Water Stewardship Disclosure

Governance, Strategy, Performance, and Targets

2025 Targets

Water Sources - 2025 Target

Municipal (potable) water	32%
Industrial treated water	3%
Sea-water	21%
Recycled condensate water	10%
Groundwater wells	12%
River water	22%

2025 targets vs. 2023 baseline

Governance, Strategy, and Performance Oversight

Savola Foods Company (SFC), a subsidiary of Savola Group, recognizes water stress as a material operational and supply chain risk, reflecting its footprint in water-stressed geographies. Water-related risks have the potential to affect operational continuity, production efficiency, input costs, and long-term asset resilience. Accordingly, water stewardship is embedded within SFC's operational governance model and integrated into business planning and performance oversight processes.

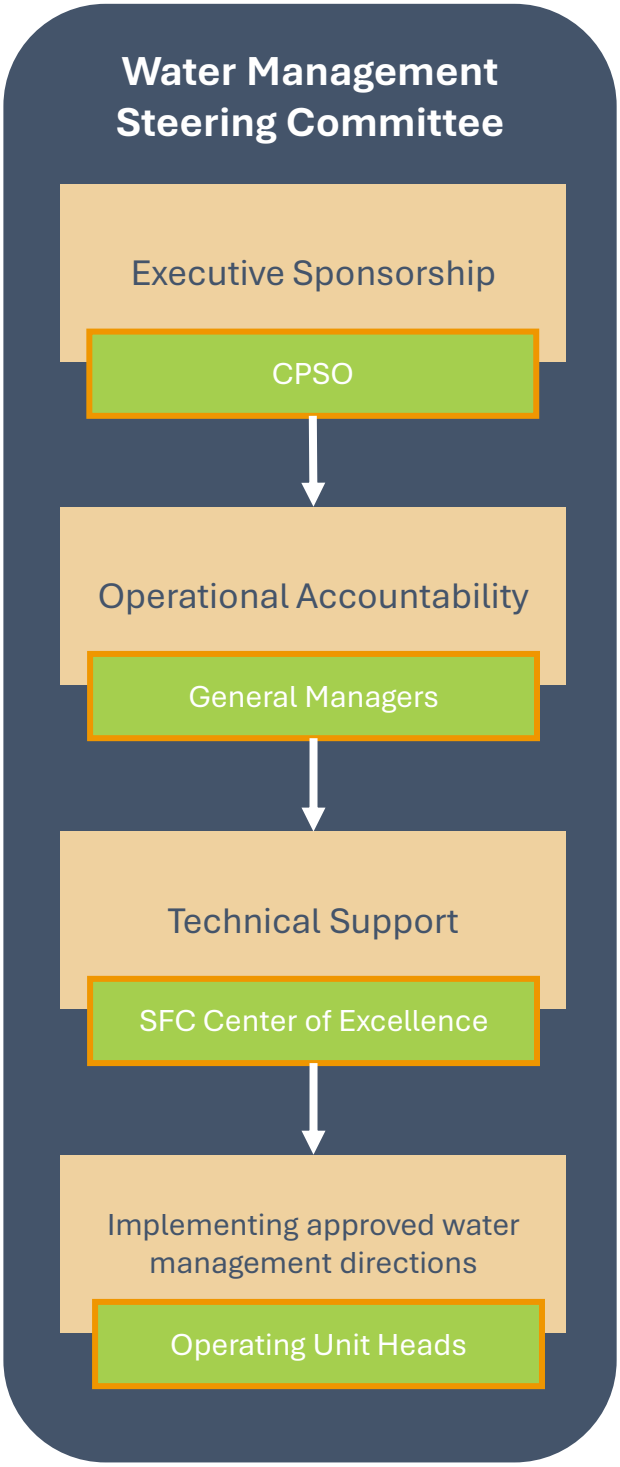
Water management performance, and improvement initiatives are coordinated by SFC's dedicated Sustainability Team, which is responsible for water risk assessment, target setting, performance monitoring, and internal reporting. The Sustainability Team works closely with operations, engineering, and supply chain functions to ensure consistent implementation of water management practices across sites.

At the executive level, overall accountability for water management results, and performance, is assigned to the Chief Product Supply Officer (CPSO). The CPSO provides executive sponsorship and oversight, approves water-related quantitative targets, and performance dashboards, and ensures that water risks and performance trends are reviewed within executive management forums.

Haitham Sadek
Chief Product Supply Officer

Governance, Strategy, and Performance Oversight

Water management at Savola Foods Company (SFC) is governed through a structured Water Management Steering Committee framework with clear executive oversight and operational accountability. Overall accountability rests with the Chief Product Supply Officer (CPSO), who approves the water strategy, targets, and performance dashboards and oversees escalation of material risks. General Managers are responsible for operational delivery and compliance, supported by the SFC Center of Excellence providing technical expertise and performance enablement, while Operating Unit Heads execute approved water management measures at site level. Consolidated water performance and risks are periodically reviewed by senior management to ensure transparency, timely decision-making, and continuous improvement.



