous Product Innovation

Juhayna's Research, Development, and Innovation (RDI) team has a longstanding history of developing first-of-their-kind products in the Egyptian market.

Continuously collaborating with suppliers, the team screens and evaluates new ingredients essential for Juhayna's continuous improvement programs.

This dedication to maintaining product exceptionality and go-to-market has enabled Juhayna to introduce new innovations consistently.



**Quality
Improvement
(Market Leadership)**

By enhancing
the quality
of existing
products



**Innovations (Grow
in Market Shares)**

By launching
new Products
that addresses
a market need,
demand or gap



**Backup Materials
Validation (Grow in
Volume & Value)**

By introducing
new backup
materials



**Cost Saving & Cost
Avoidance Projects
(Profitability & Efficiency)**

By adopting
automation and
pilot testing



**Geographic
Expansion**

By strengthening
brand identity by
following global
standards and be
perceived as a
quality benchmark
globally

In 2023, Juhayna expanded its yogurt offerings with the launch of an all-natural Fruit Yogurt range, available in four flavors—Mango, Peach, Strawberry, and Mixed Berries—in convenient 105g packages. This new addition, reflects Juhayna's dedication to offering healthy choices.

Building on the success of Juhayna's previous yogurt products, such as the Greek Yogurt range, the Fruit Yogurt quickly gained traction, achieving a 20% market share within its first three months.



Product Innovation Governance

Juhayna continuously adapts its product portfolio to align with evolving market trends and consumer preferences through strategic innovation and targeted adjustments. Successful product launches are driven by carefully crafted strategies designed to ensure strong market acceptance. Accordingly, the Product Innovation process includes the following key factors:



Regulatory and Market requirements

Moreover, the Regulatory Affairs and Nutrition (R&N) team implements several key measures, including:

- Maintaining a comprehensive database of Egyptian regulations, encompassing Standards, NFSA Guidelines, Technical Legislation, and Codex Alimentarius regulations. This database is meticulously monitored and updated biannually to ensure compliance with the latest standards and requirements.

- Holding periodic meetings with internal related stakeholders to ensure ongoing awareness and understanding of regulatory requirements.
- Conducting comprehensive regulations reviews at each step of product formulation.
- Participating in ten regulatory technical committees and working groups to ensure complete alignment with upcoming regulations.
- Providing selling markets with updated international regulations to ensure exported products comply before shipping.



Product Innovation Quality

Finally, Juhayna applies the following Quality Assurance measures;

Incoming Material Checks:

Standardized quality checks are performed on raw materials and packaging to ensure they meet quality standards before entering the production process.

Processing Phase Monitoring:

Quality monitoring is performed at each phase of processing, from semi-finished to finished products, and is monitored closely to maintain quality and consistency throughout production.

Critical Control Points (CCP):

CCPs identification and monitoring are performed to mitigate risks related to food safety compliance at every production stage.

Product Handling Oversight:

Quality inspection is performed on the handling of products during storage, transport, and distribution is closely supervised to prevent mishandling and ensure product safety.

Labeling

Juhayna follows strict procedures in product labeling to ensure regulatory compliance and responsible communication practices. This includes:

- Sourcing of ingredients
- Nutritional content
- Safe handling instructions
- Disposal information

These procedures ensure that product labels are informative, accurate, and fully compliant with regulatory requirements, fostering consumer confidence through responsible practices.

Stages of Product Development and Trials

Juhayna employs a structured, multi-stage approach to product development, incorporating lab samples, pilot trials, and industrial trials to ensure the success and market readiness of new products.



Closer Look on the Pilot Plant Automation Trials

Juhayna leverages digital tools and automation in R&D using a pilot plant, designed to replicate the factory production lines with a capacity of 100 L/h, capable of processing 64 trials per month.

The Pilot Plant Automation enabled Juhayna to achieve significant operational efficiencies including:



Waste Reduction

The pilot plant reduces material waste, particularly during industrial trials where the minimum batch size is typically 5 tons. Without the pilot plant, trial batches—including both product and packaging materials—are unsellable.

The pilot plant reduces the volume of unsellable product waste by simulating industrial conditions on a smaller scale, minimizing waste during reformulations.



Cost Reduction

Juhayna realized an 88% reduction in costs when comparing the cost of industrial-scale trials to the smaller, pilot-scale trials. In 2023, these efforts led to a cost saving of EGP 4M and a cost avoidance of EGP 15M vs. EGP 4M in 2022, due to product reformulations.



Time Savings

The pilot plant allows Juhayna to accelerate the production trial process by reducing downtime by 60% compared to industrial-scale trials. This timesaving enables faster product development and reduces overall production disruptions.

Closer Look at the Product Stability Studies

At Juhayna, stability studies are a critical part of the product development process, ensuring that a product maintains its quality and safety throughout its intended shelf life. The study consists of two key components: sensory testing by the Product Development (PD) team and microbiological and chemical analysis by Quality team. All Juhayna products undergo these stability studies before being released to the market.

Objective

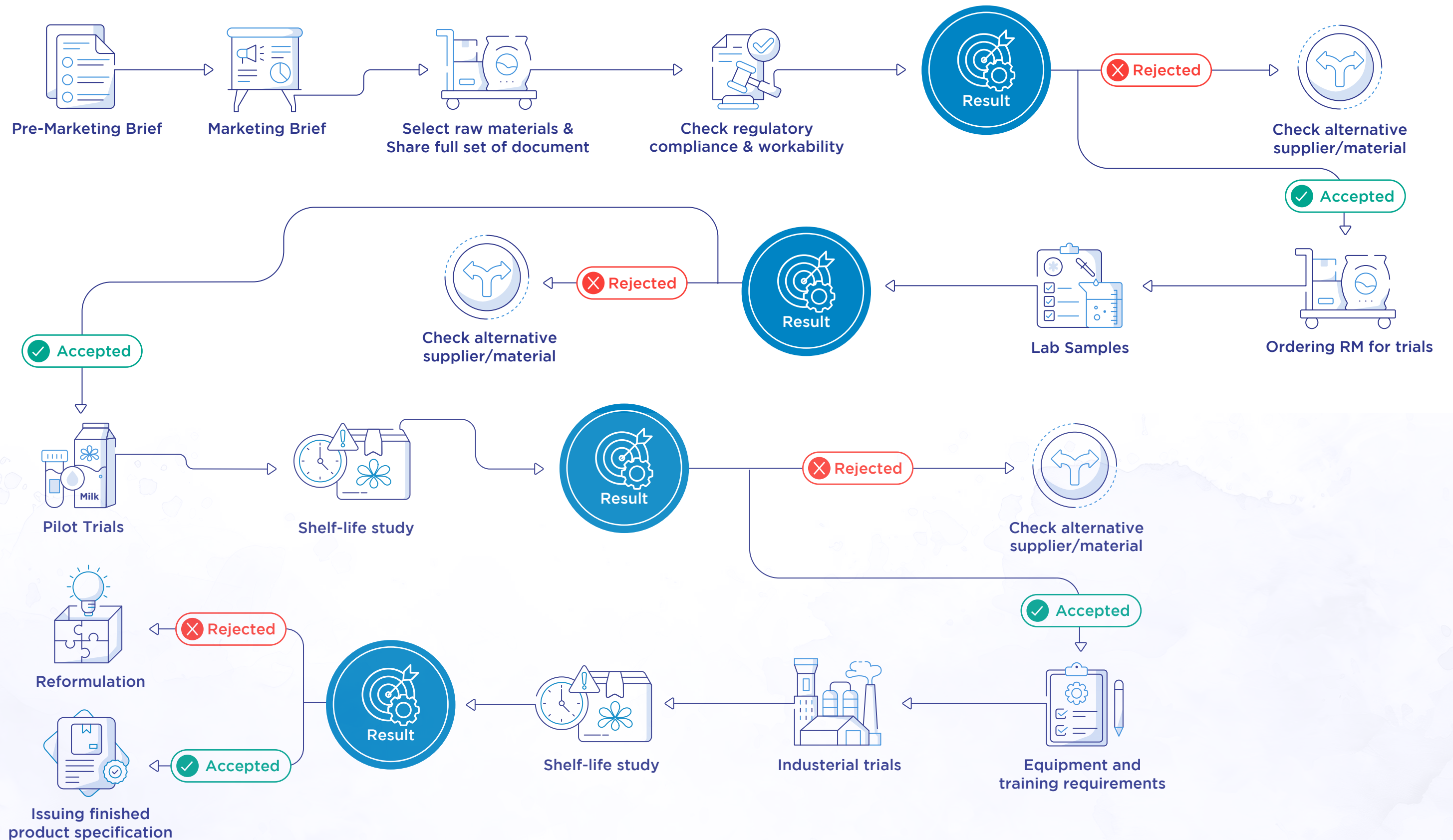
Ensure that the product remains stable under various storage conditions and throughout its shelf life. The study involves testing at different temperatures to determine the optimal storage conditions and to set the product's shelf life.

Potential Risks

If the stability study identifies any negative results or red flags such as out-of-specification chemical or microbiological parameters, the product may pose a safety risk, leading to delays in product launch or the need for reformulation.



Product Innovation Workflow Process



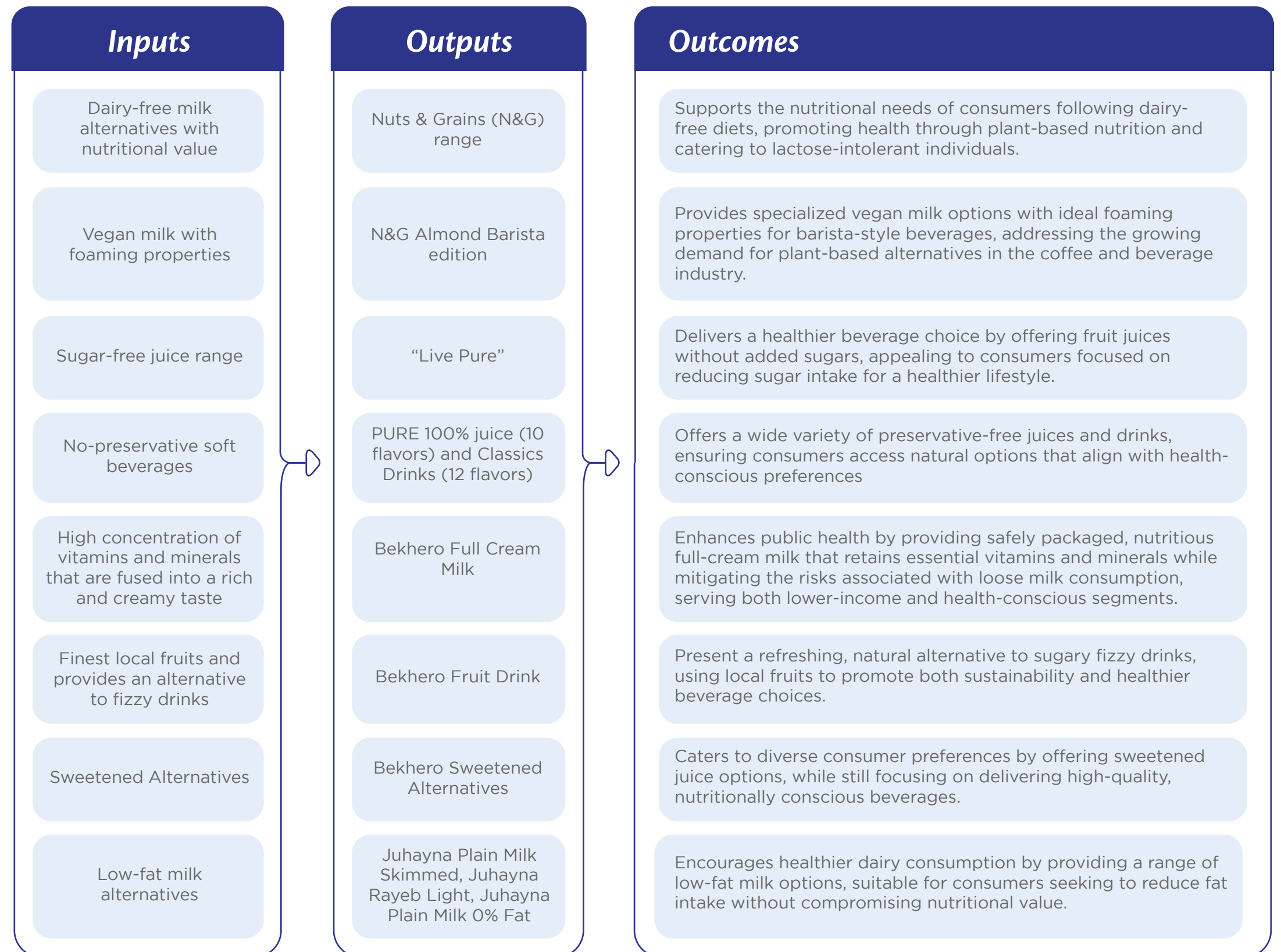
Product Innovation Initiatives and Impacts

Workflow Process	Related Stakeholders	Product Innovation Role	KPIs (2022)	KPIs (2023)
Pre-Marketing Brief: Conduct Consumer Research and provide Market Brief	Marketing	Conduct consumer research and provide market brief to enhance the quality of existing products where applicable	Enhancing the quality of three existing products	Enhancing the quality of two existing products
Marketing Brief: Initiate ideation, market requirements, evaluation, and approval of product samples	Sales and Marketing	Consumer research, innovation ideas for B2C, Product brief, choosing taste profile according to benchmark samples, Tasting session, Final tasting session	Time from Ideation to sampling is an average of 1-3 months	Maintaining time from Ideation to sampling is an average of 1-3 months
Marketing Brief: Strengthen brand identity by following global standards and be perceived as a globally recognized quality benchmark		Geographic Expansion	Presence in 34 international markets	Expanded international presence to reach 62 markets
Ensure regulatory compliance of all raw materials and products while promoting consumer health and scientific awareness	Regulatory Affairs	100% compliance with Egyptian and global regulatory standards across all products and raw materials, while enhancing public knowledge on nutrition and health through scientific communication	Maintained key certifications of NFSA Whitelists and Quality Systems and continuously passed regulatory inspections without significant findings	Maintaining key certifications of NFSA Whitelists and Quality Systems and continuously passed regulatory inspections without significant findings
Scale-up testing and finalization of product specifications	Manufacturing	Confirm workability of new products in the existing production line or identify new line investments needed	Average 9 months to 1 year for from ideation to ready-for-production. Approx. 30% of trials (related to optimization in formulation and processing window)	Maintaining the same speed for product innovation from ideation to ready-for-production

Workflow Process	Related Stakeholders	Product Innovation Role	KPIs (2022)	KPIs (2023)
Set selection, evaluation, and procurement of RMs	Procurement	Sourcing new raw materials (RM) and securing alternative RM for existing products	Introducing 40 backup suppliers & alternative raw ingredients	Introducing 15 back-up materials to ensure continuous availability of RMs and in turn continuous supply
		Incorporates sustainability goals by selecting raw materials and suppliers based on criteria that ensure high quality, nutritious ingredients free of preservatives, and derived from natural or NI sources	100% are free of preservatives 100% of flavors are from natural or NI sources	100% of SKUs are free of preservatives 100% of flavors are from natural or NI sources
Initiate Evaluation and quality assurance	Quality	Tasting session, Industrial trials, Stability study	60 yearly external audits	Maintaining 60 external audits with cost of sampling at EGP 800,000
Production	Management	Final tasting session: Complete final approvals of product samples	Time from sampling to launch and time from launch to end of production (distribution on market) is an average of 9 months to 1 year	Maintaining the average time of 9 months to 1 year
Marketing	Marketing	Introduce new products to the market	Launching 2 new Products (GYD, Almond barista)	Launched four new variants of FOB stirred yogurt, including Strawberry, Mango, Berries, and Peach



Product Innovation Value Creation





Collaboration and Partnerships

Juhayna's collaboration with external partners, such as Tetra Pak, plays a key role in its R&D processes. Tetra Pak has been a long-standing strategic partner, working closely with Juhayna to optimize production line processes and align product development with the capabilities of Juhayna's factories. This partnership also supports Juhayna in staying ahead of global trends, contributing to a forward-looking product roadmap that incorporates the latest innovations in packaging and production technology.

Suppliers are integral to Juhayna's new product development, providing both technical and business support. They introduce innovative technologies, new raw materials, and cost-effective solutions while ensuring that all raw materials meet the required quality standards. Suppliers also offer technical expertise, helping Juhayna refine production processes and explore new product possibilities.

Juhayna's product development team manages supplier relationships through early involvement, ensuring that suppliers are engaged from the initial stages of product conceptualization. The team provides clear briefs and maintains open lines of communication, holding regular meetings and workshops to discuss project progress and any potential challenges. This collaborative approach ensures that suppliers and Juhayna work in synergy to bring innovative, high-quality products to market.

Sustainable Farming

A Peek from 2022

Our ability to supply quality, safe and tasty milk and dairy products starts with healthy dairy cows and depends on the production of high-quality raw milk by dairy farmers. The activities of Dairy Farming directly impact our brand trusted relation with our consumers.

Extending over 500 fedans, Juhayna's owned farm is Enmaa Dairy. It is managed by its subsidiary, Al-Enmaa for Agriculture Development and Livestock Company.

As our business grew and the need for quality and consistent sourcing is critical to address market and operational risks, our thriving sustainable farming strategy "Kafa'a" (means Aptitude in Arabic) came to light as an initiative to bolster rural farming and enhance the quality of dairy products integrated into the national food network.

After many years demonstrating success, today, Kafa'a has become the first of its kind in Egypt; a farming inclusion program that primarily aims to improve conditions across rural Egypt. 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 program criteria, while boosting national capacities in the milk sector where 45% of the network member-farms are able to supply the entire market and not limited only to Juhayna.

[For more information on the story of Juhayna's farm; Al-Enmaa and Juhayna's network of local farms, refer to Appendix 7.](#)



Farming: The Heartbeat of Dairy Production

"Dairy Excellence" reflects the Importance of Farming as a fundamental first phase to dairy production. Production, that serves as the backbone of our entire operation. The quality of milk is directly influenced by the care, expertise, and commitment of our farmers who nurture our herds and land to create a healthy environment for milk production.

Commitment to Quality and Freshness

The journey from farm to consumer is rigorously screened and managed to protect and preserve the freshness and quality of our milk. Our milk is harvested under the highest standards of hygiene and safety, from parlors to transportation, towards our processing facilities, our milk supply undergoes over 250 milestones of rigorous testing and quality checks at multiple milestones.



Every drop of milk undergoes rigorous testing and quality checks

Supporting Local Communities

Dairy farming is not just about milk production for the local communities; it is an integral part of their lives. We support rural communities and local economies by sourcing milk from local farms, and contribute to job creation of 22 Milk Collection Centers (MCCs) that support family-owned businesses.


Animal Care

Responsible Farming represents a commitment to achieving dairy excellence while integrating environmental and social measures to mitigate risks and create positive impacts for our stakeholders. The first and foremost stakeholders are our animals and their breeds. We believe Responsible Farming is a unique ecosystem, as caring for those without a voice is a significant responsibility that reflects our core values and upholds the credibility of our brand.

From feeding and caring for cows to ensuring ethical and sustainable practices, dairy farming lays the foundation for producing the highest quality milk—trusted and cherished by consumers.

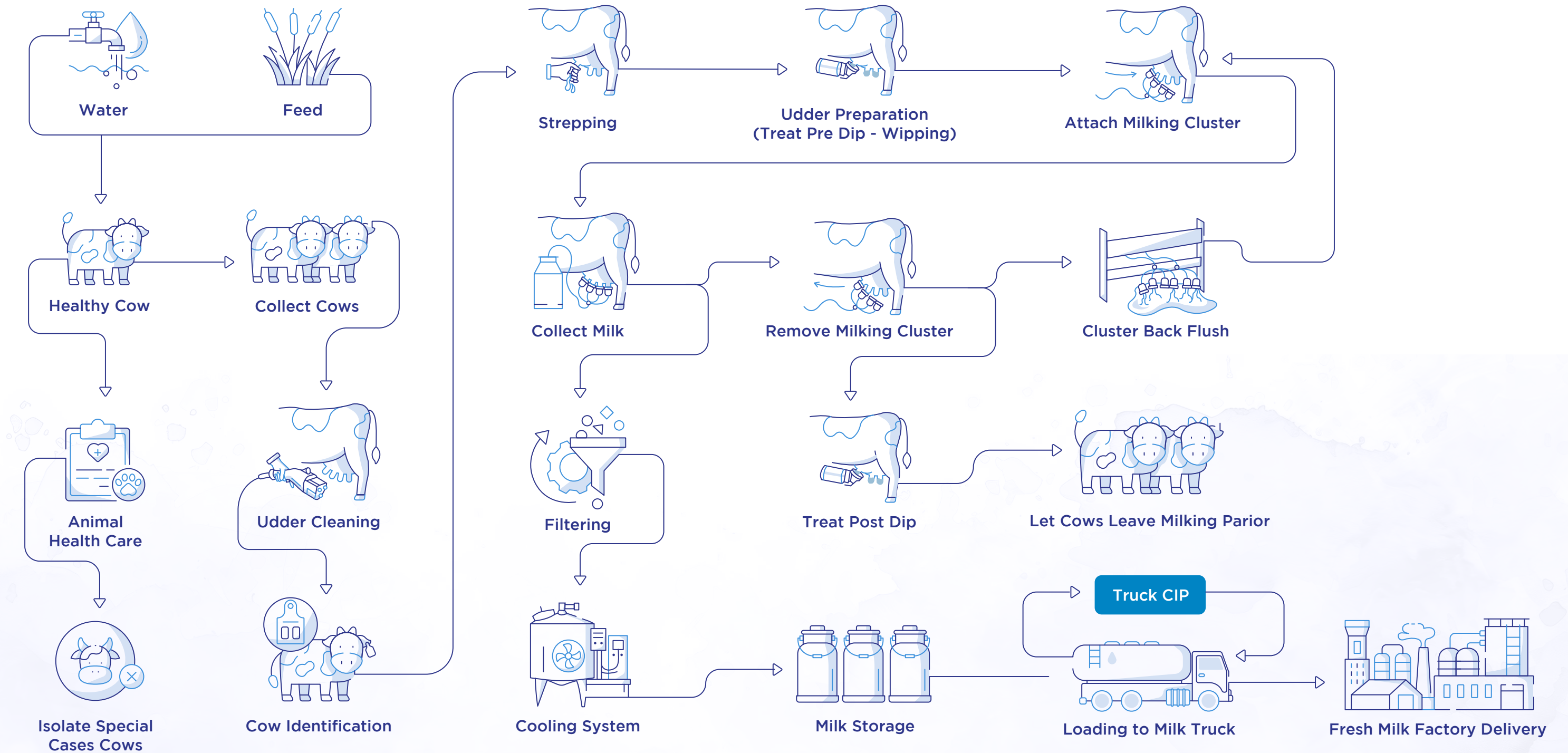
[For more information, refer to Appendix 7](#)

By prioritizing the well-being of our cows, we ensure that they produce milk that is not only rich in nutrients but also free from stress-induced impurities, resulting in a superior product for our consumers.







Every glass of milk you enjoy helps sustain the livelihoods of hardworking farmers who are the lifeblood of the dairy industry.

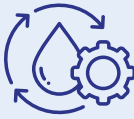



Farming Workflow Process



Farming Workflow Initiatives & Impacts

The workflow diagram for Al Enmaa delineates a series of integrated operations essential for milk production. Each of these key stages addresses one or more desired impacts for animal or milk quality.

Key Objective/Impact	Processes
 Cow Health	Collecting Cows and Udder Cleaning: Initial stages focus on ensuring animal health and hygiene, critical for maintaining milk quality right from the source. We implement a biosafety and vaccination program to ensure that the animals' health is up to standard. The quality of feeding ingredients is also monitored for cow health and production efficiency. Fresh colostrum cows and cows under treatment with anti-biotics are isolated for relevant actions
 Consistent Milk Quality	Milking Operation: Automated milking systems, including cow identification and milk extraction, optimize efficiency and ensure consistency in milk quality. This stage reduces manual labor interventions and enhances operational accuracy.
 Consumer Safety	Milk Filtering and Cooling: Post-extraction, the milk undergoes rigorous filtering to remove impurities and is then cooled to preserve freshness and prevent bacterial growth. This stage is crucial for maintaining the quality standards required for consumer safety.
 Milk Quality Preservation	Storage and Transportation: Storage temperature (below 5 degrees), hygienic conditions and the use of advanced storage technologies ensure minimal quality degradation in milk and avoidance of bacterial growth before being transported to the factories for further processing.

Key Objective/Impact	Processes
 Water Management	Cooling and cleaning: Water is most heavily consumed at those two stages at about 800,000 and 1,400,000 liters/day respectively, to comply with our standards. <ul style="list-style-type: none"> 60% saving on water consumption from the automated filling for water tanks. 50% saving on water consumption from automatic flushing. Reuse of cleaning water for irrigation.
 Waste Management	Across the workflow: <ul style="list-style-type: none"> Strict waste management guidelines are implemented at Al Enmaa. Bio-hazard, chemical hazard, and physical hazard waste generated from the laboratories are disposed of in a safe manner. 13,000 m3 (of 18000 m3) of waste at the cow stands and from the yards are collected for sale.
 Animal Care	Exiting the parlor: <ul style="list-style-type: none"> Once milking is complete, the milking clusters are carefully removed from the cows to ensure no harm is inflicted to them. Cows' teats are treated with a post-dip solution to protect their integrity and health. The solution acts as a disinfectant that guards against pathogens that could affect milk safety as well as the cows' safety. Herd is guided out of the milking parlor in an orderly transition to ensure that cows' return to the yard in a stress-free environment, to ensure their welfare.
 Quality Products	Fresh Milk Delivery for Manufacturing: The delivery of nutritive fresh milk that is essential for manufacturing Juhayna's range of products. We consistently maintain the quality of 3.5% of fat and 3% of protein. We are listed on the NFSA whitelist, requiring that our milk production is of the highest quality.

Farming Integrated Management System - Raw Milk Processing

Descriptors of Milk Quality (Mandatory Requirements) - for UHT or fermented products

- Color and texture
- Flavor and odor
- Composition
- Nutritional value

Key Milk Quality Audit Stages

- Milk TPC
- Milk temperature

Key Animal Care Audit Stages

- Bio security and vaccination
- Feeding ingredients



Manufacturing or Processing Properties

- Presence of any 'abnormalities' (e.g., high numbers of somatic cells, blood)
- Contamination by foreign substances (e.g., bacteria, bacterial enzymes, antibiotics, chemicals, soil).

Key Automated Stages

- Milking operation
- Cows' identification in the parlor
- Feeding process
- Milk cooling.



Farming Value Creation

Capital	Inputs	Outcome	Outputs
Financial	<ul style="list-style-type: none"> • NO CAPEX was required during the reporting cycle. • Collaboration with EMPA (EGYPTIAN MILK PRODUCERS ASSOCIATION) to mitigate price volatility. 	<ul style="list-style-type: none"> • Increase farming efficiency for quality and volume supply to our factories. • Set a fair price formula allows us to secure mutual risk hedging for the market, the business and the suppliers and meet the demand on quality milk. 	<ul style="list-style-type: none"> • 49,207 Milk production (m3/year) • Al Enmaa constituted 17% of Juhayna's supply of raw milk compared to 15% share in 2022. • 9% Y-O-Y Increase in our raw milk supply from local farms
Natural	<ul style="list-style-type: none"> • 130 Dairy Farms (under Kafa'a Network) in 2023 compared to 132 in 2022 • 22 Milk Collection Centers (MCCs) compared to 22 in 2022 	<ul style="list-style-type: none"> • Upgrading of 70% of the parlors' equipment 	<p>Water</p> <ul style="list-style-type: none"> • 60% saving on water consumption from the automated filling for water tanks. • 50% saving on water consumption from automatic flushing. • Reuse of cleaning water for irrigation. <p>Waste</p> <ul style="list-style-type: none"> • 13,000 m3 of waste at the cow stands and yards are collected for sale.
	<ul style="list-style-type: none"> • 7105 Herd Size in 2023 compared to +7,000 in 2022 • Double the herd with the current animals we own in the next 4 years, at a rate of 25% growth per year. 	<ul style="list-style-type: none"> • Maintain our herd's health and using of sexed semen to obtain more heifers. 	<ul style="list-style-type: none"> • 25% yearly increase of our Herd size. • 4-5% Reproduction rates
Human & Social	<ul style="list-style-type: none"> • 180 Farm workers grown from 165 in 2022 • Onsite Veterinarian • Onsite Engineer • Technical Training and Partnerships 	<ul style="list-style-type: none"> • 6 Technical Training Sessions, with 120 participants across all ENMAA network farms. 	<ul style="list-style-type: none"> • 0% Accident Rates
Intellectual	<ul style="list-style-type: none"> • ISO 22000 certification for food safety management. • Quality assurance visits - totaling an average of 250 annually 		<ul style="list-style-type: none"> • Listed on the NFSA whitelist, entailing that our milk production is of the highest quality. • Consistently maintaining the milk quality of 3.5% of fat and 3% of protein as input supply to our factories.
Manufactured	<ul style="list-style-type: none"> • State-of-the-art rotating milking parlor where automatic registration takes place. 	80 milking points for most responsibly efficient milking.	<ul style="list-style-type: none"> • Milking around 450 cows per hour followed by a cooling system at capacity of 10 thousand liters of milk cooling per hour.
	<ul style="list-style-type: none"> • Advanced Laboratory 	Analysis of feeds and quality checks and bacteria count for each millimeter for diseases	<ul style="list-style-type: none"> • Zero infection/diseases diseases
	<ul style="list-style-type: none"> • 100% Automated parlors • 95% are computerized to Juhayna's Integrated Management System 	High Quality Sourcing	<ul style="list-style-type: none"> • TPC: >50,000 CFU, with 10% increase of TPC total plate count/cfu • M1: >34, with 37% increase of M1 aflatoxin/ppt

Honoring All Farmers

At Juhayna, we understand that the story of milk begins with the farmer. Their dedication, passion, and expertise are what make it possible for us to deliver the wholesome, nutritious milk that families rely on every day.

