

Corporate Social Responsibility Practices of Business Enterprises: Almarai Saudi Food Industries Company as a Model

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Abstract:

Almarai is a leading company in the food industry sector in the Middle East and is widely recognized for its commitment and active engagement in sustainable development and, consequently, corporate social responsibility. Accordingly, the objective of this study is to identify the main corporate social responsibility practices implemented by Almarai. The study adopted the descriptive approach.

The findings revealed that Almarai has succeeded in enhancing its reputation and increasing customer trust through numerous initiatives in areas such as health, education, and the environment. The company has demonstrated its commitment to its four key stakeholders (society, customers, employees, and the environment) by establishing programs dedicated to employee welfare and safety, as well as sponsoring numerous events and activities aimed at improving the quality of life in the communities in which it operates, without causing adverse environmental impacts.

Keywords: Corporate Social Responsibility; Almarai Company.

Introduction

In line with the concept of sustainability and sustainable development, which has become a strategic orientation adopted by business organizations today, both individuals and institutions are expected to contribute to improving societal well-being by enhancing living conditions and quality of life while preserving the environment, in addition to pursuing their primary objective of achieving economic development. With these developments in administrative, social, and economic thought, the importance of implementing the principles of corporate social responsibility (CSR) has emerged, through which organizations contribute to addressing the problems and issues faced by the communities in which they operate.

When discussing the concept of corporate social responsibility and the organization's contribution to improving the external social environment, the individuals working within the organization should not be overlooked. A socially responsible organization is one that is responsible toward its employees, customers, society, and the environment.

Almarai is a leading company in the food industry sector in the Middle East and has demonstrated, through numerous practices, its commitment to implementing the principles of corporate social responsibility across several dimensions. Accordingly, this paper highlights the most prominent CSR practices adopted by Almarai.

Based on the above, the following research problem is posed:

What are the main corporate social responsibility practices implemented by Almarai Saudi Company?

To provide a preliminary answer to the research problem, the following hypothesis was formulated:

- Almarai practices corporate social responsibility through a set of initiatives and measures aimed at enhancing the well-being of employees, consumers, and society as a whole, while also preserving the environment.

To comprehensively address the subject and provide a methodological answer to the research problem, this paper is organized into the following sections:

Section One: The Concept of Corporate Social Responsibility.

Section Two: Corporate Social Responsibility Practices at Almarai.

Objectives of the Study:

- To present the theoretical framework of corporate social responsibility.
- To identify the principal practices adopted by Almarai in implementing the concept of corporate social responsibility.

Research Methodology:

This study adopted the descriptive approach, through which information related to both the theoretical and applied aspects of the study was presented.

II. The Concept of Corporate Social Responsibility

The concept of corporate social responsibility first emerged when some organizations began improving their internal working conditions, enhancing employees' quality of life, increasing wages, and providing healthcare for their families. However, the modern concept has become broader and more comprehensive, focusing on all aspects related to improving quality of life, ensuring social stability, strengthening social solidarity, and caring for all segments of society without discrimination (Maysoumi & Al-Atawi, 2018).

1. Definition of Corporate Social Responsibility

The World Bank defines corporate social responsibility as the commitment of economic actors to contribute to sustainable development by working with their employees, their families, and the community to improve the standard of living in a manner that simultaneously serves both economic growth and development (Younsi, 2021).

The World Business Council defines it as the continuous commitment of business enterprises to behave ethically, contribute to economic development, and improve the quality of life of the workforce, their families, and society as a whole (Al-Dakhil, 2020).

The Organisation for Economic Co-operation and Development (OECD) defines it as an organization's commitment to contributing to economic development while preserving the environment and supporting workers, their families, the local community, and society at large, with the aim of improving the quality of life of all these stakeholders (Kenida & Bay, 2022).

Based on the above definitions, corporate social responsibility can be defined as an organization's commitment to contributing to both economic and sustainable development by improving the quality of life of employees, customers, society, and the environment as a whole.

2. Importance of Corporate Social Responsibility

According to its different levels, the importance of corporate social responsibility can be summarized as follows (Abdelhafidhi, 2019):

2.1. For the Organization

- Enhancing the organization's image within society, particularly among customers and employees.
- Improving the work environment, thereby strengthening the spirit of cooperation among different stakeholders.
- Effectively responding to changes occurring within society.

