

AFIA International Egypt Policy on Sustainable Palm Oil

Savola Foods are the leading strategic investment holding group in the food and retail sectors across the MENAT (Middle East, North Africa and Turkey) region. We are proud of our Saudi heritage, our current international presence and the ethical business model that sets us apart.

We operate large numbers of grocery stores and produce everyday household staples loved by consumers in 30 countries.

AFIA International Egypt is subsidiary of Savola Foods. Through this policy AFIA Egypt commits to sourcing palm oil in an ethical, environmentally sustainable and socially responsible manner. Through our responsible sourcing requirements we aim to receive palm oil from our supplier that is produced in accordance with “No Deforestation, No Peat and No Exploitation” (NDPE) practices.

Scope:

This Policy applies to all our own operations, palm oil products that AFIA International Egypt, all our direct and indirect suppliers, and any joint ventures. We will work with our suppliers across all their operations and other stakeholders to implement this policy and continuously drive compliance.

Our Commitment:

1. Protecting environmentally, socially, and economically important resources for the benefit of current and future generations.
2. Source MB Palm Oil and Palm Kernel Oil products or derivatives therefore, plan to increase volume according Market needs in 2023
3. Maintain the RSPO Supply Chain Certification for our whole facility, enabling us to sustain supply of RSPO Mass Balance certified products as per customer needs.
4. Purchase MB Palm Oil products from suppliers who have issued public statements on sustainable palm oil
5. Ensure AFIA Egypt and our suppliers are meeting commitments to:
 - a. No deforestation and no development high conservation value or high carbon stock areas;
 - b. No development on peat lands and best management practices on existing peatlands.
 - c. Respect human rights as laid out in International Bill of Human Rights and applicable national laws
 - d. Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal, or customary rights.
 - e. Protect the rights and safety environmental and human rights defenders
 - f. Respect the rights of men and women workers as laid out in the ILO Declaration on Fundamental

Principles and Rights at Work. This includes:

Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse

Ensure gender equality

Treat employees fairly, including with respect to wages, working hours and benefits

Respect freedom of association and collective bargaining.

Prohibit all forms of forced, bonded or compulsory labor

Prohibit child labour/forced labour as defined by Egyptian work law and/or international best practice

Provide safe and healthy working conditions

- g. Support the inclusion of smallholder farmers into sustainable palm oil supply chains
 - h. Continue to support human rights in accordance with UN Guiding Principles and local applicable laws..
 - i. reducing GHG emissions according to Egyptian Environment law and/or international best practice
 - j. Enforcement of no-burning in supply chain
 - k. Commitment to efficient use of natural resources, including water, natural gas and land
6. We will engage to monitor supply and to work closely with our suppliers to achieve the commitment.
7. Engage with our suppliers, customers and other stakeholders to promote sustainable palm oil supply chains and to strengthen certification and verification mechanisms.
8. We will uphold high standards of transparency through reporting of traceability, time bound implementation plans, resolving grievances and achieving third party verified policy compliance

Our ability to achieve this commitment depends heavily on 4 key pillars: 1. Code of Conduct, 2. Ethics and values, 3. Commitment on Human Rights, 4. and our Supplier Code of Conduct

By working together with our key RSPO suppliers, we believe that the palm oil industry can transform to 100% sustainable palm oil delivering social, environmental and economic benefits. Although we realize there are many challenges to achieve this in the short to medium term, but we believe that sustainable palm oil should be the norm and not the exception.

We expect all RSPO suppliers to transparently demonstrate progress against this Palm Policy. Where gaps are identified, we will transparently implement our grievance mechanism to ensure compliance

Contact us:

<https://www.savola.com/en/investors/investor-relations/investor-contacts>

Karim Baraka

General Manager

AFIA INTERNATIONAL EGYPT