We dedicate our story to all the publicly unknown farmers. We celebrate and honor those who play an indispensable role in our dairy production, and we are committed to supporting them as they continue to provide the first and most important step in our production.

The next time you use a Juhayna dairy product, please take a moment to remember that it all starts with a farmer who cares deeply about their craft, their cows, and the community.



Responsible Procurement

A Peek from 2022

Suppliers Performance Management

Our commitment to sustainable supply chain management is optimized by the application of global Supplier Relationship Management (SRM) principles. These principles have been instrumental in shaping Juhayna's success, fostering essential attributes such as continuity, transparency, and collaborative improvement across our supplier network.

Supplier engagement is initiated at the very first phase of our supply chain management to ensure alignment with Juhayna's sustainability goals. Supplier performance is assessed through rigorous evaluation of both commercial and technical criteria. The Quality Department is instrumental in monitoring and auditing material quality to ensure compliance with our stringent standards.

From a commercial perspective, we rigorously review the suppliers' adherence to agreement clauses, with particular emphasis on achieving expected service levels. This includes aspects such as material sustainability, adherence to delivery plans, and overall service excellence.

Upholding Commitment

To uphold our commitment to a responsible supply chain, we have implemented comprehensive strategies spanning multiple critical functions. These include supplier engagement and management, advanced procurement processes, rigorous quality assurance protocols, ongoing research and development, innovative packaging solutions, and efficient warehousing and distribution systems.

Our Supply Chain Management supports the implementation of three of our ESG Strategic objectives:

Contribution to Economic Wealth

Sustainable Procurement

Responsible Vendors Relations

Responsible Procurement Purchase-to-Pay Workflow Process

As part of our commitment to fostering sustainability across our supply chain, we emphasize impactful practices throughout every stage of the Purchase-to-Pay (P2P) cycle. This approach ensures operational efficiency while promoting responsible sourcing and ethical partnerships. At each critical touchpoint, we uphold fairness, integrity, and strong support for our vendors.



Responsible Procurement Purchase-to-Pay Workflow Initiatives and Impacts

01 Request for Quotation to Suppliers

We ensure that the Request for Quotation (RFQ) process is inclusive, transparent, and aligned with sustainability principles:

- **Fair Access:** All registered qualified suppliers, regardless of size or location, are invited to participate, ensuring opportunities for small and local businesses.
- **Clear Expectations:** RFQs are detailed and precise, outlining the technical, quality, and sustainability requirements expected from suppliers.
- **Sustainability Emphasis:** We actively encourage suppliers to highlight their social and environmental credentials (beyond those that are the regulatory requirements), ensuring a focus on social and eco-conscious sourcing and production practices.

02 Transparent Technical Evaluation Criteria

To promote integrity and impartiality, our technical evaluation process is governed by clearly defined and accessible criteria:

- **Objective Scoring:** Suppliers are assessed against standardized benchmarks, including quality, cost-effectiveness, delivery performance, and adherence to code of conduct.
- **Predefined Metrics:** Evaluation criteria are shared upfront with all participants to ensure complete transparency.

03 Fair Negotiation

We are committed to ethical and balanced negotiations that foster long-term, mutually beneficial relationships:

- **Equitable Terms:** We strive to reach agreements that balance fair pricing for suppliers with competitive costs for the company.
- **Sustainability Incentives:** we are investigating the applicability of vendors demonstrating leadership in sustainability to be rewarded through preferential terms or extended contracts to encourage continued improvements.

04 Transparent Supplier Award

Supplier selection and award decisions are conducted with utmost transparency to reinforce trust and accountability:

- **Open Communication:** All bidders are informed of the decision-making process and the factors contributing to the final selection.
- **Feedback Mechanisms:** Unsuccessful bidders are provided with constructive feedback to help them improve their future proposals.
- **Merit-based Selection:** Awards are based solely on objective evaluations, ensuring that the most capable and sustainable suppliers are chosen.

05 Contracting and Supplier Support

Once a supplier is awarded, we actively support them to meet our operational and sustainability goals:

- **Long-term Collaboration:** Our contracts emphasize partnerships rather than transactions, fostering innovative solutions and shared success.
- **Conflict Resolution:** Open dialogue channels are maintained to address and resolve any challenges promptly and collaboratively.

06 Timely Payment

We recognize that prompt and reliable payments are critical to maintaining supplier trust and financial stability:

- **On-schedule Payments:** Payment timelines are strictly adhered to, ensuring suppliers receive their due compensation promptly.
- **Vendor Assurance:** Clear communication about payment schedules reassures suppliers of our commitment to financial integrity.





Investing in Local Sourcing

Capital	2021	Since 2022
Number of Local Suppliers	80	100
Number of Foreign Suppliers	50	60
Total Number of Suppliers	130	160
Percentage of Local Suppliers to Total Number of Suppliers	61.5%	62.5%
Percentage of New Contracted Local Suppliers to Total New Contracted Suppliers	28%	16%

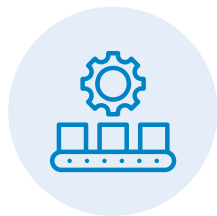
Responsible Procurement Value Creation

Capital	Inputs	Outputs	Outcomes
Financial	Mitigation measures for economic inflation on our pricing	Implementing payment facilities to reduce the inflated prices.	1. Increased safety stocks. 2. Reached a record-high net profit of EGP 1.0B in FY23, marking a 60% year-on-year increase.
	Mitigation measures for currency devaluation on our production outputs	Increasing the number of back up materials by validating alternatives.	3. Introduced 15 new backup materials since 2022. 4. Decreased number of sole suppliers to 60% since 2022.
Manufactured	Sourcing new raw materials and securing alternatives for existing products	Increasing the number of back-up suppliers by validating alternatives.	5. Introduced 40 backup suppliers since 2022.
	Mitigation measures for the unavailability of foreign currency and unavailable or increased-priced material	Expanding our local suppliers' base.	6. Acquired 6 new suppliers since 2022
Social	Continued partnership with GIZ for Egyptian Suppliers Technical Program	Supporting vendors' seamless integration into supply Chains.	7. Supported 8 suppliers.

Responsible Manufacturing

As Juhayna continues its leadership position in the market, environmental and social governance has become an integral component of its corporate strategy, business and market analysis and risks and opportunities management.

Our Manufacturing addresses and aims to achieve our ESG Strategy Objectives:



Sustainable Green Facilities



Food Quality, Safety, & Security



Preserved Natural Resources



Responsible Technological Usage

In addition, and as part of our aim to provide transparent insights to our stakeholders, we share how the company addresses its initiatives and target setting, and management approach through a lens of risks and opportunities in relation to manufacturing, and as part of achieving progress on its ESG Strategy.



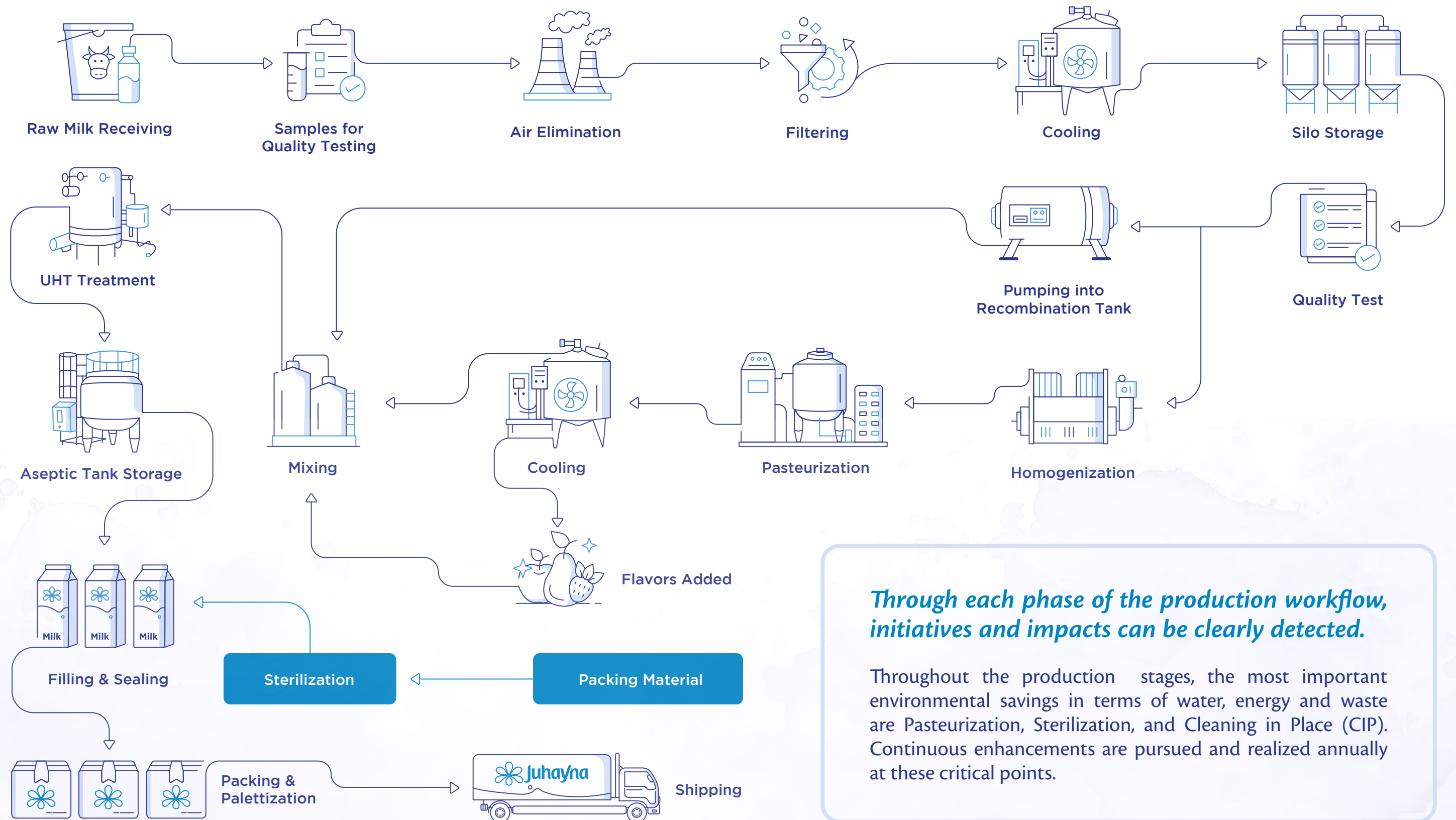
Al Masreya – Zooming-in on Technology and Process Efficiency

Building on its 2022 Status as “Advancing Milk Production with Technology”, where AL MASREYA evolved since 2005 into Juhayna’s largest production capacity for milk by using state-of-the-art TBA-Edge packaging technology.

In 2023, we focused on featuring Al Masreya workflow processes and its impacts on quality, safety, productivity and cost-effectiveness.

The efforts made to elevate operational standards and sustainability have yielded notable improvements across various Sustainability key performance indicators and outcomes.

El Masreya Workflow Process



In 2023, focus can be witnessed as follows:

A) Energy

The highest energy consumption takes place in the Pasteurization stage; accordingly we targeted improvement in electricity efficiency and gas consumption in 2023 as follows:

Improved Electricity Efficiency

We targeted to optimize energy use, which resulted in an overall 7.3% increase in electricity efficiency per ton of production from 2022 to 2023. The UPS Project was initiated in 2022:

- **Objective:** eliminate the risk of power failure during production time which leads to increase production availability and reduce chemical consumption.
- **Scope of implementation:** the entire plant
- **Impact on production efficiency or volume**

In 2023, the estimated cost of production loss due to electricity cut was at over EGP 16M, and electricity at 218,400 Kw. The UPS project allowed the company to achieve recovery in both aspects.

Improved Gas Consumption

- A “Main Feed Water Tank” project, aimed at improving gas consumption efficiencies.
- We built a new main feed water tank with a high capacity to be able to feed all boilers and absorb all steam condensate returns from production lines.
- We utilized the output steam from the Boilers to heat the makeup water up to 90°C and enhancing the condensate return rate, which reduces natural gas consumption.
- The project was completed in September 2023 and achieved 14% reduction in gas usage compared to 2022 which kept our overall annual gas consumption at only 10.5% increase.
- The project investment reached EGP 500,000.

B) Water

It takes around 1.8m3 of water to produce one ton of milk and the highest water consumption takes place in the Powder Recombination and CIP (cleaning in place) stages.

In 2023, our focus was on Recombination.

Around 450 liter/ton & in CIP around 400 liter/ton are consumed. Absolute water consumption would continue to increase with the increased production volume; accordingly, the use of technology has become imperative to ensure water efficiency.



We invested in new Digital Flowmeters Monitoring Technology.



Total Investment reached EGP 214,890



As a result, we were able to set and achieve reduction target at 1.8m3/ton in 2023 vs. 1.9m3/ton in 2022, as targeted.

C) Waste Generation



The highest production of waste is generated at CIP, Pasteurization and Sterilization and Filling & Packaging Areas:

- Waste type includes Chemical, Water, semi-finished Product, Finished products and packaging Materials.
- We were able to set and achieve waste generation reduction target of 50% of MUV (Material Usage Variance) and 45% in Scrap.
- This was achieved by reducing material usage variance and decreasing the amount of scrap and reprocess taking place in the production cycle. Waste is managed through daily, weekly and monthly reviews.

D) Food Defense

As our network of farms and suppliers increases, we focused on enhancing our Food Defense practices:

Prior to the Storage phase, our farms have installed new seals on trucks during their road travel to avoid manipulation, which is a very minor cost to bear in return of a significance value to the phase where quality checks are conducted.

In the Silo Storage phase, additional monitoring system via cameras are now in place to track milk transition from trucks to the silos by the quality team.

We now have reached a full automation system directly reflected into the SAP of all sourcing.

As comprehensive internal training was conducted to factories professionals, accordingly we required no additional human capital.

Additionally, the improved the qualification of our employees is part of their learning and development programs which eventually qualify them for internal promotion.

E) “Finished Goods” Standardization

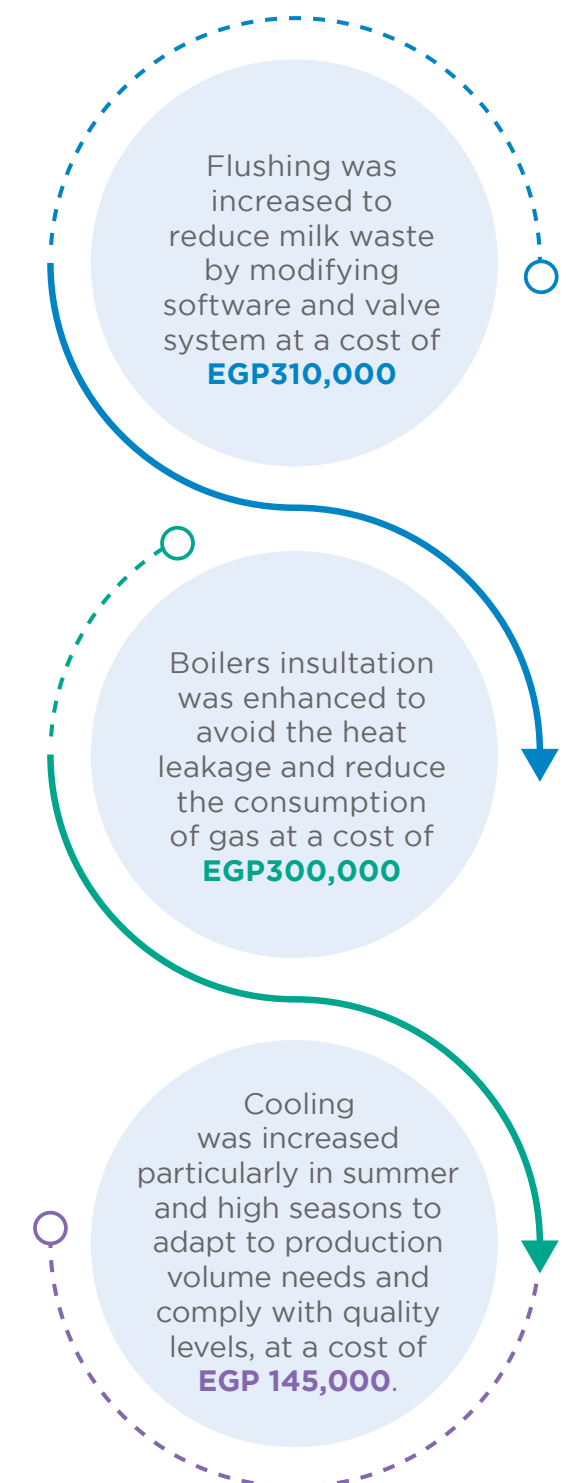
A new production line was introduced and completed with an objective is to achieve “Finished Goods” Standardization through the “Ultra Slim” format:

- Juhayna originally operated using two types of packaging machinery, one edge and two ultra slims.
- The different types of production lines caused an unnecessary process due to its variance in energy requirements, employees, maintenance and capacity of preventive back-ups.
- In collaboration with the Marketing and Packaging R&D teams, Juhayna was able to unify the packaging output of its milk products.
- This enabled Juhayna to decommission the older EDGE packaging machine, and we invested in two additional ultra slim machines, reaching now a total of four state-of-art ultra machines in operation.
- Total invested cost in this project: EGP 123 million



F) The 2024 Plan

Multiple improvements were planned in 2024, all of which were achieved by the time of publishing this report:



El Masreya Results and KPIs

Scope	KPIs	2022	2023	Performance 2023 vs. 2022	Impact
	DPMU	816	1202	-5%	DPMU (Defects per Million Units) has increased
	CPMU	1.76	2.16	- 10%	CPMU (Complaints per Million Units) has increased
	GMP %	83%	84%	+1.1%	Increase in GMP (Good Manufacturing Practices) indicates an improved performance rate as per the auditing checklist.
Productivity	OEE %	70%	71%	+1.4%	Increase in OEE (Overall Equipment Efficiency) reflects an improved measurement of machinery (Performance x Availability x Quality). Improvement can be achieved through Preventive Maintenance, CIL (cleaning inspection and lubricants), or others. In 2023/2024, the main scope of improvement was fo-cused on the enhancement of machines performance and availability. The Total Productive Maintenance (TPM) Program is a software linked to the factory SAP with multiple scope of analysis that detect the red flags for required maintenance which is directly determined on TETRAPAK system.
	Productivity (Ton/Emp.)	82	70	-16%	Despite the decrease in the volume of production per employee from 352 tons in 2022 to 307 tons in 2023 (due to national economic inflation and demand decline), but JUH choose to never discharge any employees, with zero layover, hence the decrease of tons/employee.
Cost	MUV %	0.17%	0.08%	-50%	A decrease in MUV (Material Usage Variance) and Scrap indicate significant advancements in material efficiency, accuracy and waste reduction by reducing material usage variance and decreasing and reprocessing the amount of scrap taking place at the production cycle.
	Scrap	0.2%	0.11%	-45%	
	Electricity KW/Ton	49	52.6	7.3%	This 7.3% increase was unavoidable despite the overall decrease in production volume due to the fact that a higher production volume improves resources efficiency.
	Water m3/ton	1.8	1.9	5.5%	This 5.5% increase was unavoidable despite the overall decrease in production volume due to the fact that a higher production volume improves resources efficiency.
	Gas m3/ton	8.5	9.4	10.5%	This 10.5% increase was unavoidable despite the overall decrease in production volume due to the fact that a higher production volume improves resources efficiency. However, the “Main Feed Water Tank” project, achieved 14% reduction in gas consumption at the Boiler phase, which help main-taining the 10.5% to reach higher increase levels.
	BOS	2/Emp./Month	1/Emp./month	-50%	The 50% decrease in the Behavioral Observation System (BOS) reflects an improved performance. In 2023, there was only a need for one single employee to conduct behavioral assessment per month. Reaching zero injury cases in 2023 compared to two injuries in 2022.

El Masreya Value Creation

Input:

Financial Capital

- Total investment of EGP 500,00 in the new Main Feed Water Tank.
- Total investment of EGP 214,890 in the new Digital Flowmeters Monitoring Technology.
- Total investment of EGP 123 million in two additional ultra slim machines.

Natural Capital

- Total Electricity 15,941 Kw/h
- Total Gas 2,840,524
- Total Water 549 liters

Manufactured Capital

- 75% of raw materials from the local market (confirm with procurement)

Social Capital

- Total of 676 BOS Training Hours by HSE Team.
- Total of 3640 Food Safety Training Hours by Quality Team.

Value Creation - El Masreya

Outputs & Outcomes

- 7.3% increase in electricity efficiency per ton of production from 2022 to 2023.
- 14% reduction in gas consumption compared to 2022 as a result of the new Main Feed Water Tank, which kept our overall annual gas consumption at only 10.5% increase.
- Reduction in water consumption at 1.8 m3/ton in 2023 vs. 1.9 m3/ton in 2022 as a result of the new Digital Flowmeters Monitoring Technology.
- Reduction in waste generation of 50% of MUV (Material Usage Variance) and 45% in Scrap.
- Zero layoffs despite national economic distress, reduced market demand and reduced volume of production.

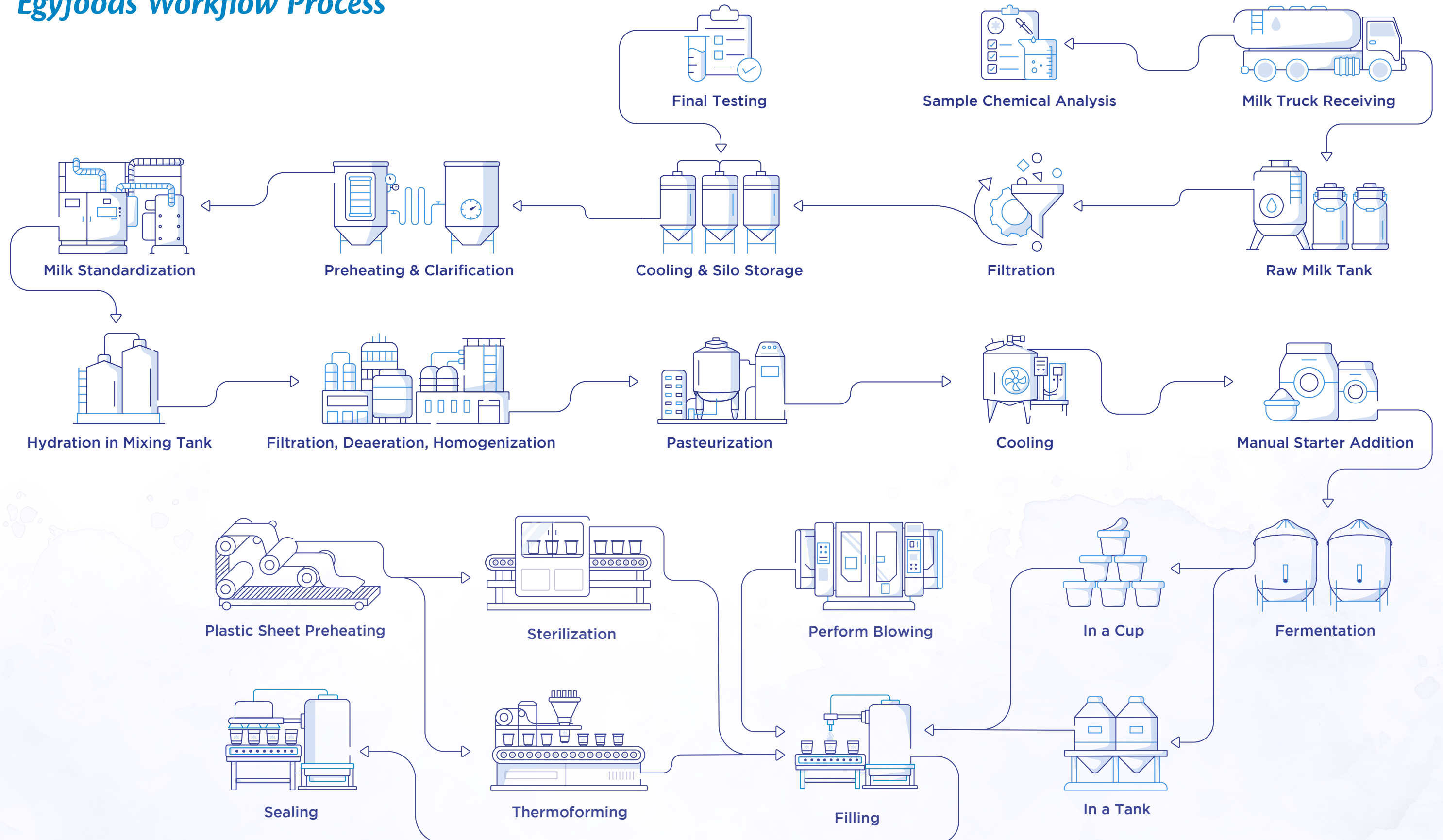
Egyfoods – Further Innovation in Yoghurt Manufacturing

A Peek from 2022

- » Juhayna launched Egyfoods 6th of October City, a 35,000 m2 facility, to expand the Company's yogurt production. Today, Egyfoods operates through 14 production lines and a dedicated workforce of 215 individuals.
- » Significant investments were made upon the plant's inauguration for state-of-the-art production lines.
- » In line with the Company's strategy for product innovation with minimal investment, production lines were modified for the production of Juhayna's Greek Yogurt.
- » In 2022, Egyfoods marked a significant milestone by introducing flavored drinkable Greek Yogurt, expanding upon the resounding success of Juhayna's Greek Yogurt line launched in 2020 and further diversified in 2021 with spoonable flavored options.
- » Juhayna remains the only producer of traditional-method Greek Yogurt in Egypt.
- » Initiating the digitization of EgyFoods Plant, including:
 - 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.
 - Increasing fleet utilization efficiency.
 - Introducing Freight on Board (FOB) or exworks (EXW) shipping practices, to achieve around 20% of its current shipping costs.



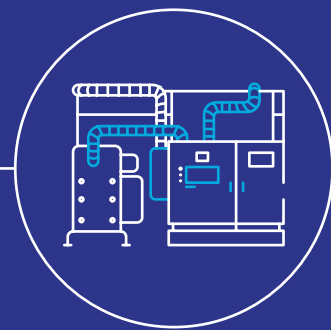
Egyfoods Workflow Process



At the Egyfoods factory, the production process is designed to ensure quality and efficiency from start to finish, as depicted in the workflow process. Critical points in the workflow include:



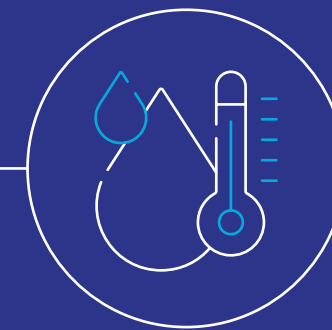
Chemical Analysis, where advanced technology ensures speed and reduces chemical usage, to ensure optimal milk quality is being used.



Milk Standardization leverages automation to ensure time efficiency and accuracy.



The Pasteurization stage is crucial for energy conservation; it employs hibernation technologies for machinery when not in use, minimizing energy waste.



The heated pasteurized milk heats the cool milk going into pasteurization to save heating energy.



The Manual Starter Addition point prioritizes hygiene and safety by opting for manual processes to maintain high-quality standards in our dairy products.



In 2023, critical points in the workflow process can be witnessed as follows:

A

Quality through Chemical Analysis: the adopted technology impacts the speed of this stage, and the low usage of chemicals. The ROI on the technology is to ensure milk quality is optimal and up to the rigorous standards we adhere to.

B

Quality through Milk Standardization: automation and technology impact the savings in human resources allocation and time in production and allows for improvement in first time right (FTR) in the production cycle.

C

Energy Utilization through Pasteurization: this is a critical point in energy consumption. The pasteurization machine hibernates when not in use, and the heated milk heats the cooled milk going into pasteurization to save heating energy by increasing heat energy utilization.

D

Food Safety through Manual starter addition: the manual option is implemented as a more hygienic and safer method when compared to automated starter addition.

Through each phase of the production workflow, initiatives and impacts can be clearly detected. Throughout the production stages, the most important environmental savings in terms of water, energy and waste are Pasteurization, Sterilization, CIP, and Cooling. Continuous enhancements are pursued and realized annually at these critical points.

In 2023, focus can be witnessed as follows:

A) Energy

Boiler Automation

- Boilers should not be below 80% of their capacity to achieve the minimal energy efficiency of fuel vs. air ration. Operating under this level results in over consumption of gas and over generation of energy and emission.
- Accordingly, Juhayna implemented a “Boiler Automation for Efficiency” project, which is the establishment of a predictive tool to enable the production team to bring the boiler at optimum operation levels.
- The project has currently achieved its desired SEC (specific energy consumption) level. As a result, we have achieved an increased boiler energy efficiency of 5% in 2023 compared to 2022.

Increased Electricity Power Factor

- The Power Factor (PF) target is set by the government at above 0.92 points. By stepping above this point, companies receive preferential bonuses from the national electric company for increasing electrical power efficiency.
- To maintain our power generation at the source over the 0.92 points, our Maintenance team conducted a major improvement to our electric network.
- As a result, we have achieved an increase of 3% PF in 2023 compared to 2022.
- This measure did not require any capital expenses.

Energy Measurement Service

- This measure was initiated to identify energy saving opportunities. Based on our new flow requirements, our analysis and simulation has identified the following key figures:

Current Yearly Consumed Energy	1,657 MWh
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Current Yearly Energy Cost	2,071,738 EGP
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Current Yearly CO² Emission	873,445 kg
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Current Yearly CO² Emission Cost	480,394 EGP
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P.S Thickness Decrease

- Decreasing label thickness has resulted in lowering the used material and achieved major cost savings.
- To implement this project, the maintenance team intervention included adaptation of machinery and equipment to reformat the heat distribution during the forming of label. As a result, we have achieved an increased energy efficiency of 2% in 2023 compared to 2022 due to temperature decrease.
- This measure did not require any capital expenses.
- This project also brought direct economic value to new and existing vendors by requesting both plastic sheets and labels as altering our P.S. thickness of the 1050 and 780 micro sheets to 950 and 720, respectively.