Water Risk Management and Operational Controls

SFC applies a structured and data-driven approach to water risk management across its operations, incorporating site-level risk identification and performance monitoring. This includes identification of site-specific water risks, implementation of water efficiency and conservation measures, and continuous monitoring of both absolute water consumption and water intensity. All operational sites are required to implement water management practices aligned with internal standards and applicable regulatory requirements, with a focus on reducing freshwater withdrawal and improving water use efficiency.

Water performance data is systematically collected from operating units and consolidated by the Sustainability Team to support performance tracking, internal benchmarking, and management decision-making. This enables SFC to identify high-consumption and high-intensity sites, prioritize targeted efficiency initiatives, and monitor improvements over time.

Water Risk Management and Operational Controls – Cont.

A significant portion of SFC's operations is located in regions classified as water-stressed, requiring enhanced risk mitigation and efficiency measures. For these sites, As part of its water risk mitigation measures, SFC has allocated SAR 12.35 million in CAPEX to upgrade wastewater treatment infrastructure and improve water reuse and compliance performance in some of its operating units as follows:

- Afia International Company Arabia (AICA): SAR 5.5M
- Alexandria Sugar Company – Egypt (ASC): SAR 1.75M
- Afia International Algeria: SAR 5M
- Almaleka Pasta – Egypt: SAR 0.1M

Alternative Water Sources and Resource Efficiency

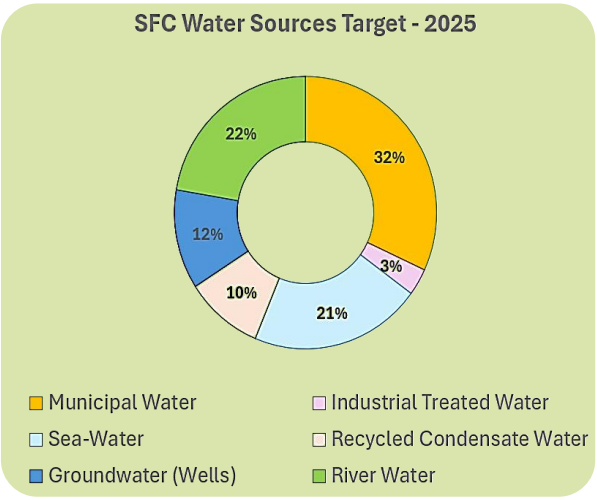
In response to increasing water scarcity risks, SFC has initiated and expanded the use of alternative water sources where operationally feasible. These sources include non-potable and reused water streams such as industrial treated water, recycled condensate, gray water, and seawater, primarily used for non-process and utility applications, primarily utilized for non-process applications including utilities, cleaning, and landscaping.

The contribution of alternative water sources to total water withdrawal is monitored at the operational level and consolidated centrally. SFC continues to assess opportunities to expand alternative water source across its sites, supporting reduced reliance on freshwater resources while maintaining operational safety, product quality, and regulatory compliance.

SFC Water Sources Target - 2025

SFC has defined a diversified water source for 2025 to reduce exposure to freshwater stress while supporting operational continuity. The targeted composition of total SFC water withdrawal is as follows:

- Municipal Water: 32%
- Industrial Treated Water: 3%
- Sea-Water: 21%
- Recycled Condensate Water: 10%
- Groundwater (Wells): 12%
- River Water: 22%



This targeted mix reflects a strategic shift toward increased utilization of alternative and non-potable water sources, reducing dependency on high-stress freshwater inputs.

Performance Improvement Targets – 2025 vs. 2023 Baseline

To ensure that progress reflects both absolute efficiency gains and improved resource productivity, SFC has established the following quantified targets relative to its 2023 baseline, which serves as the reference year for tracking performance improvements:

Municipal water consumption: 2.5% reduction

Seawater withdrawal: 1.5% increase

Recycled condensate water use: 1.0% increase

Total water consumption (absolute): 3.5% reduction

Water intensity (m^3 per unit of production): 7.0% reduction

Integration into Performance Management

Water performance indicators are incorporated into internal performance dashboards and reviewed periodically by executive management, with material deviations escalated through established governance forums. These metrics inform operational improvement initiatives, capital allocation decisions, and risk mitigation planning. Water stewardship objectives are cascaded across operating units to support accountability and continuous improvement.

Continuous Improvement and Forward Focus

SFC is committed to strengthening its water stewardship framework through continuous improvement, with a focus on efficiency, alternative water use, and enhanced performance oversight of governance structures, data coverage, and operational practices. Ongoing priorities include enhancing water efficiency and intensity reduction initiatives, expanding the use of alternative water sources, and further integrating water performance considerations into executive-level reviews and operational decision-making processes.

Through these measures, SFC aims to reinforce resilience to water stress, support responsible resource management, and align water stewardship practices with evolving regulatory, stakeholder, and investor expectations.