Flow Data

Maximum Flow	847 l/s
Average Flow	416 l/s
Minimum Flow	0.0000000000 l/s

Flow Range Levels

0-25%	33.5%
25-50%	2.95%
50-75%	33.8%
75-100%	29.8%

- Based on this data, we detected an opportunity. As our compressors work around 70% in Low-Medium flow range level, we were able to use a variable speed air compressor instead of a fixed speed. It is estimated to save 10% of the total power consumption.
- This measure did not require any capital expenses.

B) Water

We achieved water reduction at 23% in 2023 compared to 2022 through the following measures:

- A new water flowmeter was added on the SCADA system to digitally monitor our water consumption.
- The factory's water map is updated for all water users.
- New cleaning hoses are now used. They are designed to reduce water consumption.

C) Waste

Cap Weight Decrease

- Decreasing cap weight was one of the avenues we opted to reduce waste generation at the source.
- The lowered used material will result in lowered levels of waste being discharged as waste by the end consumer.
- The project is still undergoing; thus, no output data is yet available at the time of this report.
- We expect that the lowered cap weight would entail a reduction in cost, which is transformed into a direct economic value to the consumer.



Egyfoods Results and KPIs

Scope	KPIs	2022	2023	Performance 2023 vs. 2022	Impact
	DPMU	544	977	79% Vs 2022	DPMU (Defects per Million Units) has increased
	CPMU	51	55	7%Vs 2022	CPMU (Complaints per Million Units) has increased
	GMP %	80%	84%	5% Vs 2022	Increase in GMP (Good Manufacturing Practices) indicates an improved performance rate as per the auditing checklist. Specific improvement in 2023: <ul style="list-style-type: none"> • Use of the 5S techniques • Training for the production & maintenance teams to follow the GMP practices. • Continuous top management commitment on the GMP agenda (being one of the main KPI's on the plant scorecard)
Productivity	OEE %	71.5%	72%	1% Vs 2022	Increase in OEE (Overall Equipment Efficiency) reflects an improved measurement of machinery (Performance x Availability x Quality). Improvement can be achieved through Preventive Maintenance, CIL (cleaning inspection and lubricants), or others. In 2023/2024, the main scopes of improvement were: <ul style="list-style-type: none"> • Preventive maintenance • Root cause analysis • Eliminate the top losses (breakdowns) • CIL program TPM Program is planned to be initiated soon.
	Productivity (Ton/Emp.)	31.5	38	20%	<ul style="list-style-type: none"> • Adjusting the daily plan and improving production line efficiency to achieve the forecasted volume in less time • Decreasing the number of casual workers
Cost	MUV %	0.93%	0.7%	-25%	A decrease in MUV (Material Usage Variance) and Scrap indicate significant advancements in material efficiency, accuracy and waste reduction by reducing material usage variance and decreasing and reprocessing the amount of scrap taking place at the production cycle.
	Scrap	0.11%	0.10%	-9%	
	Electricity KW/Ton	173	187	-5%	Despite the enhancement in the Electricity Power Factor, the increase in electricity consumption was due to the decrease in production volume by 18% due to economic status and lowered market demand in 2023, hence the baseload has superseded the production volume optimum point. In 2024, production volume was balanced back and reached an optimum point by matching the actual production plans.
	Water m3/ton	3.44	3.66	-5%	Despite the new Water Flowmeter added on the SCADA system, it is a similar condition as the electricity consumption increase due to the baseload superseding the production volume optimum point.
	Gas m3/ton	15.8	16.6	-2%	Similar to the condition of the electricity consumption increase, the baseload has superseded the production volume optimum point.
	BOS	2 /Emp./Month	2/Emp./month	none	We have maintained the same level of BOS monitoring at 2 employees per months to ensure continuous improvement of all health and safety measures.

Egyfoods Value Creation

Input:

Natural Capital

- Total Electricity 17,944 Kw/h
- Total Gas 1,521,507
- Total Water 343 liters

Manufactured Capital

- 75% of raw materials from the local market (confirm with procurement)

Social Capital

- Total of 318 BOS Training Hours by HSE Team.
- Total of 2426 Food Safety Training Hours by Quality Team.

Value Creation - EGYFOODS

Outputs & Outcomes

- 5% increase of boiler energy efficiency in 2023 compared to 2022 as a result of the Boiler Automation for Efficiency project.
- 2% increase in energy efficiency in 2023 compared to 2022 as a result of the Label Thickness Decrease project.
- 3% increase of Electricity Power Factor (PF) in 2023 compared to 2022 as a result of maintaining the power generation at source above 0.92 points as per national threshold.
- 23% reduction in water consumption in 2023 compared to 2022 as a result of the new water flowmeter (SCADA system) project.
- Zero layoffs despite of national economic distress, reduced market demand and reduced volume of production.

El Dawleya – A Sustainable and Efficient Packaging Hub

A Peek from 2022

Al Dawleya stands as a testament to Juhayna's commitment to excellence in the food and beverage manufacturing sector. Established in 2009, it has grown to become one of the largest industrial complexes in both Egypt and the broader MENA region, and currently operating through nine production lines, showcasing the efficiency that drives our success. At the heart of its operations lies the production of fresh juices and a range of beverages, including beloved products like Bekhero Drink and seasonal Oriental beverages.

Efficiency and Sustainability

The plant's operations are fully automated and leverage cutting-edge technologies to minimize waste. This commitment extends to the packaging process, where we collaborate closely with industry leaders like GEA and SIG Combibloc. Together, we seek to reduce material usage, including recycling aluminum, and minimize environmental impact.

One of Al Dawleya's standout features is its fully automated high-bay storage warehouse. This state-of-the-art facility is the first of its kind in Egypt and ranks as the third in the entire region. It significantly enhances our efficiency by providing practical and efficient storage solutions, which in turn contribute to lowering operating costs.

Collaborating with industry leaders, we worked to revolutionize our packaging to minimize material usage and eliminate unnecessary waste, contributing to a reduced environmental footprint.

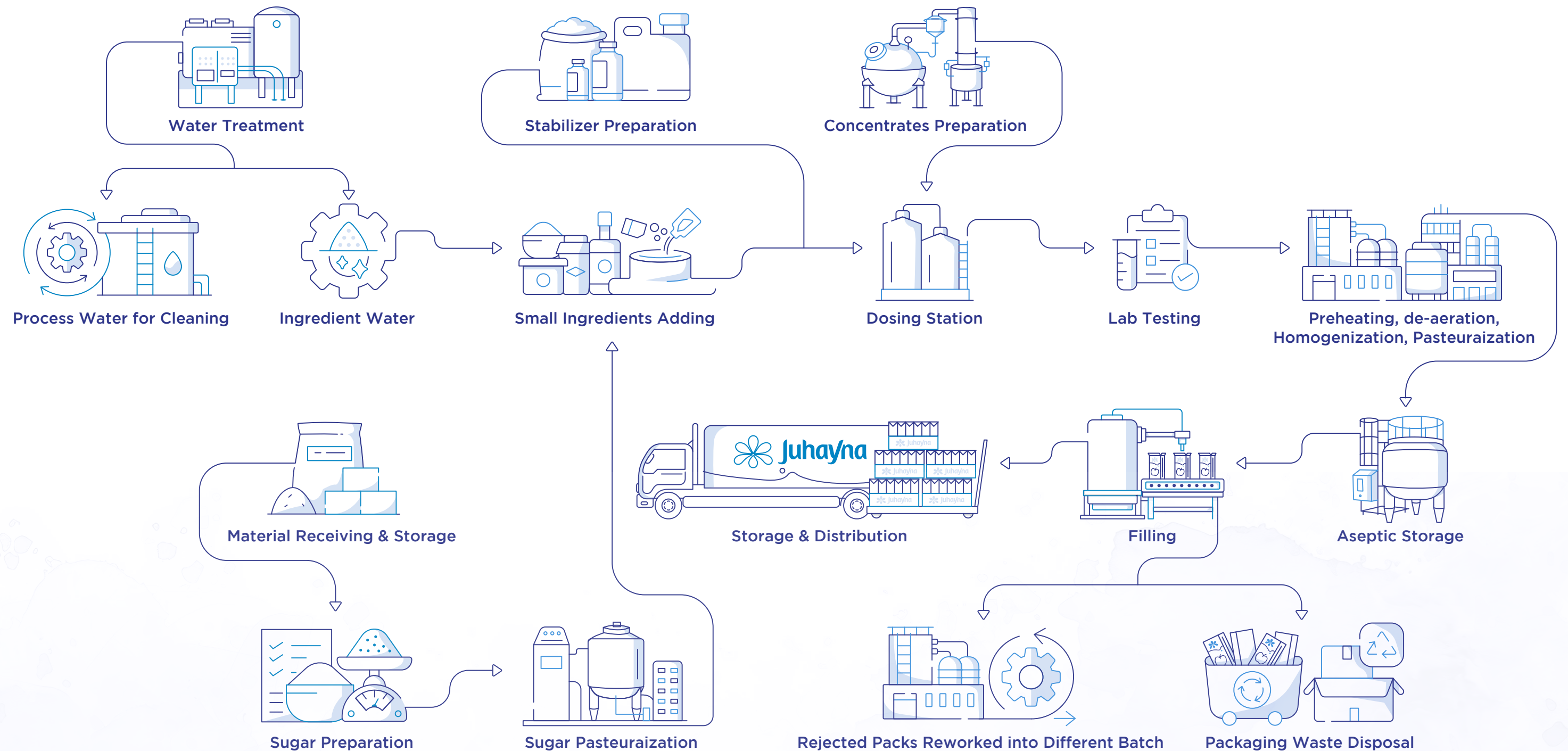


In 2023, El Dawleya continues to stand out as the model of sustainable operations and efficient packaging within the Juhayna portfolio, marking significant strides in both environmental stewardship and operational efficiency.

El Dawleya continued to refine its workflow to enhance productivity and sustainability, while embracing new practices that significantly reduce its environmental footprint.



El Dawleya Workflow Process



Through each phase of the production workflow, initiatives and impacts can be clearly detected. Throughout the production stages, the most important environmental savings in terms of water, energy and waste are the Preheating, de-aeration, homogenization, pasteurization & filling stages. Continuous enhancements are pursued and realized annually at these critical points.

In 2023, focus can be witnessed as follows:

A) Energy

The highest energy consumption takes place in the Preheating, Steam Injection, Sterile Air and Harmonization stages.

We set new AHU timers

- AHUs (Air Handling Units) are used on air conditioning across the entire plant areas. Timers have been set on all units to operate only during morning peaks and automatically turn off during evenings' low heat load time.
- Additionally, they are turned off during the winter season
- As a result, we achieved an improvement in the share of the AHU consumption to 5% of the total electricity in 2023, compared to 9% in 2022.

We conducted air leakages third-party audit

- In 2023, Dawleya Plant launched its "Factory without Air Leakage" internal campaign in collaboration with Dawleya Maintenance to enable the plant to achieve a reduction in electricity.
- A reward was announced to the highest achievers with ideas to reduce leakage by monitoring the pipes in their dedicated working stations for general pipe lock, new parts and production at CIP level.
- As a result, we achieved 11% reduction in electricity at 71 kw/ton in 2024 YTD compared to 77.5 kw/tom in 2023.



We targeted optimized energy use through achieving 1.5% reduction in electricity at 77.5 kw/ton in 2023 compared to 78.2 kw/ton in 2022, through the following measures:



We renovated the low loads through the Single Line Diagram:

- We invested EGP 151,705 in renovation of the low loads through the Single Line Diagram (SLD).
- We updated the previous design to a new process through meters' swapping on the Significant Energy Users (SEUs).
- It allowed us to monitor the online electricity usage to identify the highest consumption and monitor SEU significant energy use.
- Upon detection of Air Conditioning as the highest source of consumption, we have paused those with the top consumptions and switched the monitoring censored to other large motors.



We enhanced packaging air drying:

- By administering air flow to dry off packaging using air nozzles to pinpoint air blows requirement at a ratio 1 to 25 prior to label-stickers are placed.



We identified no-harmonization requirements:

- Homogenizer is an extreme high-pressure process (from 0 to 250 bar) that requires massive electricity consumption.
- Through a study conducted with the Quality team, we identified the products that requires ZERO harmonization, and others that can undergo a reduced level of homogenization.
- A new innovative process was implemented to pressurize the juice fibers to the highest degree without comprising the microbiology and quality requirements.
- The process led to an overall reduction in bar levels.

B) Water

- The highest water consumption takes place in the Dosing station. In 2023, we reached an agreement with the National Water Authority to install water-only-meters to ensure that the company is no longer charged for the national estimation of the 98% drainage-to-consumption ratio.
- As a result, we have achieved 20% reduction in 2023 compared to 2022, where consumption was reduced from 2.03 m³/ton in 2022 to 1.62 m³/ton in 2023.
- We invested in this project EGP 10,000.

C) Waste

In line with our circularity conscious practices, our CAP locks are fully recycled from sugar cane.



El Dawleya Results and KPIs

Scope	KPIs	2022	2023	Performance 2023 vs. 2022	Impact
	DPMU	1048	582	-45%	Decrease in DPMU (Defects per Million Units) indicates increase in production efficacy.
	CPMU	0.58	0.5	-14%	Decrease in CPMU (Complaints by Million Units) indicates the increase in consumer perception.
	GMP %	81%	83%	2%	Increase in GMP (Good Manufacturing Practices) indicates an improved performance rate as per the auditing checklist. The 2023 improvement were a result of the following measures: <ul style="list-style-type: none"> Using the 5S techniques Training of the production & maintenance teams to follow the GMP practices. Continuous top management commitment on the GMP agenda (being one of the main KPI's on the plant scorecard)
Productivity	OEE %	71%	74.6%	3.6%	Increase in OEE (Overall Equipment Efficiency) indicates an improved measurement of machinery (Performance x Availability x Quality). Improvement can be achieved through Preventive Maintenance, CIL (cleaning inspection and lubricants), or others. In 2023/2024, the main scopes of improvement were: <ul style="list-style-type: none"> Preventive maintenance Root cause analysis Eliminate the top losses (breakdowns) CIL program CIP matrix validation and change to reduce the time of CIP
	Productivity (Ton/Emp.)	68	70	3%	Increase in productivity indicates improvement and optimization of human capitals was a reflection of additional training and innovative processes.
Cost	MUV %	0.05%	-0.05%	-10%	Decrease in MUV (Material Usage Variance) and Scrap indicates significant advancements in material efficiency, accuracy and waste reduction by reducing material usage variance and decreasing and reprocessing the amount of scrap taking place at the production cycle.
	Scrap	0.04%	0.04%	No changes	
	Electricity KW/Ton	78.1	77.5	-1%	Due to the multiple enhancements in the Single Line Diagram, the Air leakages third-party audit, the pre-packaging drying process, and the enhanced Homogenization.
	Water m3/ton	2.2	2.0	-10%	Due to the enhancement at the wastewater treatment station through the new water meters sensors.
	Gas m3/ton	6.05	5.24	-13.5%	Due to multiple enhancements leading to this reduction: <ul style="list-style-type: none"> OEM Assessment improved the air/gas ration of the burner (Boiler room) Insulation of Boiler #2, led to control the heat losses Replacement of the steam traps, allowing condensate to return back to the feedwater tank, this reducing gas consumption.
	BOS	2 /Emp. / Month	2/Emp./ month	none	We have maintained the same level of BOS monitoring at 2 employees per months to ensure continuous improvement of all health and safety measures.

El Dawleya Value Creation

Input:

Financial Capital

- Total investment of 0 EGP in the new 24hour AHU “Air Handling Units” timers
- Total investment of 151,705 EGP in the renovation of the low loads through the SLD (Single Line Diagram).
- Total investment of EGP 203,000 EGP for the introduction of new compressors for cold store
- Total investment of EGP 128,000 the Homogenizer pressure
- Total investment of EGP 10,000 EGP for the new Water Meter sensors

Natural Capital

- Total Electricity 14,022 Kw/h
- Total Gas 992,170
- Total Water 308 liters

Manufactured Capital

- 75% of raw materials from the local market

Social Capital

- Total of 420 BOS Training Hours by HSE Team.
- Total of 3574 Food Safety Training Hours by Quality Team.

Value Creation - El Dawleya

Outputs & Outcomes

- Improvement in the share of the AHU consumption to 5% of the total electricity in 2023, compared to 9% in 2022 as a result of setting new 24hour AHU “Air Handling Units” timers
- 11% reduction in electricity at 71 kw/ton in 2024 YTD compared to 77.5 kw/ton in 2023 by conducting air leakages third-party audit
- 1.5% reduction in electricity at 77.5 kw/ton in 2023 compared to 78.2 kw/ton in 2022, through the following measures:
 - Renovation of the low loads through the Single Line Diagram
 - Enhancement of packaging air drying:
 - Identification of no-harmonization requirements
- 20% reduction in 2023 compared to 2022 as a result of the agreement with the National Water Authority to install water-only-meters.
- Zero layoffs despite of national economic distress, reduced market demand and reduced volume of production

El Marwa – Circularity as a Core Value

A Peek from 2022

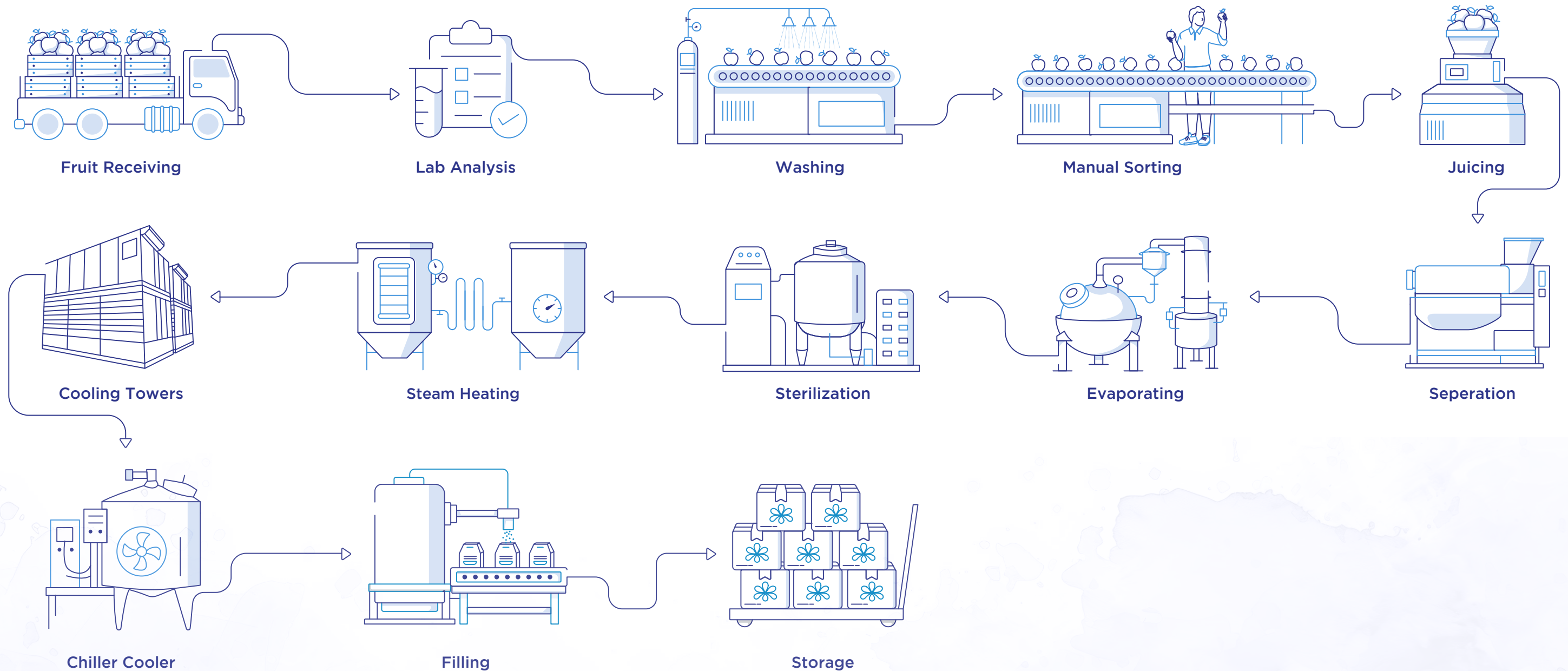
Established in 1998, Al Marwa has undergone a remarkable transformation, evolving into one of Egypt's foremost fruit manufacturers. Our steadfast dedication to technological advancements and vertical integration enabled us to process a diverse range of fruits, including citrus, mango, guava, tomato, and more.

This integration empowers us to deliver a wide array of customized fruit products, including purées, concentrates, pulps, compounds, oils, and syrups, all of which are testaments to our commitment to excellence. It has the capacity to supply a network of domestic and international food and beverage manufacturers.

In 2022, Al Marwa demonstrated its agility in leveraging technology to respond swiftly to supply gaps in regions facing poor crop yields. This proactive approach enabled us to meet the rising demand for mango, citrus, and tropical fruit concentrates, thus underscoring our commitment to providing high-quality products even in challenging circumstances.



El Marwa Workflow Process



Through each phase of the production workflow, initiatives and impacts can be clearly detected.

Throughout the production stages, the most important environmental savings in terms of water, energy and waste are the Evaporator, the Steam Heating, the Tomato Evaporator, the “Separated oil and juice” and “Fruit peels”. Continuous enhancements are pursued and realized annually at these critical points.

In 2023, focus can be witnessed as follows:

A) Energy

The highest energy consumption takes place in the Evaporator and Steam Heating Phases. We targeted optimized energy use, which resulted in an overall 38% increased efficiency in 2023 compared to 2022:

The Water Production Condensate is recycled into the Concentration stage and the Boilers Steam Condensate stage. Those were implemented at:

- The CFT lines (mango, tomato and strawberry)
- The JBT for orange, with orange lines having the most impacts as being the longest season that reaches up to 10 months.

The Economizer is the heating exchanger between the exhaust gases and the water feed in boilers.

While the Water Feed is at 25C, the boiler can reach up to 300C. The Economizer allows the water to reach a 100C and reduces the amount of gas required to elevate the temperature to 300C at the Boiler.

We are not yet able to measure the exact savings for 2023, but we are in the process to install thermometer for steam heating level measurement.

B) Water

The highest water consumption takes place in the “Tomato Evaporator” phase. We faced challenges across the four production lines where all lines suffered low pressure public water supply, causing:

- Inability of production lines to work simultaneity, resulting in delay in production plan.
- High chemical consumption due to the repetitive need of recleaning or restarting the Plant after stoppage.
- High consumption of pumps’ mechanical spare parts due to pumps continuous operation, without necessary stoppage periods.

In 2023, we adopted “Condensed Water” generation from the tomato evaporator, which resulted in major savings, which was utilized in fruits washing instead of the main water line. We are not yet able to measure the exact savings for 2023, however it is estimated as enabling the capacity of three tanks volume size.

C) Waste

The main waste production takes place at the “Separated oil and juice” and “Fruit peels” phases. Juhayna adopts a Circular Production approach, where this waste is separated, collected in silos and sold to stakeholders to be used as downstream as Animal feeds. This results in a total of 43586 tons of organic waste was generated and entirely recircled into animal feed.

Organic Waste Recycling at El Marwa

At El Marwa, our commitment to sustainability is demonstrated through our innovative approach to organic waste recycling. By integrating circularity into every step of our operations, we continuously enhance our processes to minimize waste while maximizing the utility of all resources. For our stone fruits like mangoes, peaches, and apricots, recycling begins with the segregation of peels and seeds. The peels serve a valuable second life as cattle feed, providing nutritional benefits to livestock on Juhayna’s farms. The seeds find their purpose in our fruit propagation nurseries, helping cultivate the next generation of fruitful harvests.

Similarly, non-stone fruits such as strawberries and apples are processed to ensure their peels are also transformed into cattle feed. This practice reduces organic waste and contributes to the sustainable feeding practices implemented within our agricultural operations. A prime example of our zero-waste philosophy is seen in our orange processing technique. The journey of an orange through our factory is designed to utilize every possible element:

Juice Extraction:

The initial step involves separating the juice from the outer peel, which constitutes about 50% of the fruit’s weight.

Juice Concentration:

Concentrating the orange juice involves evaporating its water content, which is collected and reused to wash and clean incoming fresh fruits.

Oil Extraction:

The peels are then processed to extract natural oils, which are sought after in the cosmetics and pharmaceutical industries for their aromatic and therapeutic properties.

Peel Repurposing:

Any leftover peels are converted into cattle feed, furthering our commitment to circular waste reduction.

Pulp Utilization:

Subsequent to juice extraction, the remaining pulp is not overlooked; it is repurposed into various food products and beverages, enriching them with natural fibers and nutrients.

Wastewater Treatment:

Finally, the water used throughout the production process is treated at our onsite wastewater treatment plant. This ensures that only clean water is released into the government sewage network, adhering to environmental regulations and supporting community health.

El Marwa Results and KPIs

Scope	KPIs	2022	2023	Performance 2023 vs. 2022	Impact
	DPMU	2,057	1,954	0.05%	Decrease in DPMU (Defects per Million Units) indicates increase in production efficacy.
	CPMU	1.62	1.458	90%	Decrease in CPMU (Complaints by Million Units) indicate the increase in consumer perception
	GMP %	83%	84%	1.1%	Increase in GMP (Good Manufacturing Practices) indicates an improved performance rate as per the auditing checklist.
Productivity	OEE %	55%	58%	105%	<ul style="list-style-type: none"> Increase in OEE (Overall Equipment Efficiency) reflects an improved measurement of machinery (Performance x Availability x Quality). Improvement can be achieved through Preventive Maintenance, CIL (cleaning inspection and lubricants), or others. In 2023/2024, the main scope of improvement was due to the enhanced performance on the production lines to achieve the highest productivity target and capacity.
	Productivity (Ton/Emp.)	19	22	115.7%	Increase in productivity indicates improvement and optimization of human capitals was a reflection of additional training and innovative processes.
Cost	MUV %	1.71%	-0.28%	116.37%	<ul style="list-style-type: none"> Improvement of fruit yield resulted in decreased Material Use Variance. Improvement in maintenance and downtime
	Scrap	0.3%	0.23%	76.6%	Decrease in scrap was due to its reuse within the factory.
	Electricity KW/Ton	289	178	62%	Improvement in electricity use was due to due to the recycling of the “Water Production Condensate” into the Concentration stage and the Boilers Steam Condensate stage.
	Water m3/ton	17.5	9	51%	Improvement in water consumption was due to the installation of water flowmeters for each line for daily measure of consumption and during each shift.
	Gas m3/ton	138	79	57%	Improvement in gas consumption was due to the addition of insulation in the gas piping, which reduced gas leaks. The chemical washing of the boiler also contributed to the decrease in gas consumption as the removal of salt buildup in the boiler improved heat exchange which decreased its gas consumption.
	BOS	N/A	2 /Emp. / Month	2 /Emp. /Month	BOS monitoring was initiated with 2 employees per months to ensure continuous improvement of all health and safety measures.

El Marwa Value Creation

Input:

Financial Capital

- An investment of EGP 2,616,423 in overhauling the CFT production hall
- An investment of EGP 2,044,355 in overhauling for Mixflow evaporator
- An investment of EGP 1,492,866 in a new cooling tower for the Orange Evaporator

Natural Capital

- Total Electricity 7,868 Kw/h
- Total Gas 3,740,091
- Total Water 410 liters

Manufactured Capital

- 75% of raw materials from the local market (confirm with procurement)

Social Capital

- Total of 240 BOS Training Hours by HSE Team.
- Total of 3478 Food Safety Training Hours by Quality Team.

Value Creation - El Marwa

Outputs & Outcomes

- 38% increased electricity efficiency due to the recycling of the “Water Production Condensate” into the Concentration stage and the Boilers Steam Condensate stage.
- 43586 tons of organic waste was generated and entirely recircled into animal feed.
- Zero layoffs despite of national economic distress, reduced market demand and reduced volume of production

Sharing Insight With Our Stakeholders

What is BOS?

It is the “Behavioral Observation System”, established four years ago.

It is set to monitor, assess and improve employees’ practices based on a brand Culture, rather than only from a compliance perspective.

The system assigns a number of employees per month to conduct overall assessment across all aspects of work practices within the factories, with focus on Safety practices.

Employees are assigned regardless of their employment level or function with the factories.

Training on BOS is conducted by HSE and Quality (for Food Safety).

The BOS practices and assessments extend beyond the actual manufacturing processes, to the phase of the Finished Product Warehouse Area, the Raw Materials Warehouse, and the Shipping Dock.

It includes over 19 criteria, such as:

- ✓ Ensuring no stray animals are sneaking from the street to the factory areas, with quality officers notified if any are found.
- ✓ Verifying truck drivers place wheel chocks and hand over vehicle keys to security during loading/unloading.
- ✓ Confirming all employees wear personal protective equipment (PPE) such as safety shoes, gloves, clear glasses, and safety caps.
- ✓ Ensuring all electrical connections for forklifts and other equipment are properly organized and free of damage.
- ✓ Checking that fire equipment, emergency exits, escape routes, and walkways are unobstructed.
- ✓ Maintaining cleanliness, orderly work areas, non-slippery floors, and adequate lighting.
- ✓ Assessing if goods stacking and handling practices are correct.
- ✓ Ensuring unattended forklifts are properly turned off and parked.
- ✓ Preventing forklift drivers from using phones while operating the equipment.

What GMP?

It is “Good Manufacturing Practices” which indicates an improved performance rate as per the auditing checklist. Assessment is conducted across the seven following categories:

- Hygiene Facilities& personal Hygiene
- Design of buildings
- Pest Control
- Cleaning & Sanitation
- Operation
- (Foreign bodies) Extraneous Matters
- Labeling& Identification

A Scoring is set for each single area of the plant, each area has its own of assessment criteria and questions: Production Area (66), Warehouse (34) , Workshops& Utilities (26), Laboratories (20), Employees Facilities (42), Factory Surrounding (8), and Waste Area (6).

The Assessment output is categorized into:



What is Juhayna Food Safety Culture!

Every employee at Juhayna is part of its Food Safety Culture.

Seen anything out of place?

They voice their concern on Juhayna “I-Voice Hub” App

Questions that are often unspoken in the industry but answered in Juhayna!



Juhayna's Quality Team includes women, with additional female representation in amenities services. Given Juhayna's strong reputation for empowering women, why aren't the same inclusive practices as evident within the production and factory functions?

One of Juhayna's greatest values is to Care for People beyond compliance. We believe that the participation of women is best served when implemented with true value creation in mind, ensuring that employment opportunities provide the best-fitting roles we can offer. In our factories, rigorous health and safety measures, heavy machinery requiring physical strength, and the demands of long, late working hours and rotational shifts mean that we prioritize providing work environments and employment types that optimize our employees' capabilities and inspire their creativity.

Why Juhayna gives great attention to opening its factories to public visits?

Juhayna has always given a great consideration to make its factories accessible and open to the public. Every year, Juhayna's factories welcome visits from all corners of the country, across a distinguished pool of stakeholders of different industries, types and ages. Historically popular, are school field visits, where the best statement of Juhayna's full automation was articulated during on them: "we are in a milk factory, but we have not seen any milk at all!", demonstrating how our food safety is implemented to the highest levels through our closed loops systems.

Our visits had lately received increased interested from start-ups, doctors and governmental officials who are interested in our lab testing processes, preservatives under UHT (Ultra High Temperature) Technology, or inquiries about many of our notable certifications, their requirements and processes.



Why Juhayna products have the longest shelf-life on the market, up to six months in comparison to two weeks in other brands?

It is the UHT Technically that treats milk to a zero-percentage level of bacteria, as it doesn't only kill harmful bacteria, but all bacteria that are responsible for speeding pasteurization of milk outside cold temperature.

Two of our most cherished tours are the VIP Room and Juhayna Diary Book. At the VIP Room visitors join our teams in an immersive experience that presents Juhayna full vertical integration model (from Farm to Consumer). Juhayna Diary is a Guestbook for our visitors to share few notes on their experience.

R&D Packaging

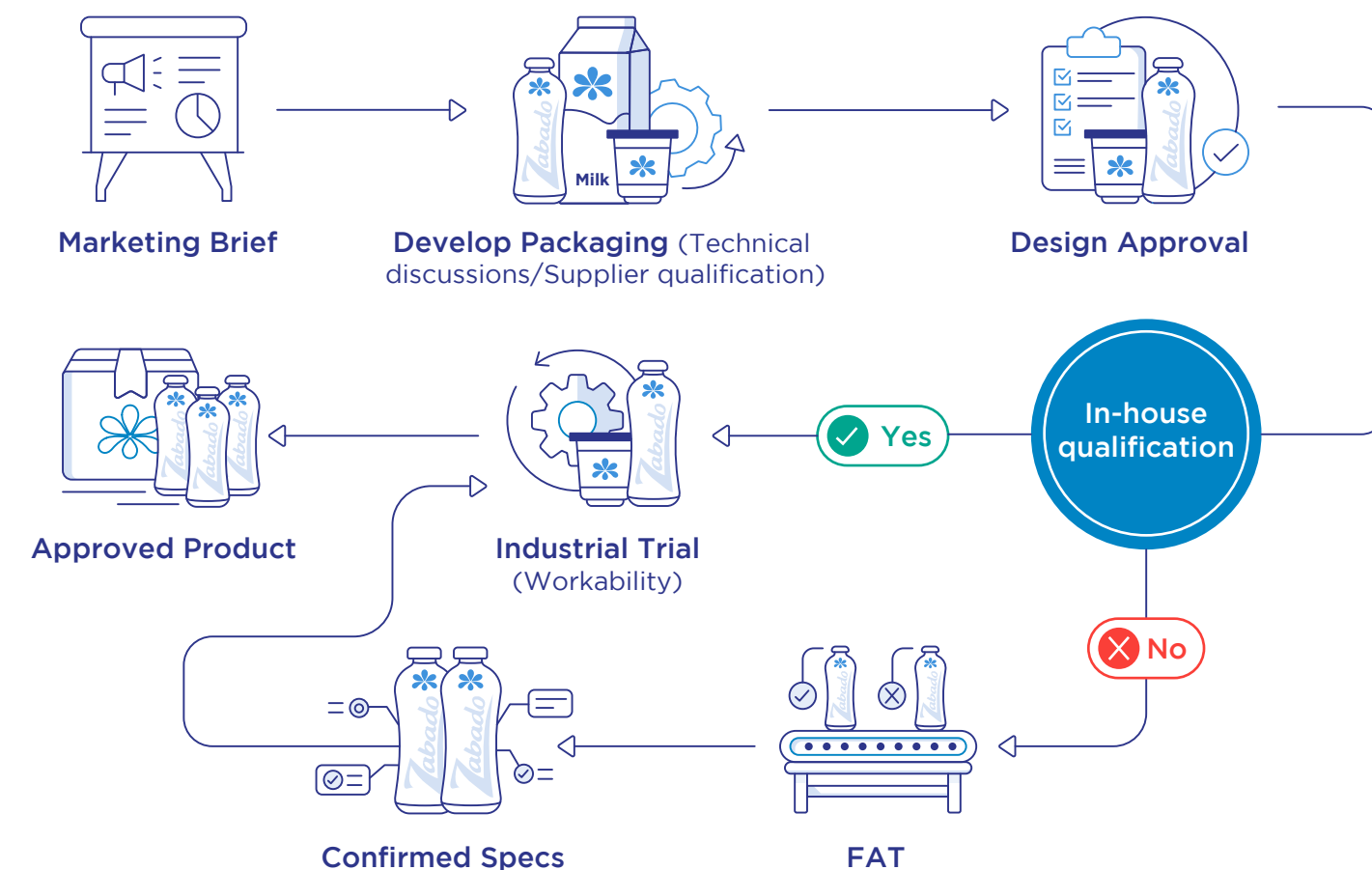
As Juhayna continues its leadership position in the market, environmental and social governance has become an integral component of its corporate strategy, business and market analysis and risks and opportunities management. Our Packaging R&D addresses and aims to achieve our ESG Strategy Objectives:

In addition, and as part of our aim to provide transparent insights to our stakeholders, we share how the company addresses its initiatives and target setting, and management approach through a lens of risks and opportunities in relation to manufacturing, and as part of achieving progress on our ESG Strategy Objectives

Responsible
Communication &
Ethical Labeling

Circular
Conscious
Practices

R&D Packaging Workflow Process





R&D Packaging Workflow Initiatives & Impacts

Workflow Process	Related Stakeholders	R&D Packaging Role
Material validation, quality checks	Quality and Manufacturing	Ensuring that packaging solutions meet quality standards and safety.
Line trials, packaging material validation, BOM losses	Manufacturing	Working closely and collaborating with manufacturing teams to ensure that packaging designs are compatible with production processes.
Back-up suppliers, alternative materials, and innovations	Procurement	Cooperating with supply chain and procurement functions is crucial for sourcing packaging materials, managing costs, and ensuring a consistent supply chain. These teams help identify cost-effective suppliers and manage inventory.
Material specification, transportation testing	Quality, Sales & Distribution	Developing technical data that provides detailed information about the packaging materials, design, and specifications.
Artwork approval cycle	Marketing	Managing the artwork approval cycle to ensure that the packaging design meets regulatory requirements, branding guidelines, and quality standards.

R&D Packaging Value Creation

Capital	Inputs	Outputs	Outputs
Manufactured	Optimize Plastic Consumption	<ul style="list-style-type: none"> Thermoforming systems to accommodate thinner, yet durable materials 	<ul style="list-style-type: none"> 11% and 14% reduction of overall consumption of Polystyrene and Polypropylene, respectively
	Reduction in Packaging Waste Generated	<ul style="list-style-type: none"> Packaging specifications related to workability and material characteristics to minimize plant packaging waste 	<ul style="list-style-type: none"> Reduction in Material Usage Variance (MUV%) For more information, refer to the Responsible Manufacturing section.
	State-of-art machinery and packaging	<ul style="list-style-type: none"> Responsible product labeling. New packaging innovation. 	<ul style="list-style-type: none"> Inclusion of more languages on labels. The “New 1-Step Opening Cap” released in 2022 and continues in 2023. Plain yogurt labels 100% adhere to global clean label practices, with plans in place to expand this endeavor to include all capped products.
Intellectual	Artwork development and approval	<ul style="list-style-type: none"> Real-time adjustments 	<ul style="list-style-type: none"> 90% success rate in First Time Right approvals on Real-time adjustments
	Compliance with responsible forestry practices	Sustainable Sourcing	<ul style="list-style-type: none"> Our packaging materials from Tetra Pak are 100% FSC-certified
Natural	Utilization of TBA 1500 Edge packages on A3/Flex 0600 Filling Line	Environmental Footprint	<ul style="list-style-type: none"> 25% reduction in the environmental footprint of packaging for Juhayna milk in 1.5-liter formats Aluminum is produced and sourced in an environmentally, socially, and economically responsible manner Our materials are 100% ASI-certified
	Tetrarex Packaging	Reduces carbon emissions	<ul style="list-style-type: none"> Bonsucro-certified Tetrarex packaging reduces carbon emissions compared to traditional fossil-based options

Sustainable Innovations in Packaging

Our goal of responsible packaging drives our commitment to significantly reduce food waste by extending the freshness and safety of our dairy products. Throughout 2023, Juhayna made significant strides in advancing sustainability in packaging practices through a series of initiatives focused on optimizing plastic consumption, reducing packaging waste, and enhancing packaging recyclability by executing the following:



Optimize Plastic Consumption

Juhayna successfully reduced its consumption of Polystyrene and Polypropylene by 11% and 14%, respectively. This achievement was driven by strategic investments in advanced Thermoforming systems, enabling the use of thinner yet durable materials. Additionally, we collaborated closely with suppliers to develop innovative packaging solutions with reduced thickness while maintaining optimal performance and quality.

Our transition to recycled polyethylene terephthalate (rPET) marks a significant step toward reducing reliance on virgin plastics and promoting a circular economy. This initiative not only supports sustainable material use but also significantly reduces energy consumption and greenhouse gas (GHG) emissions, reinforcing our commitment to environmental stewardship.

To ensure excellence in artwork development and approval, we utilize a real-time dashboard to oversee the entire process. This comprehensive system enables efficient monitoring, immediate adjustments, and ensures a 90% success rate in First Time Right approvals, reflecting our dedication to precision and operational excellence.



Reduction in Packaging Waste Generated

Juhayna implemented precise packaging specifications related to workability and material characteristics to minimize plant packaging waste. This has led to a reduction in Material Usage Variance (MUV%), a key performance indicator of material efficiency, and is expected to enhance the overall equipment effectiveness (OEE). Improved specifications have contributed to more accurate material use, reducing waste and increasing production efficiency.



Enhance Packaging Recyclability

Juhayna signed Egypt's first-of-its-kind agreement for recycling used beverage cartons in partnership with Tetra Pak, Uniboard, and Beyti. This pioneering collaboration aims to expand Egypt's recycling capacity for carton packaging, significantly advancing the country's waste management system. The initiative includes developing new recycling infrastructure, which is expected to become operational by the end of 2024.

Our long-standing partnership with Tetra Pak underpins our sustainability strategy, reflecting our shared commitment to "Protect What's Good: Food, People, and Futures". Through this collaboration, Juhayna leverages innovative, recyclable, and renewable packaging solutions while advancing strategic partnerships, to implement cutting-edge, sustainable packaging solutions through the following:

Tetrarex Packaging

Used for Juhayna products, Bonsucro-certified Tetrarex packaging reduces carbon emissions compared to traditional fossil-based options.

A3/Flex 0600 Filling Line

This system utilizes TBA 1500 Edge packages, achieving a 25% reduction in the environmental footprint of packaging for Juhayna milk in 1.5-liter formats.

Sustainable Sourcing

All packaging materials from Tetra Pak are 100% FSC-certified, ensuring compliance with responsible forestry practices. Additionally, our materials are 100% ASI-certified, confirming that aluminum is produced and sourced in an environmentally, socially, and economically responsible manner.

Quality Control

A Peek from 2022

The Juhayna Corporate Quality Management System (JCQMS), established in 2016, is a comprehensive framework designed to uphold the highest standards of quality and food safety. JCQMS integrates all applicable global food legislations, laws, internal standards, and guidelines mandated by the National Food Safety Authority (NFSA). The system has been thoroughly evaluated and validated by SGS, a globally recognized third-party certification body, as well as by NFSA and a select group of advanced, long-term customers. JCQMS governs and manages quality and food safety processes across the entire supply chain, from sourcing raw and packaging materials to delivering products to customers.

The main objectives of the JCQMS are:

- » **Embedding Compliance:** Ensuring adherence to international and local standards across the entire value chain.
- » **Enhancing Food Safety:** Fully implementing food safety and defense measures to prevent food fraud in daily operations.
- » **Streamlining Quality Control:** Consolidating quality control processes across Juhayna's sites—including manufacturing facilities, warehouses, distribution centers, and dairy farms—by replacing multiple task forces with a unified entity. This centralized structure establishes consistent control points and measures.

The system incorporates a digital, automated governance structure and an integrated platform that embeds regulatory requirements, client expectations, and international standards. It facilitates multidimensional testing across key areas:

1. Inspections of incoming raw materials and packaging.
2. Monitoring of processing stages, from semi-finished to finished products.
3. Oversight of product handling during storage, transport, and distribution.

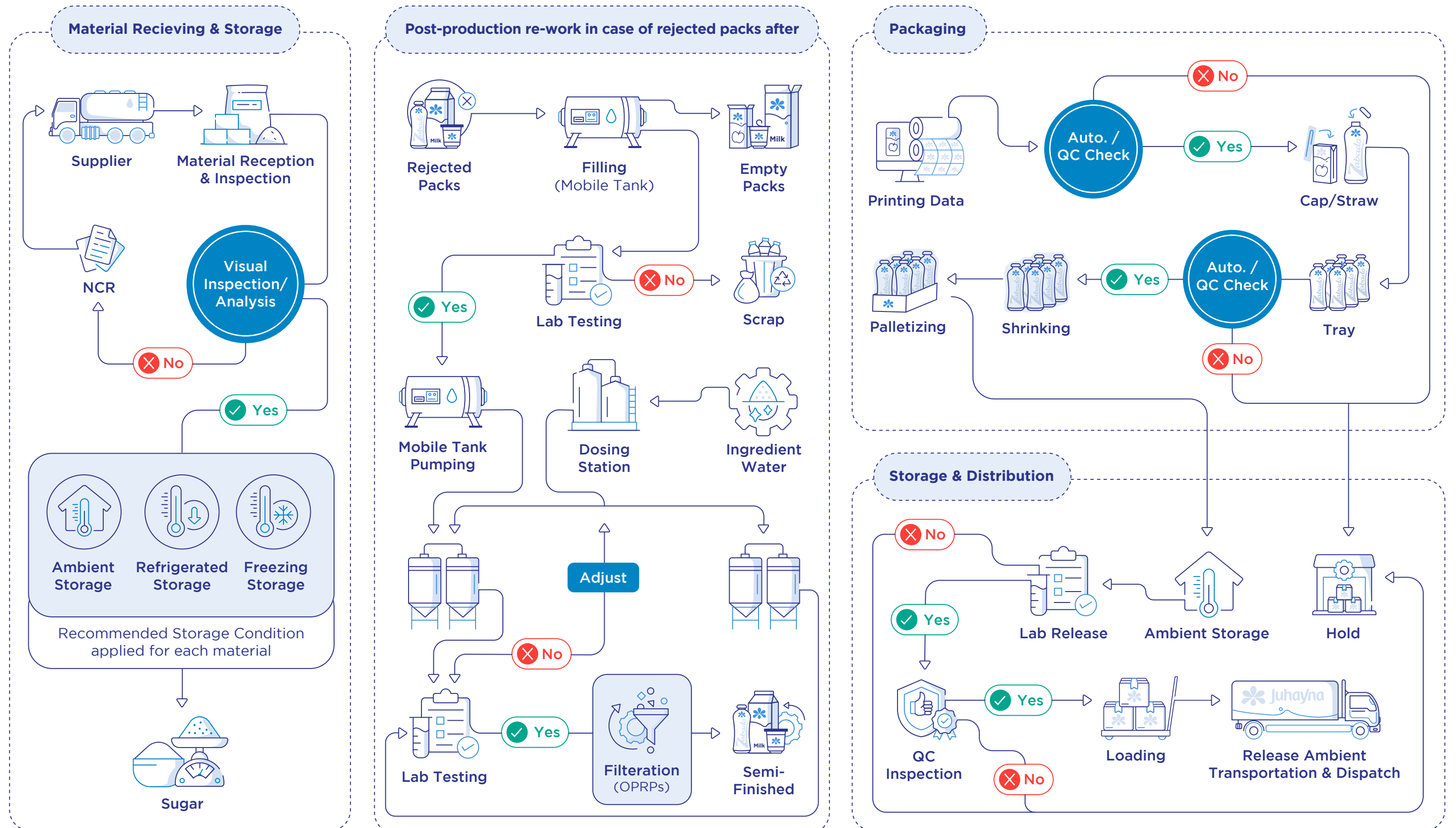
In addition, Critical Control Points (CCP) play a key role in identifying and mitigating risks, ensuring the preservation of food safety at each stage of production.



The three main latest updates to Juhayna Quality Management system included:



Quality Workflow Process



Quality Value Creation

Capital	Inputs	Outputs	Outputs
Financial	<p>EGP 142,189 cost of Quality Training</p> <p>EGP 800,000 cost of Products sampling for quality audits</p>	<ul style="list-style-type: none"> Mandatory Core programs MUV - Overfill optimization 	<ul style="list-style-type: none"> Net Weight Optimization with EGP 13 million in savings 10 certified internal corporate auditors, and on-the-job trainers Achieved compliance with the Requirements of the national authority (NFSA) Reducing the cost and need to outsource external auditors Zena penalties or sanctions
Natural	Pasteurization Time Optimization	<ul style="list-style-type: none"> Energy Optimization 	<ul style="list-style-type: none"> Improved pasteurization (85 to 78°C) of our milk production lines
Manufactured	Juhayna Food Safety Culture Excellence Initiative	<ul style="list-style-type: none"> Unannounced quarterly visits across our facilities by external auditors 	<ul style="list-style-type: none"> A standard annual 4 million dairy samples and 100,000 juice samples analyzed Samples are selected based on: <ul style="list-style-type: none"> Dairy and Juice Book (Tetra Pak and SIG-CombiBloc) ISO 2859 (international standard for sampling size)
	Product quality consistency	<ul style="list-style-type: none"> Measurement of percentage of finished goods manufactured which are released after Quality inspections 	<ul style="list-style-type: none"> Maintaining highest First Time Right levels at 99% rate in 2023, similar to 2022 Improved overall factories CPMU (Complaints per million sold unit) at 0.55 in 2023 compared to 0.57 in 2022
Human	Juhayna Quality Training Academy	On-the-job training and regular coaching and feedback sessions	<ul style="list-style-type: none"> Focus in 2023 was on People Capability Building 15 technical training topics tailor-made to suit business needs 280 training sessions 3,000 participants from the Manufacturing, Quality and Sales departments
	OEE improvement		<ul style="list-style-type: none"> Eliminate CIP cycle between Set and Stirred for Hassia line 3
Intellectual	Juhayna Corporate Quality Management System	Compliance with international standards across Manufacturing Sites and Labs	<ul style="list-style-type: none"> 60 External Audits took place in 2023. 99% McDonalds audit Score AA+ BRC (unannounced audit by Certification Body) 3 Labs (Mirco and Chemistry) Accredited (rated) by EJAC, allowing Juhayna to conduct quality analysis and checks for others

Administration and Facilities Management

A Peek from 2022

The Administration and Facilities Department at Juhayna oversees the comprehensive management of administration and facilities across Juhayna's factories, headquarter, and distribution centers (TIBA).

The department is responsible for organizing, analyzing, interpreting, and evaluating results to deliver practical, cost-effective solutions. It also handles budget development and operational planning, ensuring alignment with the company's strategic objectives and annual budget.

By adhering to established workflows and responsibilities, the department ensures the effective and efficient operation of all facilities under its management, contributing to Juhayna's overall operational excellence.



As Juhayna continues its leadership position in the market, environmental and social governance has become an integral component of its corporate strategy, business and market analysis and risks and opportunities management.

Our Admin & Facilities addresses and aims to achieve our ESG Strategy Objectives:

Operational Resilience

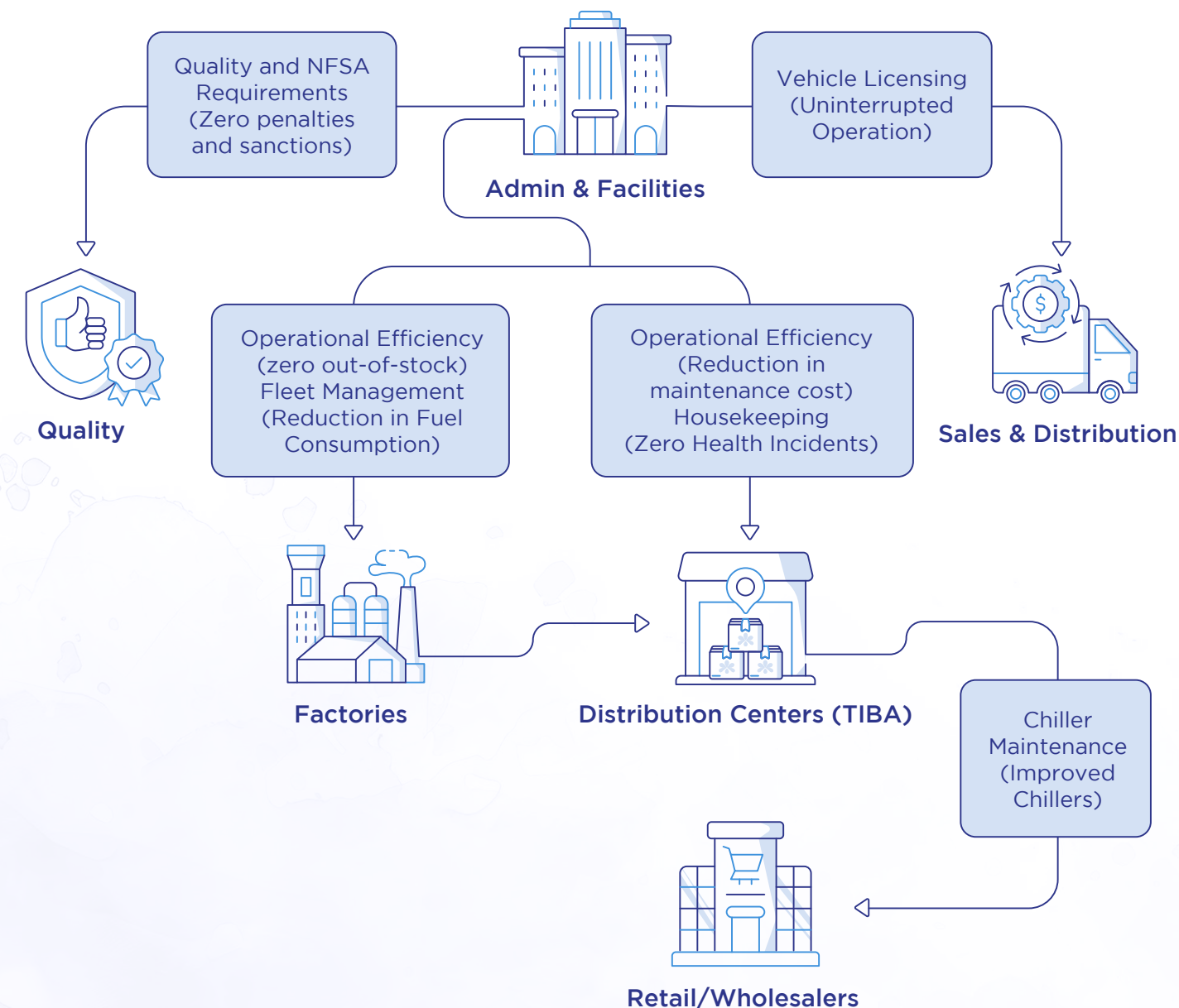
Optimized and Efficient Sourcing

In addition, and as part of our aim to provide transparent insights to our stakeholders, we share how the company addresses its initiatives and target setting, and management approach through a lens of risks and opportunities in relation to Administration and Facilities Management, and as part of achieving progress on its ESG Strategy.



Administration & Facilities Workflow Process

To understand the Value Creation (outcome) of our Administration & FM across the six capitals, we share on this report how the Admin & Facilities Workflow process reacts with each of our functions:



Administration & Facilities Workflow Initiatives & Impacts

Value Chain Functions	Admin and Facilities Role/Initiative	Planned/Achieved Outcome
Quality	<ol style="list-style-type: none"> 1. Manage waste processes, including service providers and documentation for specific factory production waste and normal waste. 2. Adhere to quality and NFSA requirements. 	Ensure compliance with quality standards and regulatory requirements.
Factories	<ol style="list-style-type: none"> 3. Housekeeping: Contract cleaning services and ensure quality. 4. Fleet Management: Manage vehicle licensing and maintenance. 5. Governmental Relations: Handle facilities' licensing and renewals. 6. Procurement and Purchases: Manage the purchase of materials and services. 7. Catering: Organize meals and events for employees Waste Collection and Disposal: Ensure timely waste collection and disposal 	Facilities maintenance completed on time, quality housekeeping maintained, fleet operations uninterrupted, all licenses renewed without penalties, materials procured within budget, waste managed efficiently.
Distribution Centers (TIBA)	<ol style="list-style-type: none"> 8. Facilities Maintenance: Maintain and ensure operational efficiency. 9. Housekeeping: Ensure cleanliness and quality standards. 10. Fleet Management: Oversee vehicle maintenance and licensing. 11. Governmental Relations: Manage licensing and renewals. 12. Procurement and Purchases: Procure materials and services. 	Operational efficiency maintained, cleanliness standards met, vehicles properly maintained and licensed, all licenses renewed on time, materials procured within budget.
Sales and Distribution	<ol style="list-style-type: none"> 13. Manage sales vehicle licensing. 	Sales vehicles licensed without any stoppage.
Retailers and Wholesalers	<ol style="list-style-type: none"> 14. Chiller Maintenance: Maintain and repair chillers. 	Preventive maintenance schedules followed; repairs conducted within the same week of reporting.

Administration & Facilities Value Creation

Input:

Financial Capital

- Chillers maintenance cost: EGP 1.8M (TIBA)
- Building maintenance cost: EGP 986,000 (Factories & HQ)
- Building maintenance cost: EGP 3.4M (TIBA)
- Equipment maintenance cost: EGP 2.5M (TIBA)

Natural Capital

- Fleet Optimization

Manufactured Capital

- Unannounced quarterly visits across our facilities by external auditors.

Social Capital

- Availability of emergency car for all factories 24/7.
- Upgraded sanitization procedures.
- Meal plan to all Ramadan workers.

Outputs & Outcomes

Financial Capital

- 15% reduction in overall costs of maintenance and repair operations.
- Zero out-of-stock of maintenance requirements as a result of stock monitoring, stock management within the budget.

Natural Capital

- Reduction in Fuel consumption at EGP 580K compared to EGP 700K in 2022.

Manufactured Capital

- Full compliance with NFSA requirements with Zero penalties and sanctions.

Social Capital

- 100% target achievement in meals delivery time, consistency of food quality, quantities, and hygiene.
- Zero reporting of health issues related to sanitizations.



Sales & Distribution

**JUHAYNA,
the largest
sales force in
the market**

A Peek from 2022

Launched in 2007, TIBA is Juhayna's Commercial Arm and one of its greatest competitive advantages and a key force behind its viability as a vertically integrated entity is its distribution network — the largest amongst its peers in Egypt's dairy and juice subsegments and the nation's third-largest overall. Tiba also undertakes Third-Party Distribution, utilizing its existing distribution capacity at minimum additional CAPEX, under JUFO's distribution division which is a primary catalyst for the Group's growth in the medium term.



As Juhayna continues its leadership position in the market, environmental and social governance has become an integral component of its corporate strategy, business and market analysis and risks and opportunities management. Our Sales & Distribution addresses and aims to achieve our ESG Strategy Objectives:



**Responsible
Vendors Relations**



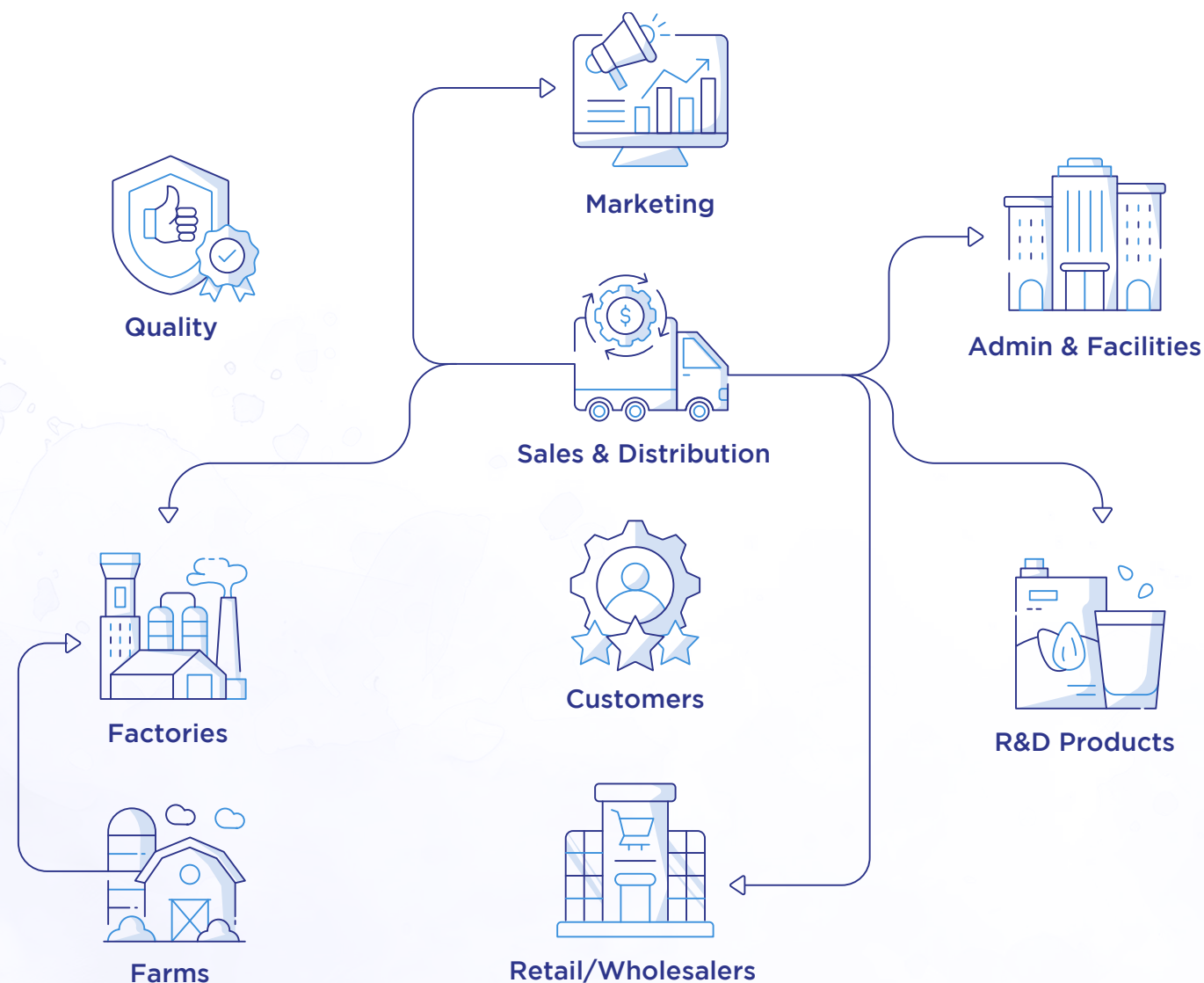
**Responsible Operations
within Communities**



Sales & Distribution Workflow Process

The Sales and Distribution function represents the “Product Journey” as products move from Juhayna’s warehouses to local distribution centers, and ultimately to the shelves of our retail partners. Trade Marketing (TM), a key component of this function, is responsible for conducting market research and analysis, equipping the Sales Team with valuable insights to inform their Sales Plans.

Trade Marketing plays a crucial role as the final checkpoint for our products at sales locations before they are purchased by consumers. It ensures that products and their placement at retail sites align with Juhayna’s branding and brand messaging. Additionally, Trade Marketing manages relationships with Juhayna’s customers—wholesalers, retailers, and Commando agents—who transport products directly from our warehouses to their own facilities. It also leads in-store branding initiatives and promotional programs designed to strengthen customer relationships through incentives and other strategic actions.



To understand the Value Creation (outcome) of our Sales & Distribution across the six capitals, we share how the Sales & Distribution reacts with each of our other functions to create a seamless and efficient set of practices and outputs:

Sales & Distribution Workflow Initiatives & Impacts

Value Chain Functions	Sales & Distribution Role	Planned/Achieved Outcome
Marketing	<ol style="list-style-type: none"> 1. Coordination for promotional campaigns 2. Coordination with digital payment systems (Fawry partnership) 3. Coordination with sales on new products launch to ensure applicability to market 	<ul style="list-style-type: none"> • Increased market penetration and customer engagement • Improved payment efficiency and reduced payment delays
Sales	<ol style="list-style-type: none"> 4. Demand forecasting 	<ul style="list-style-type: none"> • Optimized production schedules, reduced stockouts • Recirculation from our branch to the next based on monthly update of sales plan to update the factories for their production plans
Quality	<ol style="list-style-type: none"> 5. Ensuring products meet quality standards before distribution and upon storage at traders' locations 6. Investigate legitimacy of traders for returns 7. Quality check on chillers 	<ul style="list-style-type: none"> • Maintained high customer satisfaction and compliance with standards
Admin & Facilities	<ol style="list-style-type: none"> 8. Ensures Sales Vehicles licensing and maintenance 	<ul style="list-style-type: none"> • Ensure zero delays to distribution plans

El Commanda

Building on our 2022 practices, Juhayna continues to work with 174 outsourced and independent El Commanda distributors and drivers, all of whom are members of rural communities. These products are sold at more competitive prices, helping to expand the reach of our nutritious offerings to underserved villages and remote areas.

Since the United Nations began supporting El Commanda in mid-2021, we have empowered 15 female drivers to lead the program in their respective regions. As a result, we have seen a remarkable sales growth of approximately +950% since 2017.

Market Presence Enhancements

In 2023, several key initiatives were implemented to enhance market presence and operational efficiency:



Saytara Program:

The saytara program was implemented to reach new 1,500 customers, enhancing market reach and coverage along with improved customer engagement, through agreements with customers on special rental costs including branding elements to secure shelf share, and visibility.



Geomapping and GPS:

The Geomapping and GPS was adopted to optimize route planning and increase operational efficiency, ensuring better coverage and service delivery.

Tools and Methodologies to Ensure Product Availability

In 2023, market analysis was conducted using advanced tools and methodologies to assess market trends and retailer/wholesaler behavior:

- The AC Nielsen Retail Audit and Nielsen Observation were employed to gather insights into market dynamics and customer preferences.
- New forecasting models and techniques were implemented to improve the accuracy of demand predictions. These models include pre-order systems and retail analytics.

Juhayna adopts the AC Nielsen Retail Audit and Nielsen Observation to ensure the uninterrupted availability of products in the market, through:

- Sales per square foot
- Gross margins return on investment
- Average transaction value
- Customer retention
- Conversion rate
- Foot traffic and digital traffic
- Inventory turnover



Knowledge Bites

Nielsen measures what people watch and buy

Retail Measurement Services (RMS) by Nielsen is the global industry standard for high-quality data related to product movement, market share, distribution, pricing, and other market-sensitive information. It provides valuable insights that help businesses track and analyze key metrics, enabling informed decision-making in a competitive marketplace.

Juhayna upholds selection criteria for its traders to ensure that its products are stored, displayed, handled, and readily available in optimal conditions with adequate stock levels. These standards are designed to guarantee the best consumer experience. Key criteria for selecting traders include warehouse capacity, customer floor space, the number of cashiers, and product display compliance according to AC Nielsen classifications. customer meter square, number of cashiers, and display as per AC Nielsen classifications.

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Juhayna's 5-year-plan mitigating our fleet's emissions, we: Vehicle Performance Management Toward

Toward mitigating our fleet's emissions, we:



Annually renew environmental compliance reports for each vehicle from the traffic department.



Maintain any vehicle that is suspected of burning gas outside the car.



Perform annual environmental audits for vehicles that have been overhauled to ensure that no additional emissions are being produced.



Require drivers to perform daily checkups to make sure there are no oil leaks.



Monitor tire pressure to decrease rolling resistance and fuel consumption.

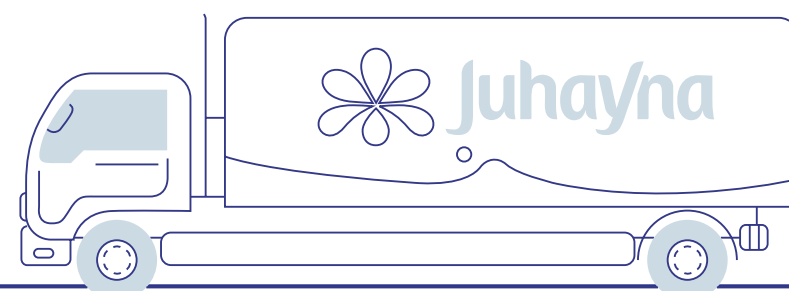


Regularly service and maintain worn-out vehicles, unclog fuel injectors, and replace bad oil.



Not to overload vehicles so that their motors remain unaffected.

All Juhayna vehicles are replaced after 10 years of service. Throughout their lifespan, monthly consumption cards are updated to track each vehicle's performance and fuel consumption, with data compared to a preset average. Preventive and corrective maintenance is carried out regularly to address any deviations and ensure optimal operation.



Juhayna and Fintech Value Creation

ALL traders payments are through Fawry

The Fawry program at Juhayna was introduced to streamline payment processes, enhancing payment efficiency and minimizing delays. In collaboration with Fawry, we implemented a creditworthiness system that facilitates digital payments for traders, ranging from small retailers to large hypermarkets.

This system has significantly improved payment rates by addressing the key issues of reparative or failure delays, which, if persistent, could result in a trader being excluded from our distribution plan.

The partnership with Fawry has also greatly increased operational efficiency, including:

- Increasing salesmen's time in the market
- Ensuring immediate reflection of collections in SAP, particularly for large wholesalers and customers
- Reducing costs related to cash safes and manpower
- Reducing the cost of cash safes and manpower



Sales & Distribution Value Creation

Input:

Financial Capital

- Total investment of EGP 272M in purchase of 10,000 new chillers.
- Total investment and financing of EGP 571M for vehicles upgrades and maintenance, drivers' wages, and other distribution-related cost.
- Total investment of Vehicle maintenance costs:
 - » Sales Trucks at EGP 46.2M.
 - » Heavy Trucks at EGP 19.8M.
- Total spending of EGP 98.6M on incentives scheme to sales personnel.

Human Capital

- Fleet force of 1033 drivers compared to 1001 in 2022.
- Expansion of El Commenda agents program to Delta Region and Upper Egypt.

Social Capital

- Bi-weekly meetings with retailers by sales representatives visits to discuss inquiries or challenges.
- Incentives Scheme to Sales personnel.
- Training programs and workshops to sales representatives for adherence to the Code of Ethical and Responsible Conduct.

Manufactured Capital

- 1033 Vans and Trucks by end of 2023 and 15 more by mid-2024 compared to 1000 in 2022.
- 24,000 coolers compared to 16,000 coolers in 2022.

Intellectual Capital

- Fawry Partnership for POSs and creditworthiness system to facilitate digital payments for traders with 100% of customers using digital payment in 2023.
- SAP monitor sales targets , availability of products, chillers positioning.

Natural Capital

- Vehicle Performance Management, as part of Juhayna's 5-year-plan.

Outputs:

- The ability of transporting both refrigerated and non-refrigerated products nationwide.
- Two new branches of distribution centers added on Mediterranean Coastal Area in 2023 to reach 4 locations with 120 sub-depots across Egypt across Egypt compared to 27 in 2022
- Ranked as the Leading market shares by volume.

Outcomes

- A total of 136,000 Point of Sales and 38 Distribution Centers compared to 30 in 2022
- Serving 60,000 customers (retail and wholesale) compared to 65,000 in 2022. The decline was largely attributed to the inability of retailers to adopt new regulatory compliance requirements in issuance of electronic invoices.
- Serving 232,000 indirect customers (who are serviced through Juhayna local distributors and commandos.
- Boost Top Line Growth with Minimal CAPEX Investment. Third-party's (Arla) Total Gross Sales of EGP 333,4M.
- Total of EGP 8B of payment through Fawry Fintech system.
- ZERO road accidents. (please confirm)

Natural Capital

- 23,232 mtCO2e vehicle emission in 2023.

WELLNESS OF PEOPLE

01

Juhayna's Family

02

Health & Safety

03

Right to Nutrition

04

Responsible Communication

05

Community Investment

Juhayna's Family

Our ESG Strategy Objectives addresses key objectives to achieve a successful landscape of talented taskforce with a healthy, motivating and rewarding work environment:

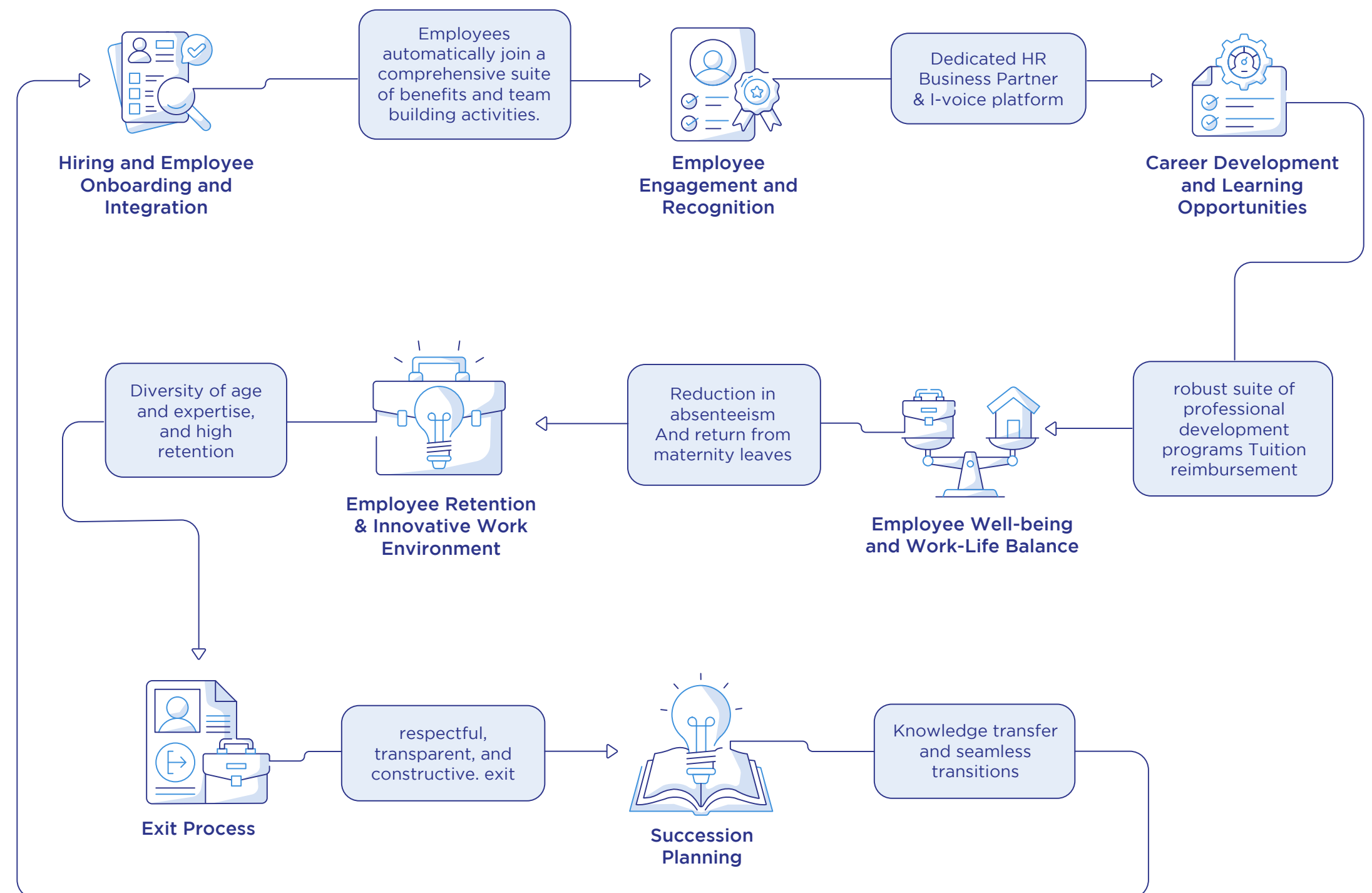
-  **Employ with fair and competitive wages and benefits**
-  **Acquire and maintain talents**
-  **Foster an inclusive, diverse, and protective work environment**
-  **Enhance Career Development programs**

The employee journey, from recruitment and onboarding to career development and retention, is a key strategic asset, and by nurturing it, it plays a pivotal role in asserting Juhayna's culture across its generations of employees and management level.

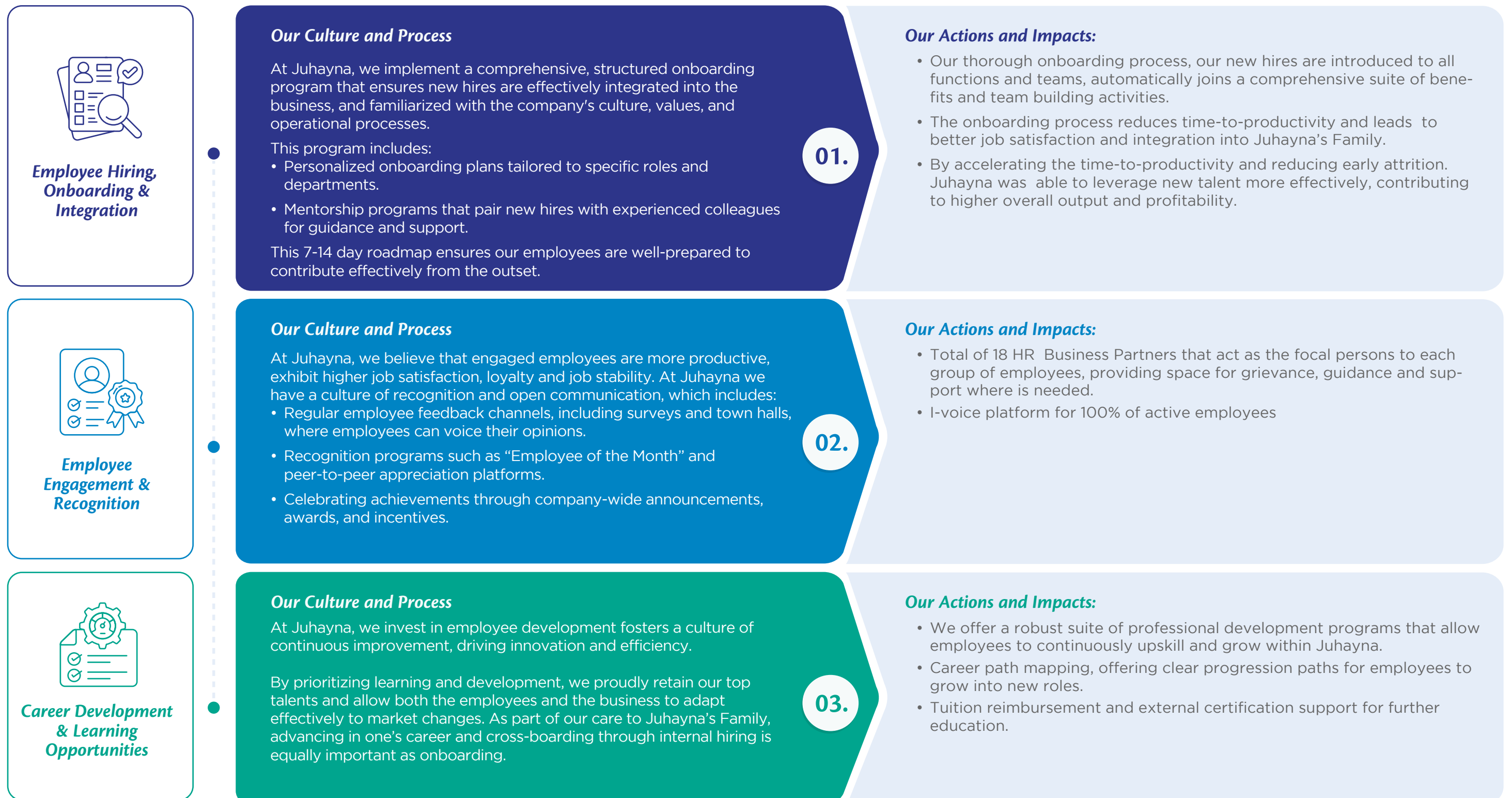
They allow us to maintain productivity during the hardest times, and ultimately, achieve our growth trajectory with the standards of care and quality that represent Juhayna Brand and Values.

We share with our stakeholders a brief on the traditional Employee Journey within the corporate Cycle, however, what is not conventional for Juhayna 's Family is the fact that only an employee journey with a focus on outputs and impacts is one that can truly reflect a successful Employee Experience within the company. At Juhayna, we take pride that our human capital has always been our most valuable asset.

Employee Journey Workflow



Employee Journey, Milestones, Actions and Impacts





Employee Well-being & Work-Life Balance

Our Culture and Process

At Juhayna, we prioritize employee well-being by offering a range of programs designed to promote mental, physical, and emotional health. Our efforts include:

- Flexible work arrangements, including remote work options and flexible hours.
- Wellness programs that offer mental health resources, fitness challenges, and access to healthcare services.
- Employee Assistance Programs that provide counseling and support services for personal and work-related challenges.

04.

Our Actions and Impacts:

- 99% return from maternity leaves
- 100% of our employees and first-line family members are covered under Juhayna's medial programs.



Employee Retention & Innovative Work Environment

Our Culture and Process

At Juhayna, our retention strategies are designed to keep our top talent engaged and loyal. This includes:

- Competitive compensation packages and performance-based incentives.
- Succession planning programs that identify and groom internal candidates for leadership roles.
- Workforce mobility initiatives that encourage cross-functional experiences and internal job transfers.

05.

Our Actions and Impacts:

- Increased retention with a total of 898 internal hires in 2023.
- Diversity of age and expertise allowing an innovative and well guided career ecosystem and work environment.



Exit Process

Our Culture and Process

At Juhayna, an employee exit process is treated with the same level of importance as any other phase in the employee life cycle.

We believe that a well-managed exit process benefits not only the departing employees but also the company. Our best practices are designed to ensure that employee exits are respectful, transparent, and constructive.

06.

Our Actions and Impacts:

- Notice: Involuntary exit is recognized as having a difficult impact to the employee. Exit interviews and notice extend up to 8 weeks prior to an employee's departure and with as minimal steps as possible.
- Final paycheck and benefits information: Departing employees receive timely communication regarding their final paycheck, unused vacation days, and continuation of benefits (e.g., health insurance coverage, pension contributions).
- Legal compliance: All exits and terminations comply with local labor laws. Periodic audits of our exit procedures are conducted to confirm full compliance. No litigation was put forward in regard to employees exit.



Succession Planning

Our Culture and Process

At Juhayna, our succession planning allows for seamless transitions, ensuring that teams can continue to function effectively after an employee exits. To ensure that knowledge is retained even after an employee's departure, we have developed formalized knowledge transfer processes. Succession planning ensures that the company is prepared for future leadership transitions.

07.

Our Actions and Impacts:

- Departing employees are required to document ongoing projects, key contacts, and critical workflows as part of their offboarding to enable a proper succession to the position.
- When possible, successors are identified early, allowing for a smoother transition period where the departing employee can train and transfer responsibilities to the incoming employee.

Key Indicators

Juhayna’s human capital is one of our greatest assets, it is a driver for innovation, an enabler of sustainable conduct and business growth, and above all a goal in itself.

Our Employees	2022		2023	
	Male	Female	Male	Female
Percentage in Top Management	67%	33%	83%	17%
Our Human Capital - Per Gender	3988	100	4256	120
Total of our Human Capital	4088		4376	-
Number of Outsourced Workers	1020			
Percentage of Employees per Gender	97.5%	2.5%	97.2%	2.8%
Total Number of New Hires	718		898	

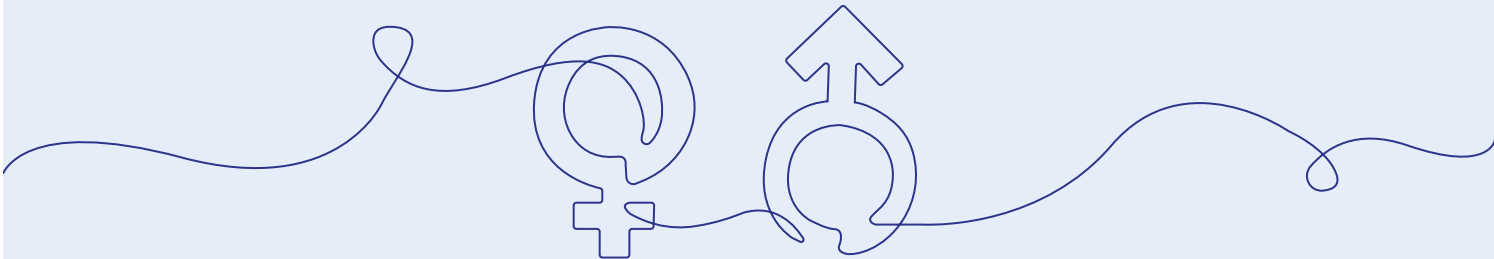


Women Participation

It is noticed that the female percentage is at a low ratio at 3% at an aggregate level. By nature of the industry, across the manufacturing and distribution functions, most of our non-corporate jobs involve heavy lifting, late night shifts, and/or driving and regional representation in remote areas.

Therefore, we take into consideration the social well-being of women - both culturally and socially - and the effect of certain positions that may cause disturbance to them and to their extended families where women are the natural caregivers. On the other hand, most of corporate jobs are dominated by female employees.

Job Type	% of Male	% of Female
Farming on the field	100	0
Farming Corporate Team	100	0
Factories (including maintenance and others)	96	4
Quality	94	6
Product innovation	97.5	2.5
Packaging R&D	60%	40%
Marketing	28	72
HR	50	50
Strategy/PR	0	100
Procurement	30	70
Health & Safety	99	1
Finance	84	16



Age Diversity

We consider that age diversity in Juhayna has always been a key factor in maintaining a unique balance of innovation and expertise:



Under 30:

The teams that bring innovation and generational continuity to Juhayna's long-standing history.

Age of 30 to 50:

The task force that is at the prime of its professional maturity and experience, they provide the company with stability and hands-on expertise.



Above 50 of age:

The industry gurus where guidance and wisdom is sought and offered across all functions.



Our Employee Profile by Age Categories

	2022		
	Below Age 30	30-50	Over Age 50
Number of Employees-Males	894	2984	110
Number of Employees-Females	38	59	3
Percentage Per Category	22.79%	74.43%	2.76%

Our Employee Profile by Age Categories

	2023		
	Below Age 30	30-50	Over Age 50
Number of Employees-Males	1031	3089	126
Number of Employees-Females	53	65	2
Percentage Per Category	24.82%	72.24%	2.93%



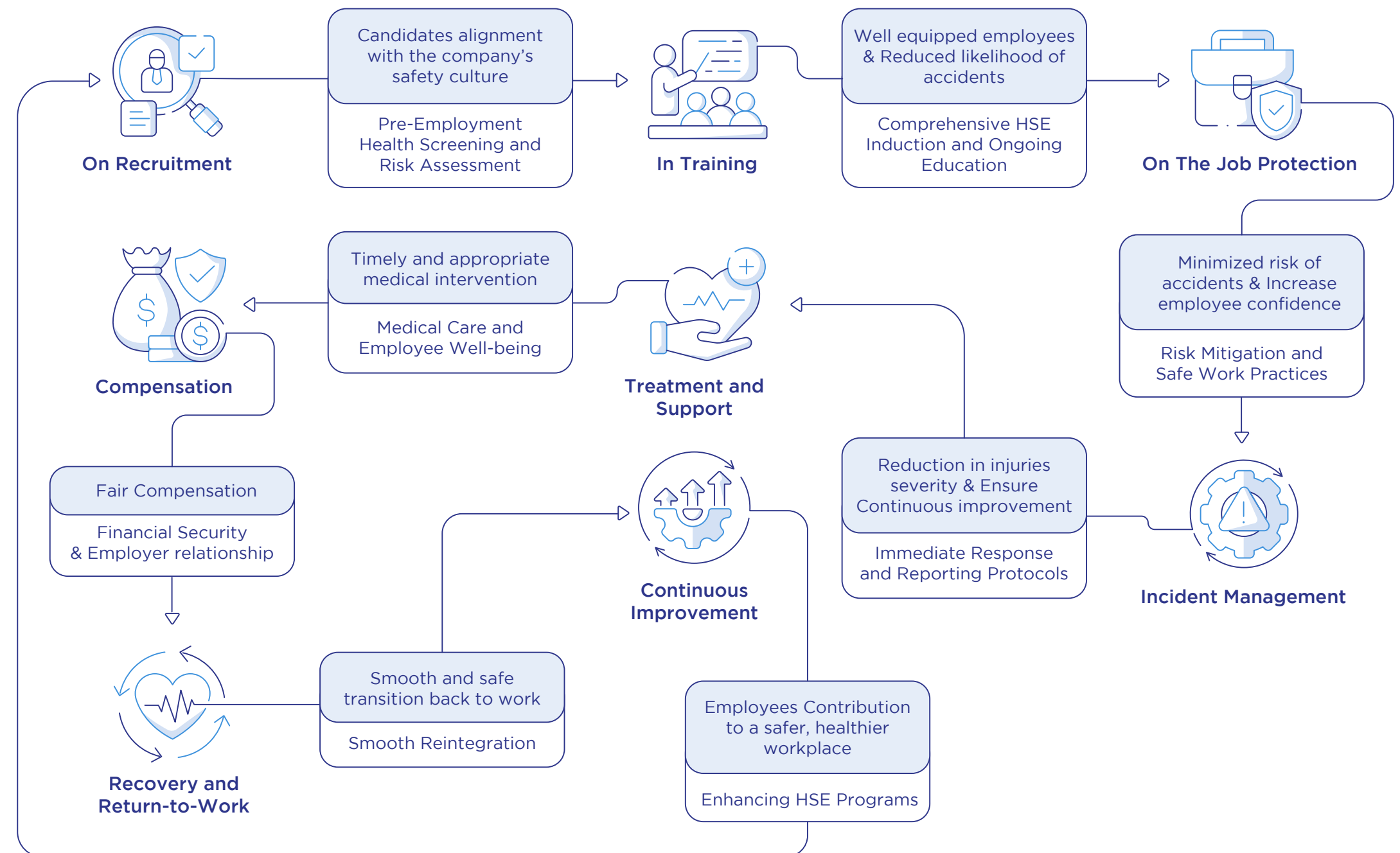
Capital	Inputs	Outputs	Outcomes
Financial confidential	Fair and equal compensation Policy	Frequent surveys confirm that our pay packages remain competitive within our industry, consistently surpassing the government-mandated minimum wage, leading to economic stability for our employees.	<ul style="list-style-type: none"> Total of EGP 41,212,761 in paid dividends to our employees, with health care and benefits packages. No gender-pay gap in Juhayna compensation themes. All our employees are rewarded according to their employment levels and due merit and based on our internal policies and national labor laws.
	Profit Share Benefits	Employees are entitled to an annual bonus based on performance appraisal	
Human	Diversity and Talented Pool of Human Capital	An age diversity approach with like-minded innovative task force able to adapt to market disruptions and exceed our stakeholders' expectations: <ul style="list-style-type: none"> 72.24% are our employees between the age of 30 to 50. 24.82% are our younger generation under 30. 2.93% are gurus over 50 of age. 	<ul style="list-style-type: none"> Maintained our 4000+ members in Juhayna Family with increase in hiring despite nation-wide dire economic disruptions. Maintained our 1000+ outsourced job opportunities in 2023.
Social	Life insurance policy	Our life insurance policy has been in place since 2012.	<ul style="list-style-type: none"> 100% of employees are subscribed to the policy. We are thankful that none was used, and that we still have all our employees well and safe.
	Maternity Leave	Paid Maternity leave for our female employees is up to 12 weeks per child, with an additional 12 unpaid leave on the recommendation of the reporting manager.	<ul style="list-style-type: none"> 100% of female employees who were entitled to maternity leave have taken their day-off. 99% of those returned to work compared to 1/7 in 2022..
	Medical Care and Benefits	Medical coverage to all employees and their families under the 2018 initiated program: "Towards a Healthy Lifestyle".	<ul style="list-style-type: none"> 100% of our employees have medical insurance. Medical insurance extend to all family members to first degree.
	Flexible Working Hours	Reduction in the need to request sick leave due to this healthy balanced culture	<ul style="list-style-type: none"> Sick leave rate was reported 3% of the total number of working days in 2023.
	Health & Safety Policy	Zero incidents in 2023	<ul style="list-style-type: none"> No fines nor sanctions related to incidents caused by any presented risks.
Intellectual	The Oracle system aligns employee objectives with overall company goals.	Appraisal Criteria and Performance Feedback process across the company, facilitated by the SAP System. Continuous evaluation, feedback channels, and self-assessment are integrated into the SAP, effectively boosting motivation, and consistently driving us toward our business objectives and individual growth.	<ul style="list-style-type: none"> 100% of employees received annual performance reviews.
	Internal training Program through Juhayna Academy	Internal training Program through Juhayna Academy	<ul style="list-style-type: none"> Conducted a Total of 796 Training Hours in 2023 compared to 4064 Hours in 2022. The Rotation Program led to corrective or preventive changes in the roles and responsibilities of the number of employees in 2022.

Health & Safety

The integration of Health, Safety, and Environment (HSE) represents a critical aspect throughout an employee's journey within the workplace, from recruitment to recovery.

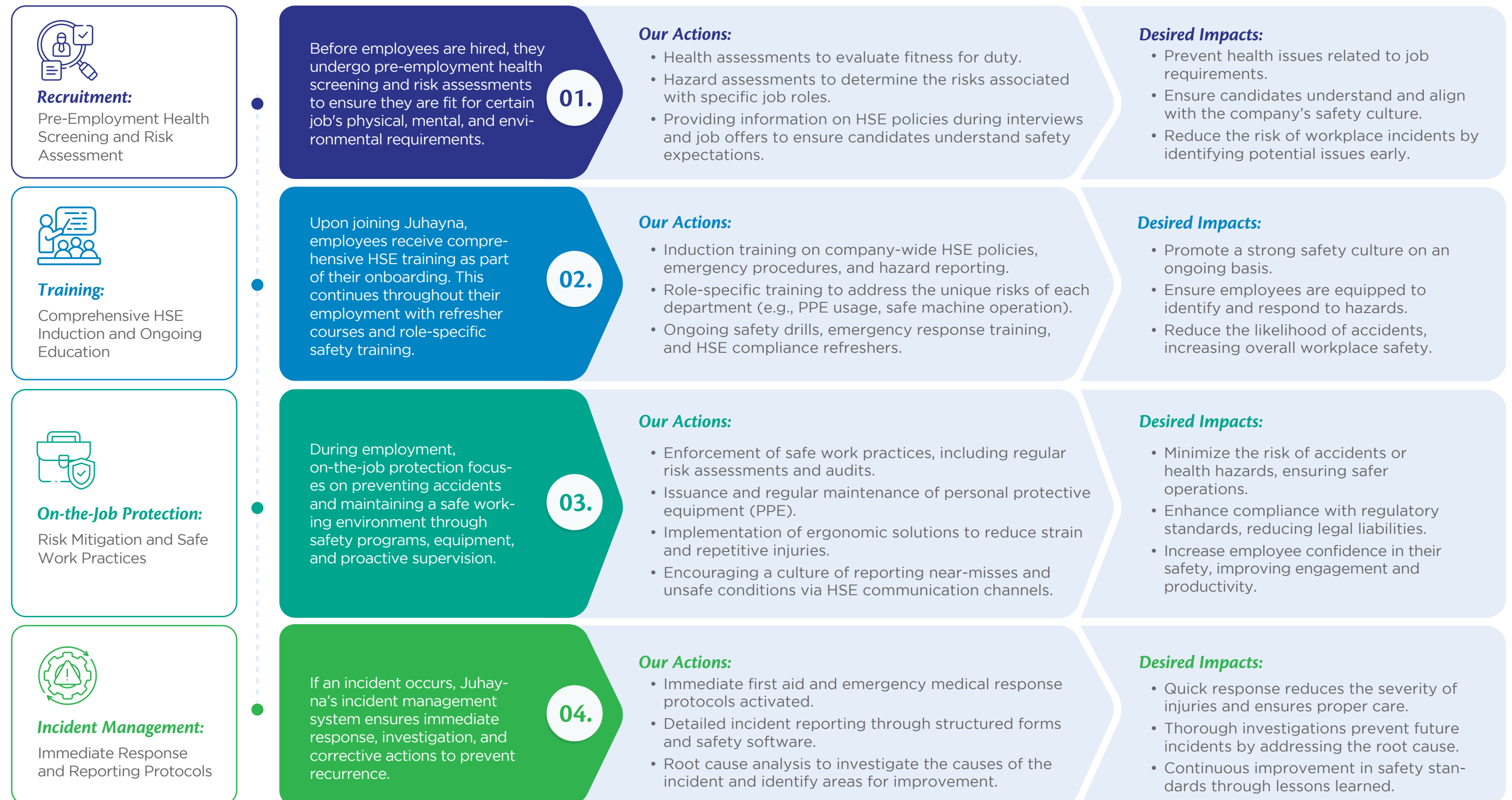
Through this report, we share a brief that outlines the key milestones that safeguard our employees' safety and well-being while holding the highest levels of business performance and compliance.

HSE Workflow within the Employee Journey



By observing our Health and Safety best practices along our employees' journey, we highlight the key actions and impacts.

HSE Actions & Impacts in the Employee Journey





Treatment and Support:

Medical Care and
Employee Well-being

After an incident, the employee receives necessary medical treatment and is provided with ongoing support to ensure a smooth recovery process.

05.

Our Actions:

- Access to occupational health services for treatment and rehabilitation.
- Regular health monitoring and follow-up consultations to track recovery progress.
- Emotional support through Employee Assistance Programs (EAP), counseling services, and mental health resources.

Desired Impacts:

- Ensure timely and appropriate medical intervention, reducing downtime and promoting faster recovery.
- Support employees' overall well-being, both physically and emotionally.
- Demonstrate Juhayna's commitment to employee care, fostering trust and loyalty.



Compensation:

Fair Compensation for
Incidents

In case of workplace injuries, employees are entitled to fair compensation and legal support as part of their recovery process.

06.

Our Actions:

- Workers' compensation processes are clearly defined, ensuring employees receive compensation for medical expenses and lost wages.
- Disability accommodation is made if necessary, such as adjusted work schedules or alternative roles during recovery.
- Legal compliance with local labor laws and insurance requirements is maintained to protect both the employee and the company.

Desired Impacts:

- Provide financial security for affected employees, helping them focus on recovery.
- Reduce legal risks for the company by adhering to compensation laws.
- Support a positive employee-employer relationship even during challenging times.



Recovery and Return-to-Work:

Smooth Reintegration

After medical recovery, employees undergo a structured return-to-work process that ensures they are ready to resume their duties safely.

07.

Our Actions:

- Fit-for-duty assessments and medical clearance to ensure the employee can return to work without compromising their health or safety.
- Modified duties or a phased return, depending on the employee's recovery status.
- Ongoing support from supervisors and the HR team to ease the transition.

Desired Impacts:

- Facilitate a smooth and safe transition back to work, reducing the risk of reinjury.
- Demonstrate the company's support for employee recovery and well-being.
- Minimize productivity loss by ensuring employees return to work at the right time and capacity.



Continuous Improvement and Feedback:

Continuously Enhanced
HSE Programs

Post-recovery, the employee's feedback on the incident and recovery process is integrated into continuous improvement efforts for the company's HSE practices.

08.

Our Actions:

- Feedback collection from the affected employee and their team to assess the effectiveness of the incident management and recovery process.
- Review and update of HSE policies based on lessons learned from the incident.
- Ongoing employee involvement in safety committees to enhance overall workplace safety culture.

Desired Impacts:

- Enhance the company's HSE policies based on real-world experiences.
- Promote a culture of learning and improvement, reducing the likelihood of future incidents.
- Ensure all employees contribute to a safer, healthier workplace.

HSE Training



Part of our Training Needs assessment are defined based on the recommendations as an output of the BOS monthly checks.

Ten employees from every department are trained on the BOS system on a monthly basis.

H&S training is incorporated within our annual training programmes, as part of the development of a systematic training plan, with key areas that have priority:

- ✓ Training for managers, to equip them with an understanding of the manager's responsibilities under this policy, and the role and purpose of safety representatives.
- ✓ Training for safety representatives to enable them to discharge their function.
- ✓ Training for all members of staff to acquaint them with the main provisions of the law and its practical implication, the main features of this policy and key safety rules.
- ✓ Induction and in-service training for staff at all levels to acquaint them fully with new requirements and hazards.

Summary of Training Topics

- » H&S General rules in the workplace.
- » H&S rules in offices
- » Safety in office work
- » Training on health, safety, and environment rules
- » Procedures for Post-Accident resulting in injuries
- » First Aid
- » Driving vehicles
- » Personal protective equipment
- » Fires and how to fight them
- » Falling objects and materials and fall prevention
- » Portable stairs
- » Slip and fall
- » Environment
- » Security

Key Indicators

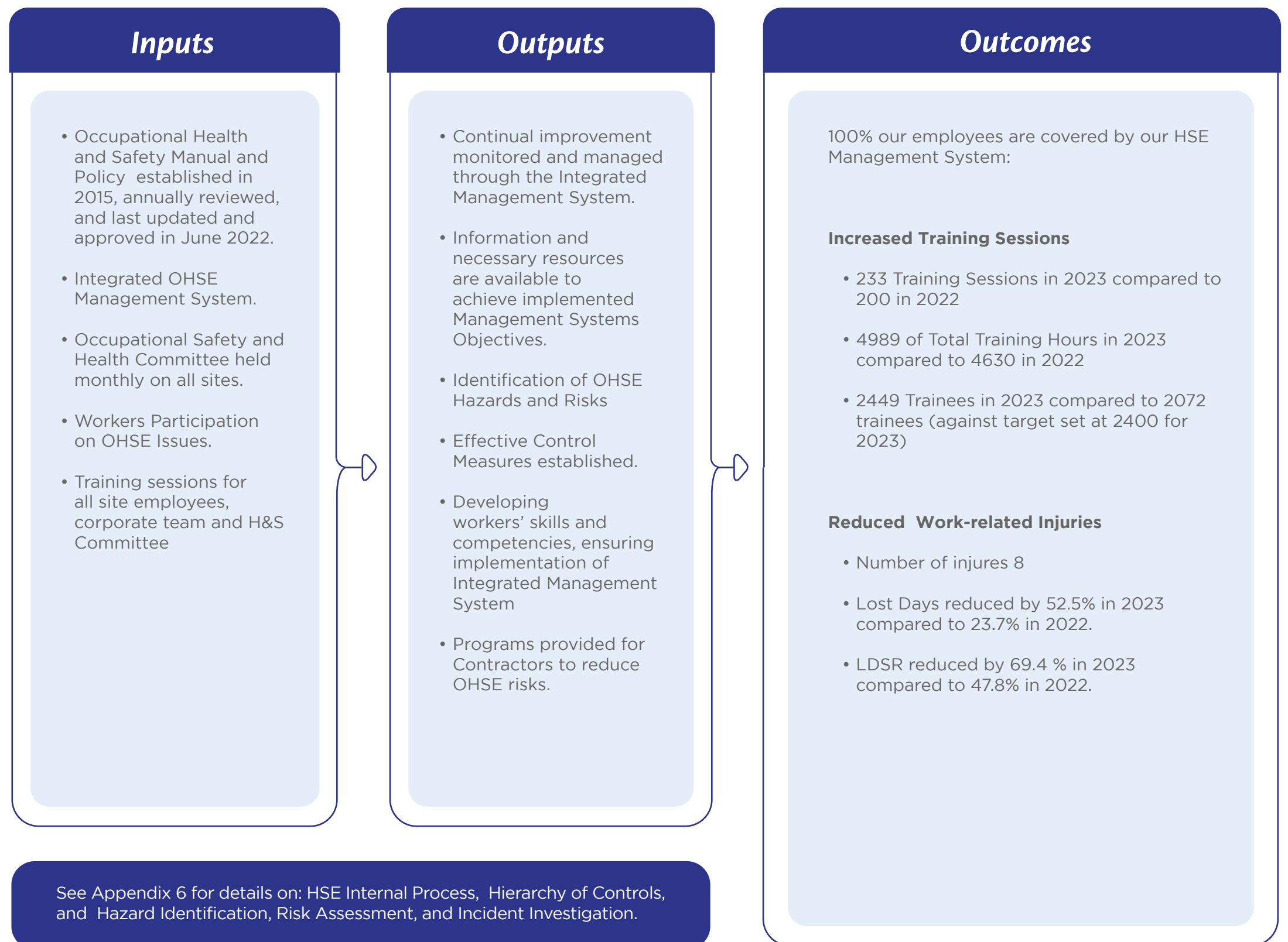
Monitored Safety Indicators on Sites		
2021	2022	2023
Total Case Incident Rate (TCIR) and Lost/Restricted Case Incident Rate (LCIR)		
1.27	0.51	0.50
Near misses Lost/Restricted Case Incident Rate (LCIR)		
1.27	0.51	0.50
Lost Day Case Frequency Rate (LDFR)		
1.27	0.51	0.50
Lost Day Case Severity Rate (LDSR)		
31.54	22.95	6.92
Recordable Work-Related Ill Health Cases		
None	None	None
Work-Related Absentee Rate		
None	None	None

Rates were calculated based on 200,000 hours worked

An incident that results in injury or ill health is often referred to as an 'accident'.

An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a 'close call', 'near-miss', or 'near-hit'.

Value Creation



Right to Nutrition

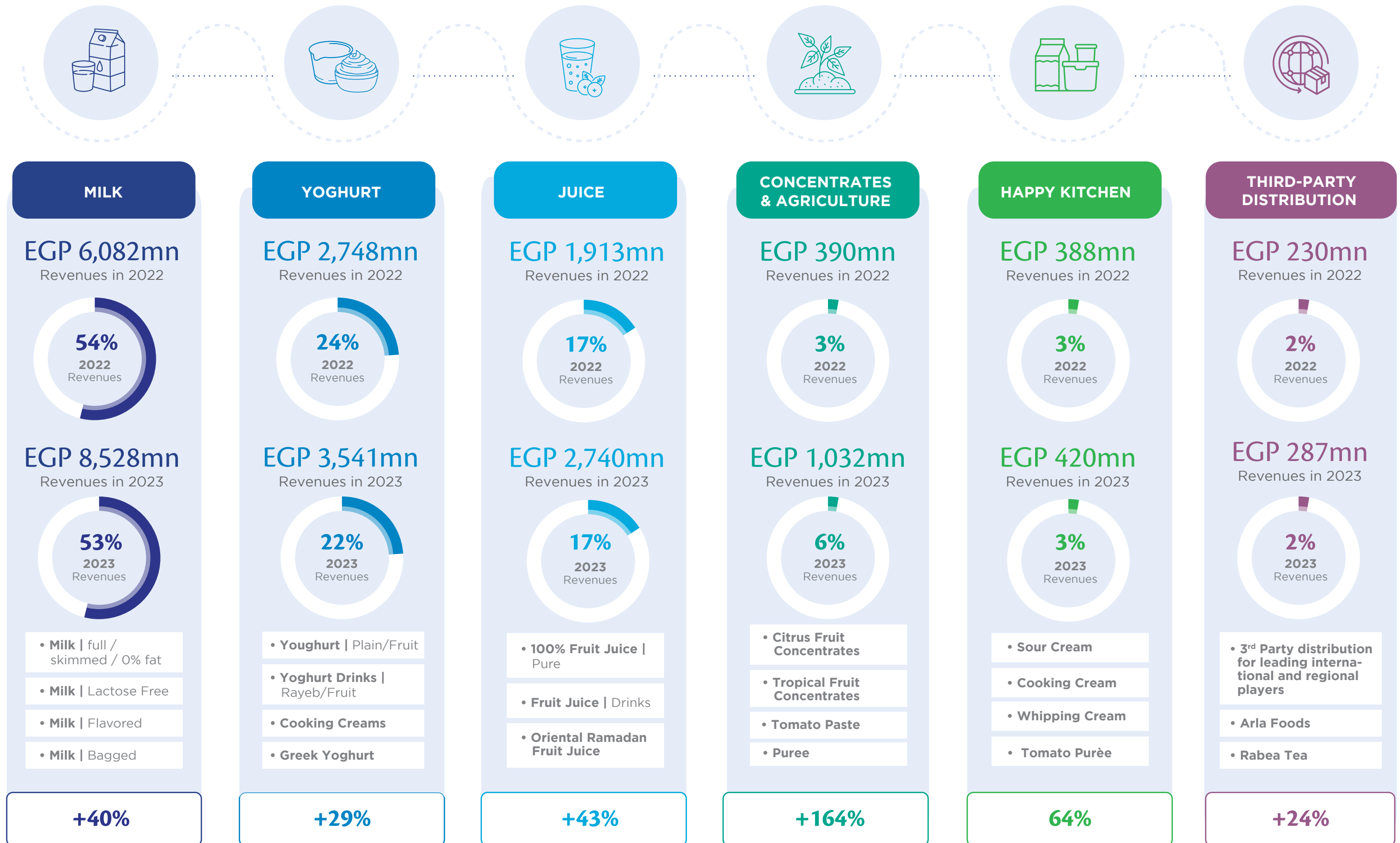
MARKET LEADER ACROSS FAST-GROWING SEGMENTS

At Juhayna, our commitment to consumers' right to proper nutrition has always been at the heart of everything we do, driving our innovation, product development, and customer-focused approach. We recognize that healthy, nutritious food is essential for well-being, and as such, we continually strive to provide products that not only meet but exceed consumer expectations.

This commitment has been a key driver behind our market share growth, as we have built trust and loyalty by consistently prioritizing the health and well-being of our consumers. Our focus on delivering value through healthy, innovative offerings has strengthened our consumer base and enabled us to expand our presence in the market.

As more consumers recognize the importance of nutrition in their daily lives, Juhayna's dedication to this core principle has played a pivotal role in driving our continued growth and success, reinforcing our position as a trusted brand that supports the health of individuals and families.





Milk



64%

Plain Milk
Market Share



57%

Flavored Milk
Market Share



8.5 EGP Bn

Revenue
Generated in 2023



40%

Y-O-Y Revenue
Growth

Yoghurt



30%

Spoonable
Yogurt Market
Share



48%

Drinkable
Yoghurt
Market Share



3.5 EGP Bn

Revenue
Generated in 2023



29%

Y-O-Y Revenue
Growth

Juice



28%

Juice Market
Share



2.7 EGP Bn

Revenue
Generated in 2023



43%

Y-O-Y Revenue
Growth

Concentrates



1.2 EGP Bn

Revenue
Generated in 2023



137%

Y-O-Y Revenue
Growth

Nutrition and Products Value Creation

Inputs	Outcome	Outputs
<ul style="list-style-type: none"> Dairy-free milk alternatives with nutritional value 	<ul style="list-style-type: none"> Address the needs of lactose-intolerant consumers or who follow a non-dairy diet. 	<ul style="list-style-type: none"> Nuts & Grains (N&G) range
<ul style="list-style-type: none"> Vegan milk with foaming properties 	<ul style="list-style-type: none"> Provide choices for specific customers' demands. 	<ul style="list-style-type: none"> N&G Almond Barista edition
<ul style="list-style-type: none"> Sugar-free juice range 	<ul style="list-style-type: none"> Provide choices of fruit and vegetable juice for consumers with health-conscious preferences. 	<ul style="list-style-type: none"> "Live Pure"
<ul style="list-style-type: none"> No-preservative juice 		<ul style="list-style-type: none"> PURE 100% juice (10 flavors)
<ul style="list-style-type: none"> High concentration of vitamins and minerals that are fused into a rich and creamy taste. 	<p>Hygienically packaged milk that eliminates health risks associated with consuming loose milk,</p> <p>With High-quality ingredients, effectively maintaining the nutritional value of liquid milk, while affordably addressing Egypt's mass lower-income segment.</p>	<ul style="list-style-type: none"> Bekhero Full Cream Milk
<ul style="list-style-type: none"> Finest local fruits and provides an alternative to fizzy drinks. 		<ul style="list-style-type: none"> Bekhero Juice
<ul style="list-style-type: none"> Sweetened Alternatives 		<ul style="list-style-type: none"> Bekhero Sweetened Alternatives
<ul style="list-style-type: none"> Low-fat milk alternatives 	<p>Provide choices of milk variety for consumers with health-conscious preferences.</p>	<ul style="list-style-type: none"> Juhayna Rayeb Light Juhayna Plain Milk Skimmed Juhayna Plain Milk 0% Fat



Responsible Communication

There is no greater mission than serving people by safeguarding their most fundamental right: the right to nutrition. Equally, there is no greater responsibility than to do so equitably, responsibly, and sustainably. Ensuring that knowledge of our products is accessible to all requires consistent and transparent communication. Additionally, providing a seamless consumer journey and exceptional consumer care is key to building trust and fostering lasting relationships with our customers.



A Peek from 2022

In this age of ever-evolving technological landscapes and digital platforms, clients are frequently overwhelmed by an overflow of information. For this reason, stakeholder engagement and communication at Juhayna—both internal and external—play a critical role in delivering messages that are pertinent, transparent, and comprehensive for each of our customer segments. We recognize the delicate balance between promotion that serves the business and communication that ensures sufficient information about product details and business practices.

Through this section, we provide valuable insights into how our communication practices are prepared to meet public expectations.

Responsible Governance of Our Messages

Our practices adhere to a set of principles inspired by the nature of our industry and our corporate values, all guided by global standards designed to safeguard clients and business relationships:

Juhayna aligns with

The 'ICC Advertising and Marketing Communication Code', the most widely referenced and utilized standard. This code provides an internationally self-regulated framework of values for companies to conduct their business responsibly.

Juhayna adheres to

- » Egyptian Standard ES 1546/2011, General Standard for the Labeling of Prepackaged Foods
- » Codex Standard CXS 1-1985, General Standard for the Labeling of Prepackaged Foods
- » Policy and regulations for ethical marketing and advertising practices set by NFSA, EOS, CFI, and MoH

Engaging for Efficient Outcomes

Stakeholder engagement and collective accountability are key to our day-to-day operations. The Marketing team, through internal and external engagement activities, ensures the incorporation of the right inputs necessary for the successful execution of Juhayna's Integrated Business Planning (IBP) process.

[For more information on Juhayna's IBP Cycle stakeholders, engagements and duties, refer to Appendix 1.](#)



Consumer Journey Workflow Process

At Juhayna, we embark on an annual self-reflective process to envision and enhance our “Consumer Journey.” Led by our Marketing Department, this initiative strives to create a seamless, practical, and efficient experience for our consumers—from the moment they recognize their needs to the enjoyment of our products in the comfort of their spaces.

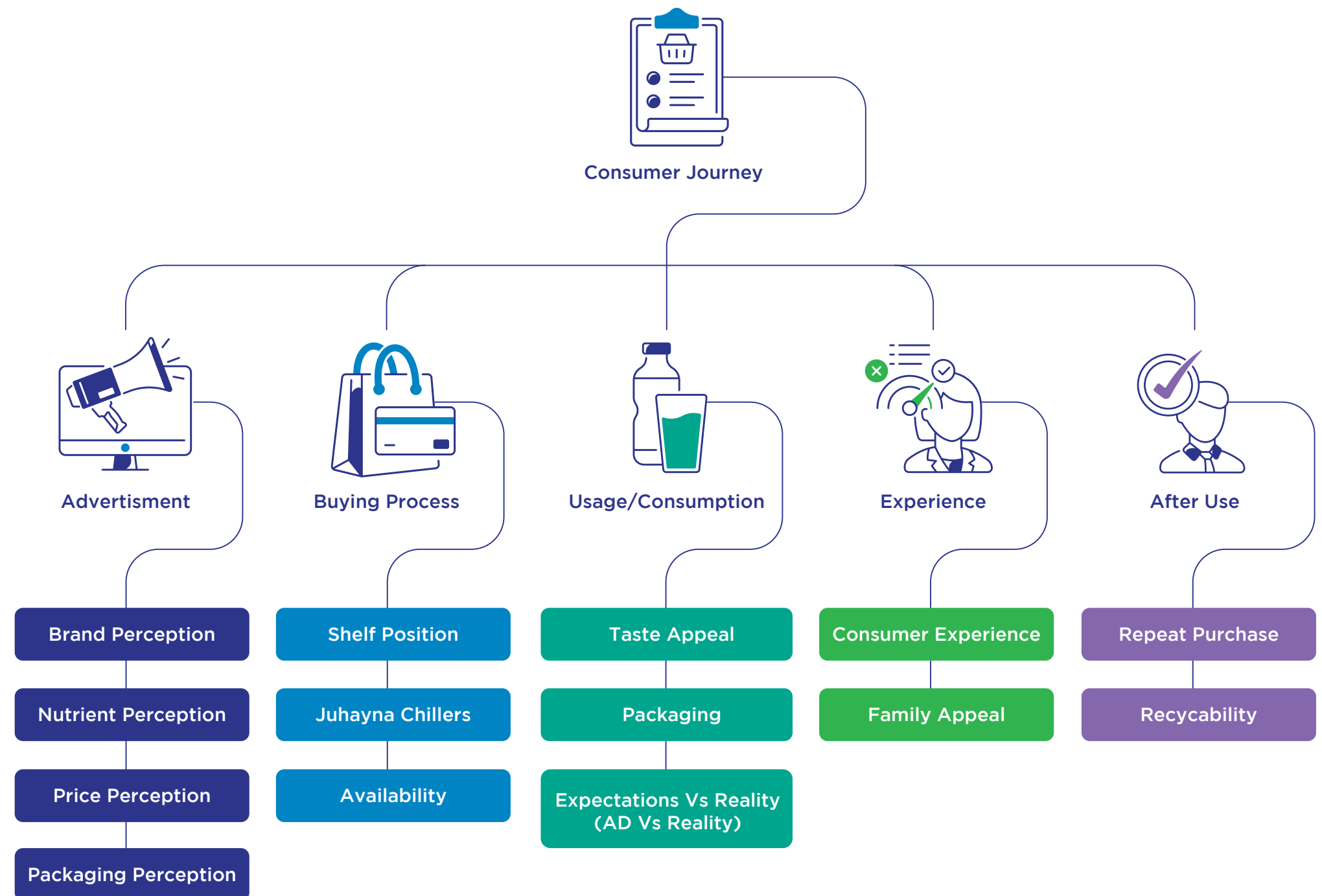
Our internal processes across the value chain—including innovation, farming, quality assurance, procurement, production, packaging, distribution, and employee training—form the foundation that enables us to deliver the exceptional products and services our consumers deserve.

Our Consumer Journey is an integral part of our ESG Strategy Objectives:

Responsible Communication & Ethical Labeling

Transparency & Reporting

While the specific consumer journey may vary depending on the product, we consistently focus on key aspects such as nutrition, quality, and availability. These pillars are embedded in every stage of the journey, encompassing advertisement, the buying process, product usage/consumption, the experience, and after-use.



The Internal Process We Act-upon	The Objective We Aim for	The Value We Create
Advertisement	Brand Perception We value our consumers' long-standing loyalty to our brand, and as we welcome new generations, it is essential that they can relate to our products' through Juhayna's strong brand identity, that emphasizes values such as quality, trust, and nature-based healthy products. Juhayna communicates its commitment to these values through various channels, including TV, billboards, social media, and in-store branding. By offering healthy products with focus on nutrition and addressing the diverse needs of consumers, Juhayna has grown closer to its customer as a trusted and innovative brand. Furthermore, Juhayna's deep Egyptian roots and heritage, it has enjoyed an emotional connection with its consumers across generations and preferences, standing today as an integral part of their daily lives.	National Legacy Became the first-ever packed national brand since 1983, serving all consumers across the nation, reaching the far-ends of remotely located areas. Juhayna's production has never been interrupted, consistently adapting to consumer needs and industry advancements. It has always overcome challenges and addressed critiques without falling short. We pride ourselves that in the midst of the hardest global or national crisis, Juhayna's has always safeguarded its workers and adopted zero lay-offs strategy.
	Nutrient Perception We value how consumers perceive our product's nutritional benefits. For that reason, we ensure that we meet our promise for products rich in calcium, vitamins, or other essential nutrients. These attributes influence our consumer's purchasing decisions based on health-conscious choices.	Care to ALL Curated products addressing our consumer needs: fat free, lactose free, etc.
	Price Perception We recognize that consumers' interpretation of the product's price is a factor in determining whether our products are considered affordable, premium, or a good value for money in relation to its quality and competitors. Our ability to regulate our production in response to such price perception through market analysis and demand planning is one of Juhayna's strongest ethos.	Affordability Priced to provide and support different consumer segment with the same quality and care.
	Packaging Perception We aim to always leave the right impression of a product's packaging that reflects the quality and value our products carry within the packaging. Packaging design, including its visual appeal, functionality, and friendliness influence the consumer interest and trust.	Safety & User-friendly Packed and improved y-o-y with the highest and latest health-driven materials, and global certification standards.
Shopping Experience (purchasing process)	Shelf Position We seek to create a shopping experience that transcends the physical space of shoppers. The prominence of shelf position does not only drive sales, but it offers our loyal and new consumers ease of access to our products and connection to our brand through product's visibility.	Accessibility Organized by brand in the majority of stores, products feature a dedicated gondola for Juhayna, alongside competing brands. The planogram typically followed a vertical display format, positioning each SKU from the top to the bottom shelf to ensure comprehensive access and visibility. Larger or bulk items, such as 1.5L or bundles, were strategically placed on the lower shelves to prioritize safety and accessibility. We always aim for prime shelf placement at eye and hand level for ease to our consumer visibility and engagement.

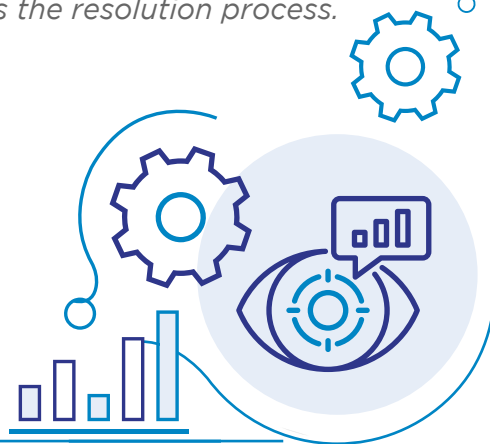
The Internal Process We Act-upon	The Objective We Aim for	The Value We Create
Shopping Experience (purchasing process)	Juhayna Chillers We aim that our consumers enjoy our products in their intended enjoyable taste, temperature plays a key factors. Our product's availability in dedicated brand chillers ensures freshness with a visible display and an easy access.	Based on space availability, visibility requirements, and customer classification, we strategically placed and selected coolers. Primarily deployed in the Traditional Trade sector, coolers were installed in locations with limited or no cooling capacity, ensuring our chilled product range remained accessible to consumers. Additionally, the setup enabled the offering of single-serve, shelf-stable products in a chilled format, catering to consumer preferences for cold beverages.
	Availability We are proud of being part our consumers generational experiences and lives. Our consumer expect that shopping for our products should be an easy and enjoyable one where they can grab their preferences from the wide-ranged options we offer. Uninterrupted distribution and abundant availability is part of our brand promise and legacy.	Availability Distributed across all Egyptian governorates, with our Commandos (agents from local communities) ensuring access to extremely remote population.
Product Usability	Taste Appeal We strive to meet our consumers' expectations for flavor, innovation, and overall sensory experience.	Pleasure Designed to deliver an enjoyable and satisfying experience, engaging the senses and providing a sense of indulgence, comfort, or delight that enhances the overall consumer experience.
	Packaging Functionality and Labeling We advanced our products packaging to meet our consumers expectations for product fusibility. The ease of opening the product, along with clear and informative labeling that enhances convenience and transparency. For more information, refer to the R&D Packaging Section.	Functionality Designed to Purpose, where every product serves a segment with expectations to certain need.
	Expectation vs. Reality How the product measures up to its advertising claims, particularly in terms of taste, nutrition, and overall consumer experience.	Credibility Designed to purpose, each product is tailored to meet the specific needs and expectations of its target segment.
Experience	Consumer Experience and Care Feedback from consumers post-consumption, including satisfaction levels and any complaints, offering insights into the product's reception. For more information, refer to the Customer Care Section.	Engaging Conducted post-campaign evaluations and tasting studies to gather feedback from the target audience, ensuring that the products effectively resonated with consumer preferences and delivered the desired impact.
	Family Appeal The product's ability to meet the needs of different family members, offering options that appeal to a broad demographic.	Inclusive Set to introduce SKUs that suits children, adults, elderly, and all dietary or sensitive nature consumers.
After Use	Repeat Purchases The likelihood of consumers making a repeat purchase, a key indicator of brand loyalty and customer satisfaction	Appeal Enhanced the product's overall attractiveness to consumers through various factors such as packaging, design, and emotional connection, which influence both initial purchase decisions and continued interest.

Customer Care at Juhayna

A Peek from 2022

At Juhayna, our call center and complaints management system, built on a foundation of trust, reflect Juhayna's commitment to quality and compliance. Managed by a skilled customer service team, the hotline efficiently handles consumer inquiries and complaints.

For wholesalers, returns are managed in alignment with pre-agreed terms outlined in contracts, where return percentages are specified. These cases, while initially handled by Customer Care, are transferred to the sales department, which oversees the resolution process.

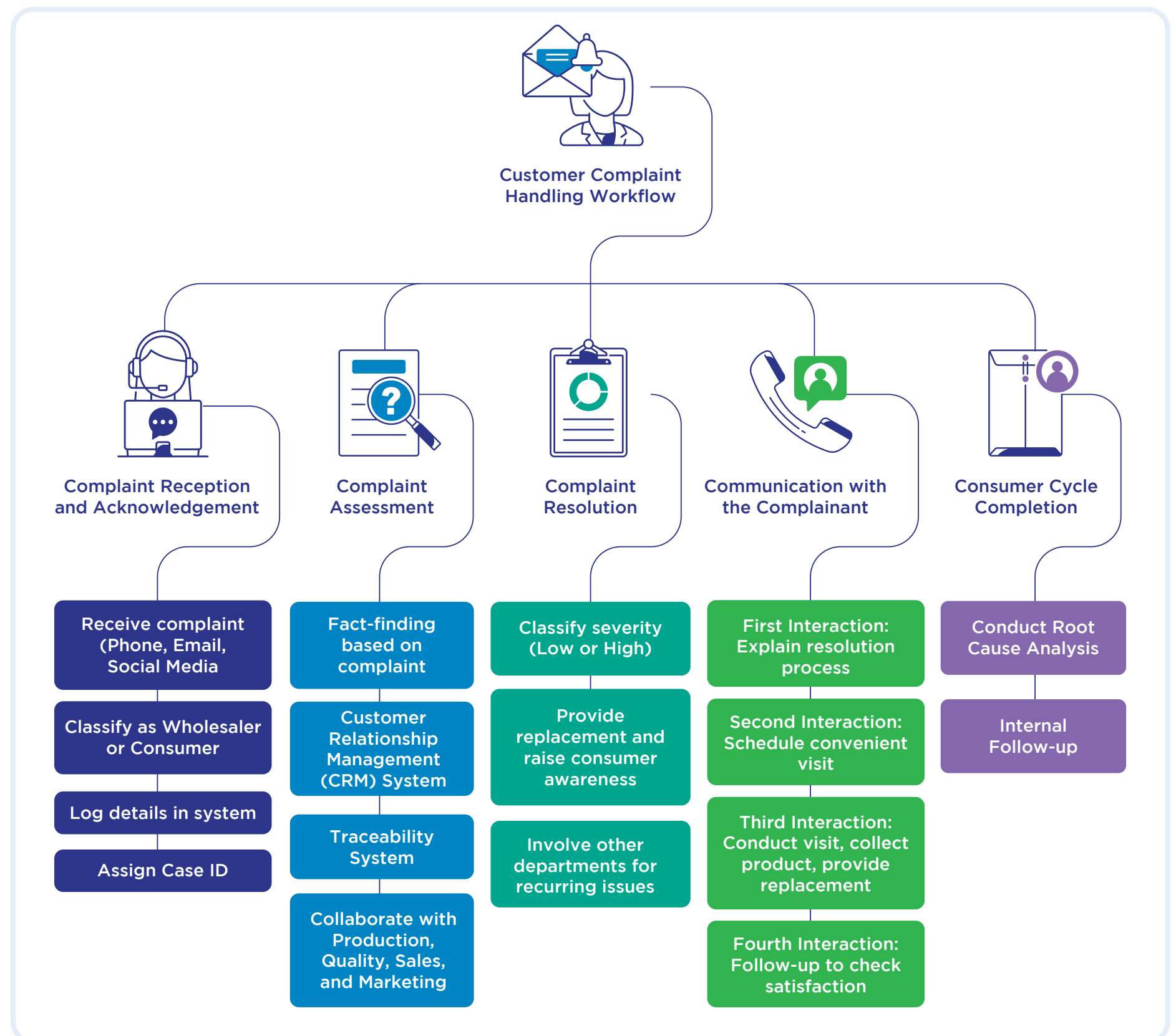


Voice of Consumer

The Voice of the Consumer is essential to Juhayna's commitment to continuous improvement and innovation. By actively considering consumer feedback, we ensure that:

- Include their experiences, preferences, and concerns into our product development processes.
- Identify and address recurring issues.
- Empowers consumers to influence the features of our offerings and implement targeted solutions.
- Develop awareness raising strategies when needed.
- Foster a deeper connection with our community and enhance overall satisfaction.

Customer Care Workflow Process



Customer Care Workflow Initiatives and Impacts

01

Complaint Reception and Acknowledgement

Channels: Customer complaints are received through various channels, including phone calls, email, and social media. The environment of each channel may differ.

Wholesaler vs. Consumer Identification: Complaints are classified based on whether they are from a wholesaler or a consumer to ensure appropriate handling.

Complaint Logging: Each complaint is logged in the complaint management system, capturing relevant details such as the complainant, issue type, and date.

- Assigning a Case ID: A unique case ID is generated for every complaint to facilitate tracking.

02

Complaint Assessment

Customer Relationship Management (CRM) System: To ensure seamless management of all complaints, the CRM is a unified repository that streamlines our sales, marketing, and customer support activities. This system efficiently tracks feedback from both wholesalers and consumers, enabling us to monitor the progress and resolution of each complaint with precision. By consolidating information in this manner, we ensure that all issues are addressed promptly, keeping customer satisfaction at the forefront of our efforts.

Traceability System: Traceability System add an additional layer of Quality Management by ensuring swift responses and reliable tracking.

Fact-Finding: The complaints team gathers relevant information based on the type and nature of the complaint to assess its validity and severity.

Internal Collaboration: The team collaborates with relevant departments (e.g., production, quality, sales, marketing) to gather additional insights and data needed to resolve the issue.

03

Complaint Resolution

Severity Classification: Complaints are categorized into low or high severity to help prioritize investigations internally. However, this classification does not affect the resolution approach with consumers.

Product's Replacements: Unsatisfied consumers are offers replacement, regardless of the reason for dissatisfaction, even when the issue is the result of user error. In such cases, consumers are informed and reminded on how to properly handle or care for the product before receiving a replacement, ensuring the issue doesn't recur.

- Recurring Complaints:** If a recurring issue is identified, other departments are involved to deploy an education plan or campaign for consumers to raise the necessary awareness s on that issue.
- Voice of the Consumer:** Consumer feedback is actively considered in the continuous improvement of Juhayna's products to ensure their voices are heard and acted upon.

04

Communication with the Complainant

Consumers are kept informed throughout the entire complaint resolution process:

- First Interaction:** During the initial contact, the steps for resolution are clearly explained.
- Second Interaction:** A follow-up call is made to schedule a visit, ensuring it is convenient for the consumer in terms of time and location.



- Third Interaction (Visit):** The visit involves collecting the defective product (where applicable), or simply accepting photographic evidence if the product is not available. In cases where no physical product is present, a replacement is still provided under certain exceptions. There are also "Satisfactory Visits," which are special follow-ups to ensure consumer satisfaction. These visits are not logged as official complaints but are tracked to monitor overall consumer happiness.
- Fourth Interaction (Follow-up/Recovery):** A follow-up is conducted to assess the consumer's satisfaction. If the consumer is satisfied, the case is closed. If not, further actions are taken to achieve satisfaction. If, despite all efforts, the consumer remains unsatisfied, the case is marked as "closed-unsatisfied." Juhayna also provides consumers with updates on the outcome to ensure closure.

05

Consumer Cycle Completion

This marks the end of the consumer interaction cycle. However, internally, the process continues:

Root Cause Analysis: A root cause analysis is conducted for each complaint, and it is assigned to the relevant department or function for investigation and action.

Internal Follow-ups: The team follows up with these departments (e.g., sales) to ensure proper market response and corrective actions.

Responsible Communication Value Creation

Capital	Inputs	Outcomes	Outputs
Intellectual	Juhyana Integrated Business Planning Process	Internal stakeholders' engagements, briefings, reviews, and decision-making sessions. Reduced need for a marketing budget.	1. External communication activities focused on Juhayna's governance, sustainability performance, and outputs through prints, online, social media, and newswires.
Manufactured	Traceability codes on product packaging	Pre and post-distribution elimination of faulty products by identifying, authenticating, and tracking products across our supply chain.	2. The lowest level of products recalls.
Social and Relationships	Protected Digital services, supporting data centers, back-end technological software and applications, operational 24/7	A hybrid model of human and digital interactions across	3. Eight omni channels <ul style="list-style-type: none"> • Site Visits • Digital Applications (e-commerce and POS) • Social Media • Website Assistance • Facebook Messenger • WhatsApp • Call Center • Digital Assistance
	Extended Customer Channels	Business Transparency. Solidifying customers' trust.	4. Visitors (from Schools, universities & nurseries as well as X VIP visits from media specialists/journalists, public figures/social media influencers, ambassadors, Business professionals, investors; among others.
		Brand loyalty and customer engagement. Increase reach among young, tech-savvy audiences	5. Social Media Status <ul style="list-style-type: none"> • FB page reach is 32,011,861 in 2023 compared to 22,916,046 in 2022 • FB interactions in 2023, was 5104 shares and 202,271 reactions compared to 1,043 shares and 27,850, respectively, in 2022.
		Call Centre performance monitoring	6. In 2023, the Average Handle Time (AHT) decreased to 195 seconds, compared to 200 seconds in 2022. 7. Service Level Agreement (SLA) for visiting consumer complaints remained consistent at 2.15 working days in both 2022 and 2023. 8. On peak days, calls can reach up to 150 daily calls compared to 148 daily calls in 2023.
		Marketing and labelling Grievance mechanism and Complaints Handling	9. Complaints ratio represented an average of 20.6% of total calls answered in 2023, compared to 21% in 2022.
		Customer Satisfaction Score	10. Our customer satisfaction rate is 91% in 2023, compared to 90.6% in 2022.

Community Investment

A Peek from 2022

Our Community Purpose: For the People, by the People

Each section reflects a number of Strategic Objectives presenting Juhayna's heritage.

The value we aim to create and the heritage we insist on leaving behind are the core values that we follow and historically have addressed. Not only do we believe and support the innovation in our business value chain, but we also promote adopting agile methods while choosing, monitoring, and implementing sustainable developmental projects that are beneficial for the society and fits the needs of our community 'today' while still protecting future generations.

Juhayna's Legacy: People should own today's story and protect tomorrow's legacy.

Our focus is on paying back to the people who have contributed to Juhayna's growth; be it a small-holder farmer, a consumer, a supplier in our family of value chain, or simply a child striving for education.

Driving Value to Our Community

Giving back is our recognition to every community member, including youth who are paramount to Juhayna's heritage., ensuring a vibrant legacy for generations to come, We aim to nurture employment creation for future generations and cultivate a stronger bond with the community that supports us.

[For more information, refer to Appendix 8.](#)

Our Strategic Focus



Quality of Life

GIZ and Juhayna Supplier Training Program



Building on our commitment to partnering with various stakeholders to enhance the quality of food processing and packaging, Juhayna launched a collaboration with the German Agency for International Cooperation (GIZ) for a comprehensive supplier training program. In 2023, Juhayna signed a Memorandum of Understanding with GIZ to establish a technical program aimed at supporting Egyptian suppliers, developing their capabilities and skills, and facilitating their seamless integration into supply chains.

This initiative extends to both Juhayna's supply chain and external suppliers, with a total of eight suppliers participating in the program. It falls under the Private Sector Development and Innovation project, implemented by GIZ in collaboration with the Ministry of Trade and Industry on behalf of the German government. The program seeks to support Egypt's industrial sector and bolster small and medium enterprises (SMEs) by improving product quality and optimizing production operations.

The program aligns with the UN Sustainable Development Goals 9 and 12, which promote industrial growth, innovation, and responsible production and consumption. It reflects Juhayna's commitment to advancing the food and beverage sector and implementing best practices both locally and internationally through the following three key aspects:

01.

Driving sector advancements:

Demonstrating Juhayna's dedication to fostering growth in the food and beverage sector through optimal practices.

02.

Enhancing supplier capabilities

Supporting Egyptian food processing and packaging suppliers in improving food handling, processing, and production safety and quality to meet internationally recognized standards.

03.

Facilitating supply chain integration:

Enabling local suppliers to integrate seamlessly into both local and international supply chains.



"We are elated to join forces with the German Agency for International Cooperation (GIZ), which perfectly resonates with our vision to promote investing in people as a vital catalyst for development and growth. Juhayna has an ingrained belief in the significance of its role in achieving growth for the industrial sector, as the company doesn't only pay attention to investing in the world's finest technologies in its factories, but also pays great attention to participating in achieving the sustainable development goals. In fact, we can only realize these goals by creating an environmentally conscious chain of local suppliers, who are capable of providing the highest quality and safety standards, and can sustainably manage their operations."

Mrs. Passant Fouad
External Communications Director



"Empowering Egyptian industrial companies and providing them with technical support is one of the main pillars that drive our efforts in developing the private sector in Egypt. We are thrilled to partner up with Juhayna to improve product quality and the whole production process for Egyptian small and medium industrial enterprises. The cooperation comes in line with the German Agency for International Cooperation (GIZ) in Egypt's keenness to establish partnerships with large and leading companies in the private sector and benefiting from joint resources to support and develop the sector"

Jonas Naguib
Cluster Coordinator Private Sector Development at the German Agency for International Cooperation (GIZ) Egypt



Sports Inclusiveness & Youth Wellbeing

ENACTUS

Juhayna is a long-time supporter of Enactus, an international, non-profit youth entrepreneurship platform. Since 2008, Juhayna has sponsored a program through which university students engage with business and academic leaders on community development programs. In 2023, the program supported 320,000 students directly and 6 million indirectly in their entrepreneurial education development.

The Maker Academy

The Maker Academy, a residential football academy devoted to developing young talent, provides a rigorous training, personalized nutrition plans, psychological support, and educational programs to prepare its athletes for professional opportunities abroad. As a key sponsor and primary nutrition partner, Juhayna provides financial support and essential nutritional products to help fuel their growth and athletic development. Currently, the academy trains 70 boys from 16 governorates.

Women in Action

Women's Empowerment Principles (WEP) Signatory

After multiple milestones on this project, Juhayna officially became a WEPS signatory in March 2023 in line with SDG5, signifying one more step further towards women empowerment and equality in the workplace, marketplace and surrounding community. The WEPS, established by the UN Global Compact and UN Women consists of several principles that bring to light the importance of gender equity.

Baheya Foundation

Juhayna continues its longstanding support to Baheya Foundation for early detection and breast cancer treatment by renewing its sponsorship for the 8th consecutive year. Since 2015 and through this support, 250,000 women have been given access to early detection and medical tests.

- Juhayna has assisted the Foundation to raise donations with a 25% increase in 2023 to support the opening of the Sheikh Zayed Hospital premises.
- The Hospital is an integrated medical facility for early detection and treatment of breast cancer. It provides the latest methods of prevention and treatment, as well as psychological support for women during their treatment stages through highly-experienced medical teams dedicated to provide the fighters with the finest medical care.

"We are pleased to extend our strategic partnership with Juhayna, an integral part of our mission towards empowering Egyptian women that has been ongoing for 8 years. Thanks to their unwavering support, we were able to open Baheya Sheikh Zayed hospital, which is located on a 34,000 meter-area, includes an eight-floor building, and is equipped to receive 500,000 women annually, which doubled the number of women in 5 years. This will contribute to reducing the waiting lists, and to secure a healthy life for Egyptian women."

Tamer Shawky
Chairman of the
Baheya Foundation



Heya El Commanda

Juhayna established El Commanda in 2018 as a distribution and beneficiary program in the Delta and Upper Egypt. Since the program's launch in 2018 until 2021, the number of "commandas" benefiting from the program grew 26% from 87 to 110, while the program's revenues increased by 55%, from EGP 477 million in 2022 to EGP 742 million in 2023.

In 2021, UN Women extended their support for the program, accelerating the integration of women into the Company's distribution network in Beni Suef and Minya. Female participants of the Heya El Commanda initiative are supported in their integration through training sessions, incentive programs, a circular capital of EGP 5,000, and an accessible communication network via Whatsapp groups. Since the initiative commenced, sales in the affected governorates have increased 55% in 2023.

REFORM

Juhayna partnered with Egyptian sustainable fashion brand Reform Studio for the innovative reuse of Juhayna packaging to produce ethically upcycled material for Reform's line of pouches, laptop sleeves, and other accessories. This collaboration provides additional benefits to the circular economy and provides employment to women in Egypt.

“

Arab Sustainability Award

In 2023, Juhayna received The Arab Sustainability Award In recognition to Juhayna strides in its Sustainability Journey

”



circularity FOR OUR PLANET

01

Climate Action

02

Water Management

03

Waste Management

“

All Juhayna Plants are
**ISO 14001 Environmental
Management System
Certified**

**ISO 50001 Energy
Management Certified**

”

Strategic Objectives

Our strategy pillars define the core strategic objectives to care for our planet while responsibly growing our business:



**Carbon
Reduction
Stewardship**



**Natural
Resources
Preservation**



**Effluents
and Waste
Circularity**

Climate Action

A Peek from 2022

Juhayna's Emission Reduction Goals

At Juhayna, we fully acknowledge the responsibility of the industry to address climate change, thus Juhayna's commitment to be a leader for change. In alignment with global efforts aimed at limiting global warming to the 1.5°C scenario, we have set ambitious targets for emission reduction. By 2030, our ambitious goal is to achieve a 42% reduction in our total Scopes 1, 2, and 3 emissions.

To achieve our 42% emissions reduction goal by 2030:

- » Juhayna collects and analyzes data from its diverse operations.
- » Detailed progress for 2021 and 2022 will be available in the upcoming Carbon Footprint report, promoting transparency.
- » Juhayna's commitment extends across all dimensions, including Scope 1 and 2 emissions.

Juhayna's Commitment: Natural Capital Preservation

Our dedication to mitigating the industry's environmental impact starts with our own operations:

- » We have meticulously implemented an array of programs, systems, and policies rooted in comprehensive research, which includes both internal and external environmental impact assessments.
- » These efforts are wholly directed at effective resource conservation, efficient energy management, and, most importantly, preserving our planet's invaluable natural capital.
- » Our carbon footprint reports reaffirm our commitment, showcasing that our emissions remain below the industry average. However, our unwavering resolve to further reduce these emissions persist. Our overarching aim is to set an exemplary standard for our peers and partners, demonstrating the vital importance of safeguarding natural capital.



Energy and Emission Overview

Juhayna continues to disclose the total Scopes 1, 2, and 3 emissions for the entire organization, including emissions data from our four manufacturing plants, with a year-on-year comparison for 2023 and 2022. This report underscores Juhayna's overall emissions footprint, reflecting our commitment to transparency and accountability. In addition to our consolidated Scope 3 emission data, further details, including breakdowns and assessments of our operational and organizational boundaries, will be provided in our upcoming comprehensive carbon footprint report.

Juhayana's Total Emissions

Juhayana's greenhouse gas emissions data from 2021 to 2023 reveals the significant progress we've made in managing our environmental footprint across various emission scopes. In 2021, the total emissions were 1,026,223 tons. The following year, in 2022, a slight increase to 1,090,425 tons was observed, primarily driven by a rise in Scope 3 emissions. In 2023, total emissions saw a significant reduction to 982,513 tons, driven by targeted efforts to reduce Scope 3 emissions, which dropped markedly from 969,711 tons in 2022 to 852,136 tons in 2023.

	2021	2022	2023
Scope 1	92,089	92,943	101,477
Scope 2	28,693	27,771	28,900
Scope 3	905,441	969,711	852,136
Total	1,026,223	1,090,425	982,513

Manufacturing Sites

Energy Consumption

Manufacturing Plant	Natural Gas (m ³)		Purchased Electricity (MWh)	
	2022	2023	2022	2023
Al-Dawleya	1,168,642	992,170	14,966	14,022
Al-Marwa	3,222,006	3,740,091	2,666	7,868
Al-Masreya	3,087,179	2,840,524	17,490	15,941
Egyfoods	1,753,830	1,521,507	19,296	17,944
Assiut	--	--	--	695

Manufacturing Plant	Scope 1 (mtCO ₂ e) Natural Gas + Fugitive Emissions		Scope 2 (mtCO ₂ e) Electricity Consumption		Scope 3 (mtCO ₂ e)	
	2022	2023	2022	2023	2022	2023
Al-Dawleya	2,374	2,333	6,865	6,432	14,087	12,842
Al-Marwa	6,546	7,752	1,223	3,609	9,765	7,206
Al-Masreya	6,272	6,065	8,023	7,312	17,239	11,819
Egyfoods	3,563	3,125	8,851	8,231	16,354	19,460
Assiut	--	96	--	319	--	68

SCOPE 1 – DIRECT EMISSIONS (mtCO ₂ e)	2021 (mtCO ₂ e)	2022 (mtCO ₂ e)	Change Rate (2022 vs. 2021)	2023 (mtCO ₂ e)	Change Rate (2023 vs. 2022)
Mobile Combustion					
Fuel-burning: Owned vehicles (Prev. Owned vehicles+ downstream transport.)	16,021	18,051	+13%	23,232	+40%
Livestock and Fertilizers					
Livestock and Manure Management	41,030	41,030	0%	48,154	+17.4%

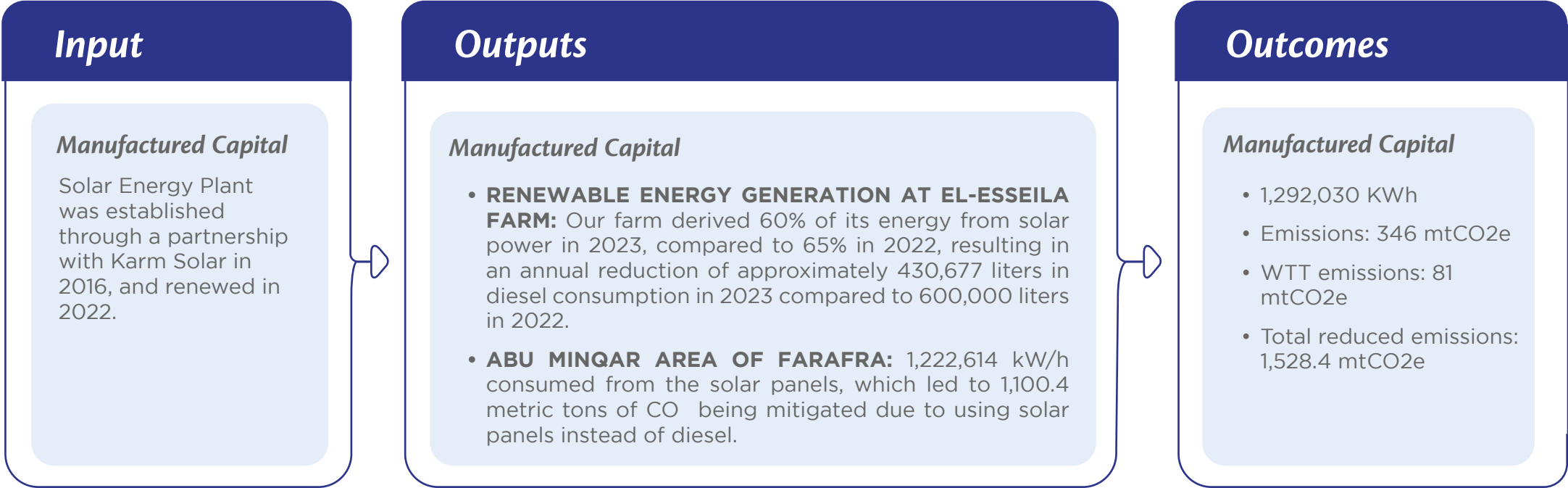
Climate-Related Risks

Our most critical climate risk continues to be that of reduced crop and milk yields as a result of temperature fluctuations.

Material Issue	Risk on Business	Our Management Approach	Outcome
Reduced crop yields of oranges, mangoes, and other fruits	Limited fruit supply	Capitalizing on the increased demand stemming from supply shortages in various regions, by sourcing locally produced inputs and taking advantage of the growing global demand for end products.	<ul style="list-style-type: none">Our global exports generated EGP1,171 mn in 2023 compared to EGP 495 mn in revenue, with a growth of 137%Our concentrates and Agri business generated EGP 1,032 mn in revenue in 2023 compared to EGP 390 mn in 2022, with a growth of 164%.
Reduced milk yield	Costly alternative compared to our own sourcing.	Cooling systems established across our supplying farms to improve herb productivity.	Juhayna maintained the affordability of its dairy and expanded dairy segment revenue by 40% in 2023 compared to 40% in 2022.

Energy & Emission Value Creation

Our most critical climate risk continues to be that of reduced crop and milk yields as a result of temperature fluctuations.



Water Management

A Peek from 2022

Juhyana's Commitment: Natural Capital Preservation in a Water-Scarce Nation

The following are key insights into the drivers and impacts of water management on our business:

- » In Egypt, water scarcity is a national concern that demands vigilant attention and thoughtful consideration.
- » Our entire operations take place in Egypt.
- » Water is at the heart of our operations, essential for producing juices, beverages, farming, and manufacturing.
- » We source our water from the external public network; therefore, it is important for us to adopt attentive and responsible measures.
- » Our water usage profoundly affects our farms and facilities, directly influencing our production capabilities. We exercise vigilant care in managing our water resources, seeking alternatives when feasible to reduce our reliance on natural resources.



Water Overview: Manufacturing Sites in 2022

Manufacturing Plant	Water Consumption (megaliters) 2021	Water Consumption (megaliters) 2022	Water Consumption (megaliters) 2023
Al-Dawleya	506	394	308
Al-Marwa	341	107	410
Al-Masreya	500	628	549
Egyfoods	359	384	343
Assiut	--	--	112

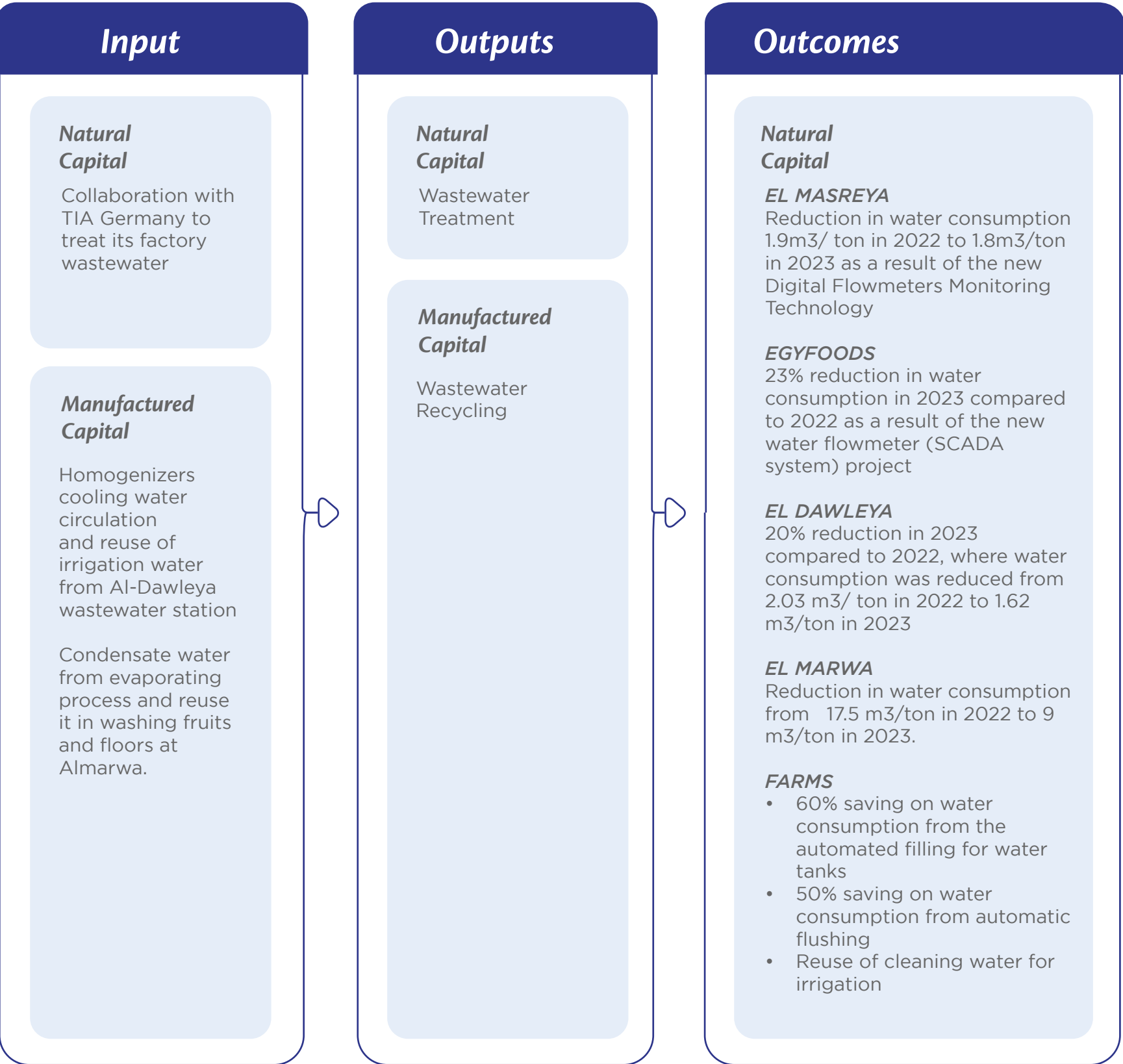
Water-related Risks

Our most critical climate risk continues to be that of water scarcity and water quality.

Material Issue	Risk on Business	Our Management Approach
Water Scarcity	Directly influencing our production capabilities	Strategically positioned tanks for water storage to efficiently manage and optimize our water resources at every facility.
Water Quality	Food Safety	Water quality audits and analysis to meet the highest standards of water quality and safety across all our plants.



Water Value Creation



Waste Management

Each arm of our industrial operation has been focused on reducing its impact on the environment through waste reduction, recycling and repurposing. This covers different categories of waste, as each factory, and farm, has its own by-products. Different methods and initiatives have been implemented to reduce our operational waste.

01 El Masreya

At El Masreya, significant waste production occurs primarily in the Cleaning in Place (CIP) process, Pasteurization, Sterilization, and Filling & Packaging areas. The waste types include chemical residues, water, semi-finished and finished products, and packaging materials. In our efforts to minimize environmental impact, we set ambitious targets to reduce waste generation, achieving a 50% reduction in Material Usage Variance (MUV) and a 45% decrease in scrap waste. These goals were met through reductions in material use and minimizing scrap and reprocessing activities. Our waste management strategy involves daily, weekly, and monthly reviews to ensure continual improvement and adherence to our sustainability objectives.

02 Egyfoods

Egyfoods has embarked on a project to decrease the weight of bottle caps as a proactive measure to reduce waste generation at the source. By using less material per cap, we anticipate a reduction in waste output and a decrease in production costs, which will translate directly to economic benefits for consumers. Although this project is still in progress and final data are not yet available, preliminary assessments predict significant environmental and economic advantages.

03 El Dawleya

In alignment with our circularity conscious practices, El Dawleya has innovated in its packaging by using fully recyclable cap locks made from sugar cane. This initiative is in line with our overall sustainable production practices and reducing our environmental footprint.

04 El Marwa

El Marwa's primary waste streams are generated during the "Separated oil and juice" and "Fruit peels" phases, which were analyzed more in detail in the Responsible Manufacturing section of this report. Embracing a Circular Production approach, we ensure that all organic waste from these processes is separated and collected.

This waste is then repurposed as high-quality animal feed. In total, we redirected 43,586 tons of organic waste into animal feed, thus preventing that amount to end up in landfills.

05 Farms

On our livestock farms, particularly at the cow stands and yards, approximately 13,000 cubic meters of organic waste are generated annually. This waste is collected and sold, turning what would be a disposal issue into a profitable and environmentally friendly venture.



LEADERSHIP THROUGH GOVERNANCE

01

Our Governance Philosophy

02

Our Board of Directors

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*Governance Safeguarding of
Our ESG Strategy*

04

*Harnessing Board Leadership
for Sustainability*

05

*A Dedicated Sustainability
Committee*

Our Governance Philosophy

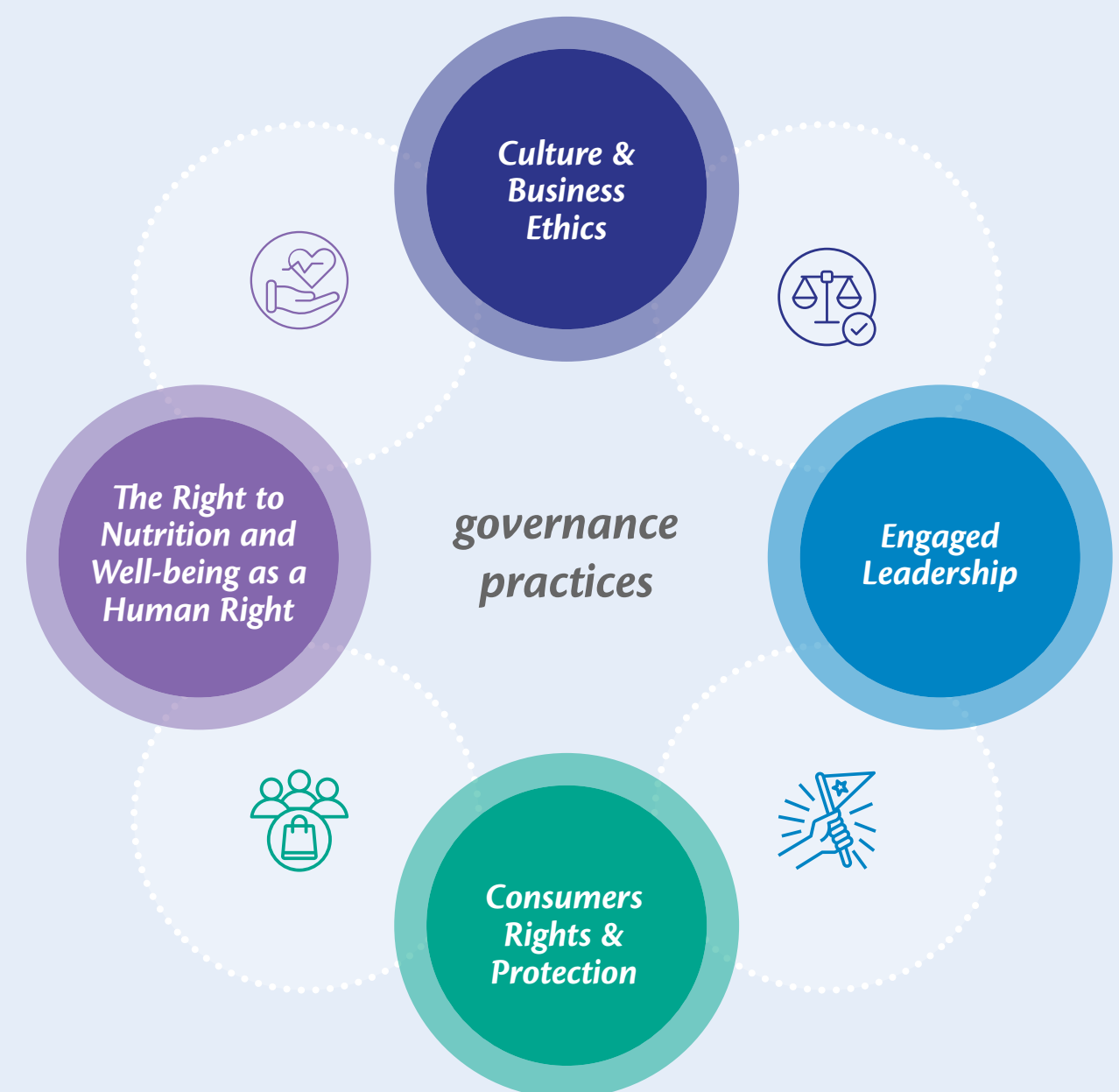
Effective governance is traditionally built on a foundation of well-defined policies, procedures, robust lines of defense, and measurable key performance indicators. However, at Juhayna, we believe that truly exemplary governance goes beyond structure, it thrives through the strength of its leaders as communicators and enablers.

Our leadership excels in articulating the company's vision, mission, values, and culture, into measurable actions by ensuring these principles resonate across the organization. Moreover, they empower employees to perform at their best and foster innovation within the framework of established standards, driving sustainable success and shared growth.

In Juhayna, our top management goes furthermore by exemplifying a commitment to effective leadership by maintaining active involvement across all levels of governance. They foster an inclusive environment that encourages every member of the organization to engage meaningfully, promoting open communication and collaboration. This approach strengthens teamwork and alignment, driving the achievement of the company's shared goals with purpose and unity.



Governance At Its Best : Our Leadership Excels Through Values and Practices



Our Board of Directors

BOARD COMMITTEE MEMBERSHIP KEY



Audit
Committee



Committee
Chair



Seif Thabet

Deputy Chairman and CEO

Chairman
Since:
2006

Manager
Since:
2004

- Mr. Thabet was admitted to the Board of Directors in 2006.
- He is currently Chief Executive Officer at Juhayna, and previously worked as Operations and Human Resources Director.
- Thabet began his career at Juhayna in 2004, holding a number of managerial positions, including Sales and Marketing Manager and Project Manager. He also previously worked at the German Dairy Company; Müller which contributed to his appointment as Manager of El Dawleya (Juhayna's Juice Factory).
- He currently holds the position of Vice President of the Chamber of Food Industries and former Treasurer at the Food Export Council in 2016. Furthermore, in 2016, Thabet was appointed as CEO and Vice Chairman of the Board of Directors.



Jan Anders Lindgren

Independent Non-
Executive Director

Director Since:
June 2021

- Joined Juhayna Food Industries in June of 2021 as a Non-Executive Independent Board Member.
- Mr. Lindgren was Tetra Pak Egypt's Managing Director and Regional Leader for Sales Management from 2011 to 2016.
- Mr. Lindgren was Tetra Pak Kenya's Managing Director and Regional Leader for Marketing from 2006 till 2011.

Key Current Appointments:

- Safal Group's CEO in 2020, the largest steel roofing company in Africa.



Ahmed El-Wakil

Independent Chairman

Chairman
Since:
November
2021

Director
Since:
November
2021

- Chairman of the BoD in November 2021 and previously appointed as an independent Non-Executive Board Member in January 2021.
- He was a member of the Board of Trustees of the "General Authority for Investments".

Key Current Appointments:

- President of the Egyptian Chamber of Commerce in Alexandria.
- President of the Federation of African Chambers of Commerce, Agriculture, Industry and Professions.
- Owner and Chairman of the Board of Directors of "Wakalex", one of the largest import, export, and manufacturers in Egypt.



Amr Madany

Executive Director

Director Since:
June 2021

- Joined Juhayna in 1998, and moved up in the organization through various leadership roles with responsibility for procurement, supply chain, and Export.
- In 2012, he became the Director of the fruit juice concentrate Business unit (El Marwa Food – a Subsidiary of the group).
- Currently, he is the External Markets Director since 2020. He holds a master's degree in business administration from ESLSCA.

Key Current Appointments:

- Board member of Bonyan.



Mahmoud Abd El-Wahab
Non-Executive Director

Director Since:
November 2021

Key Current Appointments:

- Executive Vice Chairman and CEO of Academic Bookshop Company.
- Board Member of Mitterrandian Publishers Services.
- Board Member of the Scientific Center of Documents and Information at Cairo University.
- Member of the Culture and Publishing Committee at the Ministry Of Culture.



Mariam Thabet
Non-Executive Director

Director Since:
2010

- She previously held the title of Assistant Procurement Manager for the Group.



Mesheal Al-Doghiem
Non-Executive Director

Director Since:
November 2021

Key Current Appointments:

- General Manager of Al-Doghiem Bakery since 2015.
- Founder and owner of Al-Doghiem Real Estate Agency since 2017.
- Co-founder of 7 Lakes Real Estate Agency in 2017



Heba Thabet
Executive Director

Director Since:
February 2006

- Executive member of the Board since 2006 and Head of Business Development.
- Previously handled marketing and communication projects for the company since 2001.

Key Current Appointments:

- Member of the Business Advisory Board for SIFE Egypt, the International Public Relations Association, and the Committee for Social Responsibility at the American Chamber of Commerce in Egypt.



Governance

Safeguarding our ESG Strategy



Upholding the highest standards of ethics and compliance 01

Our Board ensures that all company operations adhere to stringent ethical guidelines and regulatory requirements, setting a tone of integrity and transparency that permeates all business activities.

02 Cultivating strategic partnerships

Through robust governance, our Board fosters and capitalizes on strategic partnerships that lead to innovative sustainability solutions and business opportunities. These collaborations can range from joint ventures that expand market reach to technological partnerships that streamline operations and enhance customer experience.



Solidifying into policies 03

Our Board is instrumental in approving the integration of ESG guidelines into our mainstream business policies to ensure a growing level of commitments and mandatory internal reporting, regardless of regulatory requirements.



Harnessing Board Leadership for Sustainability

Sustainability has evolved from an ethical consideration to a strategic imperative for companies as it now significantly influences brand loyalty and investment decisions. Now more than ever, demand proactive leadership from its boards to navigate and implement effective Environmental, Social, and Governance (ESG) initiatives.

Under this belief, Sustainability integration into our business continued to progress year on year, and ESG has been directly overseen by the Board and CEO, with a dedicated Sustainability Team under the Director of External Communication since 2017. As ESG further solidified as part of the company's goals and target setting, a decision has been made to set up a dedicated Sustainability Committee to consolidate our planning, implementation, monitoring and reporting.



Our Sustainability Committee

Sustainability is a fundamental element that intersects with every aspect of our business operations. Building on our steadfast ESG commitment and transparent reporting since 2017, with clearly defined targets, we recognize the need to SCALE UP our efforts further.

To achieve this goal, with a focused oversight, we have established a dedicated Sustainability Committee in 2023, with the purpose to reinforce ESG governance through into every facet of our growth strategy and business performance decisions.

The committee is set to meet on monthly basis, and will assume the following role:



Strategic Oversight

Provide guidance on the development, integration, and alignment of sustainability initiatives with the company's overall strategy, ensuring long-term value creation in alignment with business growth trajectories.



ESG Governance

Oversee Environmental, Social, and Governance (ESG) policies and practices, ensuring compliance with regulatory requirements and alignment with industry best practices.



Risk and Opportunity Assessment

Evaluate sustainability-related risks and opportunities, advising on measures to mitigate negative impacts while maximizing benefits to stakeholders and the business.



Stakeholder Engagement

Ensure transparent communication with stakeholders, including investors, employees, and communities, assuring long-term sustainability commitment by addressing material priorities.

The Committee's decisions will be decided according to majority votes.



Seif Thabet – CEO
Head of the Committee



Farah El Labbad
Committee Officer

Committee Members



Tarek Elwan
Chief Financial Officer



Mohamed Raafat
Chief Marketing Officer



Mohamed Sultan
Managing Director (Centralized Functions)



Passant Fouad
External Comms. Director



Ibrahim Taher
Manufacturing Director



Maha Misbah
Group Quality & R&D Director



Hussein El Masry
Supply Chain Director



Hagar Diab
Supply Chain Associate Director



Amr Madany
Tiba General Manager



Maram Bedeir
HR Director



Ibrahim Aly
Farms Development Senior Manager



Amr Radwan
Internal Audit Director



indicts

Weekly Meeting (HUDDLE)

1. Launch Campaign
2. New Products

HOW IS THIS GOING TO
HELP US ACHIEVE
OUR GOAL?

”

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TOPIC	METRIC	Read On	Page
FOOD RETAILERS & DISTRIBUTORS			
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategies to reduce the environmental impact of packaging	R&D Packaging	75
Food Retailers & Distributors	Number of (1) retail locations and (2) distribution centres	Sales & Distribution	85
Food Retailers & Distributors	Number of vehicles in commercial fleet	Sales & Distribution	85
MEAT, POULTRY & DAIRY			
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Carbon Footprint Report	
Energy Management	(1) Total energy consumed (Read more on Carbon Footprint Report - soon to be published)	Energy and Emission Overview	120
Water Management	Total water consumed (all of Egypt is High Baseline Water Stress)	Water Management	122
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management	122
Land Use & Ecological Impacts	Percentage of pasture and grazing land managed to conservation plan criteria	Preserve the Land, Biodiversity, and Environmental Resources	149
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Health and Safety	97
Meat, Poultry & Dairy	Number of processing and manufacturing facilities	Organizational Overview	12
Energy Management	(1) Total energy consumed (Read more on Carbon Footprint Report - soon to be published)	Energy and Emission Overview	120
Water Management	Total water consumed	Water Management	122
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management	122
Health & Nutrition	Revenue from products labelled and/or marketed to promote health and nutrition attributes	Right to Nutrition	102
Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Milk Analysis	148
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	R&D Packaging	75
Packaging Lifecycle Management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	R&D Packaging	75
Sourcing	Number of production facilities	Organizational Overview	12

TOPIC	METRIC	Read On	Page
NON-ALCOHOLIC BEVERAGES			
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	Carbon Footprint Report	
Energy Management	(1) Operational energy consumed (Read more on Carbon Footprint Report - soon to be published)	Energy and Emission Overview	120
Water Management	Total water consumed (all of Egypt is High Baseline Water Stress)	Water Management	122
WaterManagement	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water Management	122
Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Milk Analysis	148
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	R&D Packaging	75
Non-Alcoholic Beverages	Number of production facilities	Organizational Overview	12

Integrated Reporting Principles Index

IR Content Elements	Read On	Page
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2. B Governance	Leadership Through Governance	126-130
3. C Business model	Throughout the Report	
4. D Risks and opportunities	Throughout the Report	
5. E Strategy and resource allocation	Our ESG Strategy Managing Our Capitals and Creating Value	23 24
6. F Performance	Throughout the Report	
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8. H Basis of preparation and presentation	About this Report	15

IR Guiding Principles	Read On	Page
1. A Strategic focus and future orientation	Sustainability at Juhayna	10-24
2. B Connectivity of information	Throughout the Report	
3. C Stakeholder relationships	Our Stakeholder Engagement & Materiality	19
4. D Materiality	Our Stakeholder Engagement & Materiality	19
5. E Conciseness	Throughout the Report	
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7. G Consistency and comparability		

Independent Assurance Statement



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To the Board of Directors

Juhayna Food Industries S.A.E - Egypt

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations in understanding and addressing their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in the field of corporate sustainability. It is a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

DCarbon was engaged by Juhayna Food Industries S.A.E (Juhayna or the Company) to perform an independent assurance on its Sustainability Report and reporting process ('the Report') for the year 2023.

As an independent assurance provider, we were asked to assist the company in assessing and enhancing its value creation strategic framework by conducting a company-wide assessment of its ESG practices for the purposes of ensuring the adherence of reporting to Global Reporting Initiative (GRI) 2021 reporting principles, contents elements, disclosures and sector-specific key performance indicators, taking in consideration the GRI new double-materiality assessment and approach. Furthermore, the company aligned its reporting to sector specific metrics as per the SASB Standards and adopted the Integrated Reporting Framework by addressing the value creation model across the six capitals along its key business activities.

Overview of Assurance Scope and Boundaries

For this report, the scope of assessment and assurance focused on the (1) reporting process, the (2) quality of the reported indicators, the (3) advice on analysis of performance, (4) efficient involvement of management, (5) advice on strategic future goals where applicable, (6) advice on integration of value creation methodology, (7) GRI double materiality, (8) adoption of the Integrated Reporting approach, (9) cross-functional and sector specific SASB metrics and, (10) advice on necessary/required report content elements and structure.

This year's engagement with the company marked a new benchmark in reporting process, management approach and ESG governance within Juhayna. Our assessment extended to a wide and more in-depth analysis as the company introduced one-of-a-kind representation with its workflow processes within each phase of its value chain (farming, manufacturing, Product Innovation, Quality, Operations, Sales & Distributions), in addition to the same approach across its supporting functions (HR, HSE, Communication, Customer Care and Business Development).

Over 60+ hours of one-to-one engagement took place with the Sustainability Ambassadors who are representing those functions to assess the company's management approach, data reliability (consistency, validity, and connectivity), and finally the governance of those practices.

The scope of assurance has included data and information for the period between January 1, 2023, to December 31, 2023, for operations in Egypt, with a highlight on its global exports.

SASB Sector Specific Assurance Scope and Boundaries

Given the nature of the sector and the company business model, the data and performance alignment was conducted according to four scopes of the SASB benchmark, including Meat, Poultry and Dairy, Agriculture products, Food Retailers and Distributions, and non-alcoholic beverages.

Topic Specific Assurance Scope and Boundaries

The report featured a specific section related to carbon footprint, as a summary of the company's standalone carbon footprint reporting performance which will be published independently. While the scope and boundaries of the carbon footprint is not entirely detailed in this sustainability report, assurance included the verification of substantiated evidence of internal company process to ensure an acceptable status of the validity of acquired data.

The report scope also included alignment to the United Nations Global Compact (UNGC) on which Juhayna is required to report on. The Human Rights Appendix highlights the company's alignment to UNGC latest version of August 2022.

This Report contains forward-looking statements on various future estimation or considerations that are expected to take place, particularly in the climate action front. The report doesn't constitute a commitment into the future, it only reflects actions taken during the reporting period and its subject to change according to national regulations and arising materials issues.

Integrated Reporting Assurance Scope and Boundaries

The report integrates the required IR content elements: Organizational overview, Business Model, ESG Strategic Goals, and a highlight of Juhayna's Value Creation across the six capitals. Outlook on externalities and national circumstances and priorities are included where applicable. The report also presented risks management approach towards specific material issues. Materiality and Stakeholders Engagements were presented in the report to serve both the requirements of the IR and GRI.

The report continues to present a consistent capturing of the agility of the business model and reflected in the focus on all value chain activities and the value propositions to its stakeholders. Accordingly, a consistent Value Creation Model was presented on each section of the report where key activities are reported. Value Creation included non- financial capitals (human, natural, social, intellectual, and physical) as part of the company's operations and their impacts on stakeholders. This required expert judgment to empathize areas of interaction and to assert the quality of reporting.

The purpose of such a multi-facet optimization of multiple standards was to establish the most possible comprehensive performance assessment in alignment with the anticipated requirements of IFRS S1 and S2 adoption, particularly for listed companies in Egypt. In line with this ambitious, this year's report took a step forward compared to the 2-22 report by remarkably presenting more figures related to its financial capital. Trade-offs with other capitals is also featured as outputs and outcomes across the Value Creation matrix per function.

Considering the scope of assurance, and the company's refining and updating of its ESG strategic objectives for operations in Egypt as per the scope of the report, and the reporting framework adopted, our Assurance Boundaries focused - within the availability or limitations of data provided - on the following:

- Connectivity of the business activities and the proper focus on material issues,
- Consistency and comparability of results year over year,
- Completeness and conciseness of data through verification of Stakeholders Engagement Plan and Implementation,
- Reliability of information through verification of data collection process,
- Alignment of material issues to internal/external risks, anticipated threats, opportunities and strategic objectives,
- Sound analysis of Materiality Identification process, including stakeholders' inclusiveness, magnitude of impact on the company's Value Creation,
- Review of disclosures on the various topics represented through quantitative and qualitative indicators to ensure, both, future comparability, and context.

The assurance scope did not cover:

- Data and information outside the reporting period indicating looking-forward statements by the company.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

GRI Assurance Scope and Boundaries

The assurance considered the GRI 2021 for all disclosures and materiality process. The assessment of impacts and identification of topics where performance are assured according to the severity and likelihood. The Severity of Impacts considered - where possible - the GRI pre-set characteristics of scale, scope and irremediable character. With focus on actual negative impact, material topics were determined by their severity and likelihood, which is translated into detection of specific ESG risks. Not all risks were reported, however, as confirmed by the company, they are part of the company traditional business process which is presented through the Integrated Business Plan (IBP) Process presented in detail in Appendix 1 of the report, as part Juhayna risk management approach and yearly planning and forecasting process. No changes were detected in the 2023 material issues compared to those of 2022. Only progress on the material issues management approach were reported and assessment through their associated KPIs across the sections of the report.

Responsibilities of the Management

The management was responsible for the preparation and fair presentation of the selected information included in this report, in alignment/accordance with the various Standards indicated in the Assurance Scopes and Boundaries. It was responsible to assert that the internal controls enabled the preparation of narrative and information, free from material misstatement. Through our prolonged engagement with the company, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process, and over the departmental focal persons involved in the process.

Assurance Provider's Role

Juhayna's Assurance Plan for this reporting cycle included all assurance duties as described in the "Assurance Scope and Boundaries" of this document.

We have ensured that the report narrative and data provided represented adequate view to stakeholders (through internal proxies' exercise), companies support the decision-making process through the completeness and connectivity of non-financial data and complemented by the company's financial assurance where applicable.

We engaged in designing the procedures that allowed the gathering of appropriate evidence to support value creation models for specific functions, particularly those that required qualitative considerations.

Given it is Juhayna's second year reporting according to the Integrated Reporting approach, we ensured the company has continued to streamline adequate and necessary degree of comparability of indicators year over year, as well as alignment with the yearly GRI reporting principles, disclosures and key performance indicators.

Our focus was more inclined to determine that the definitions of used terms are applied consistently in this single report and as per the company's terms, while addressing national directives and global practices.

Assurance Procedures

Our responsibility was to express a conclusion on the selected information included in this Report, based on assurance engagements. Back-end reviews and data auditing were conducted taking into consideration the Corporate Strategic Directions, the company's adherence and/or compliance to sector-specific regulations, policies or certifications, national context, and the governing national laws and regulations. The nature, methodologies, timing and extent of procedures selected depended on our engagements with the company and its teams, the data provided, the oversight and review check-points by the delegated top-management representatives.

Our limited assurance engagement included inquiries to Juhayna's professionals who were involved in the preparation of reported data.

Assurance Team

The assurance was conducted by a multidisciplinary independent team including researchers for auditing environmental, social and economic information and abiding to our values of integrity, confidentiality, professional competence, objectivity, and due attention. A brief overview of selective scopes of work by the Assurance Team can be presented as follows:

Ms. May Elwany:

Integrated Reporting Content Elements and Reporting Principles Reviews, ESG Strategy and Value Creation Model, Governance, ESG Risk Assessment Review, Materiality Audits, Verification of ESG Management Oversight.

Ms. Mayar Farag:

Economic Performance data, Sector and topic-specific Data Metrics Analysis, Double-materiality Assessment, Stakeholder Engagement, Value Creation and Impacts Review and Analysis, Material Issues Review.

Engineer Ali Zaki:

Industry-specific data, Industrial processes, Environmental Data & Carbon Footprint Data Collection, Stakeholder Engagement, Value Creation and Impacts Review and Analysis, Material Issues Review.

The Report outcome was supported by:

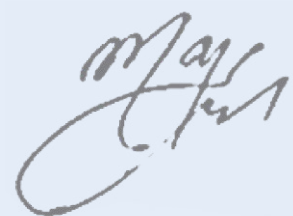
Ms. Mariem Hamza:

for Specialized Sustainability Reporting Design, and Industry-related and functions-specific Visuals and imagery.

Conclusion

We have reviewed the Sustainability Report of Juhayna Food Industries S.A.E. Considering the risk of material error, we received all necessary explanations from the company to support sufficient evidence to our assurance conclusion.

Based on the activities performed and evidence received, in our opinion, Juhayna has complied, in all material respects, with the GRI Standards 2021 and its Principles for sustainability reporting criteria, as well as the Integrated Reporting Content Elements and Guiding Principles, and the SASB sector-specific metrics where applicable.



May Elwany
Board Member Advisory
& Report Auditor



Ehab Shalaby, Ph.D.
Chairman & CEO