2.2. For Society

- Investing in social stability through the promotion of justice and equal opportunity, which constitutes the essence of corporate social responsibility.
- Improving the quality of services provided to society.
- Increasing awareness of the importance of full integration between organizations and various stakeholder groups.
- Advancing development by enhancing education and social awareness among individuals, thereby contributing to political stability and social justice.

2.3. For the State

- Reducing the burdens borne by the state in fulfilling its responsibilities.
- Increasing state revenues through organizations' awareness of the importance of making fair and appropriate contributions toward social costs.
- Contributing to technological advancement, reducing unemployment, and supporting other aspects of national development.

3. Dimensions of Corporate Social Responsibility

According to Carroll, the dimensions of corporate social responsibility are as follows (Daoud, 2019):

- **Economic Dimension:** The organization carries out economic activities and uses resources efficiently to produce high-quality goods and services while distributing returns fairly among the various factors of production, thereby fulfilling its economic responsibility.
- **Legal Dimension:** The organization complies with the laws and regulations governing society, including competition laws and other relevant legislation.
- **Ethical Dimension:** The organization adheres to ethical principles in all its decisions and throughout its operations within the industries in which it operates, thereby avoiding any harm to society.
- **Philanthropic Dimension:** This includes charitable donations and non-profit assistance, and may also involve adopting and supporting a major social cause.

4. Elements of Corporate Social Responsibility

The elements of corporate social responsibility include the following (Zegai & Remas, 2018):

- **Social Responsibility toward Civil Society:** Making greater efforts to promote public welfare by contributing to infrastructure development, building bridges, helping reduce unemployment, supporting sports and recreational activities, assisting people with special needs, and sponsoring charitable activities.
- **Social Responsibility toward Consumers:** Providing products at appropriate prices and quality standards, offering safe products, supplying clear instructions regarding product use, and addressing post-sale damages.
- **Social Responsibility toward the Environment:** Contributing to reducing the environmental impacts resulting from the organization's activities and participating in environmental protection campaigns.
- **Social Responsibility toward Employees:** Ensuring employees' right to training and continuous professional development, involving employees in decision-making, providing job security and occupational safety, and granting rewards.

5. Principles of Corporate Social Responsibility

The principles of corporate social responsibility can be summarized as follows (Messaad & Oukil, 2017):

- **Principle of Sustainability:** Sustainability is a fundamental principle of corporate social responsibility that requires the optimal use of renewable resources. For example, trees consumed in production can be replanted. This principle broadens the organization's perspective beyond economic considerations to include social dimensions. It is not limited to measuring current costs but also involves anticipating and planning for future costs, thereby ensuring the preservation of available resources for future generations.
- **Principle of Accountability:** Accountability means that the organization acknowledges all its internal and external impacts, requiring it to assess the extent of these impacts and report them to the government, employees, customers, and society. Such accountability reflects the organization's role as an integral part of society with reciprocal responsibilities toward all stakeholders. Furthermore, the uncertainty arising from misunderstanding certain organizational impacts necessitates the establishment of standards identifying activities that significantly affect the environment.
- **Principle of Transparency:** The organization should disclose its policies, decisions, and activities clearly, accurately, and comprehensively, including their known and potential impacts on society and the environment. Such information should be accessible to individuals who are affected, or are likely to be significantly affected, by the organization's activities.

III. Corporate Social Responsibility Practices at Almarai

This section introduces Almarai, its major products and brands, and subsequently presents the corporate social responsibility (CSR) policies and practices adopted by the company.

1. Overview of Almarai

Almarai is a Saudi public joint-stock company listed on the Saudi Stock Exchange. It is a leading producer and distributor of food and beverages in the Middle East and the world's

largest vertically integrated dairy company (a vertically integrated dairy company is one that produces milk from cows it owns). Since its establishment in 1977, the Almarai brand has become synonymous with quality among consumers across the region. Every day, the company operates under its slogan: "Quality You Can Trust" (Almarai Investor Relations – High Quality and Innovation).

The company's headquarters is located in Riyadh, Saudi Arabia. Almarai offers five main product categories across the Middle East and North Africa:

- **Dairy Products:** In 1977, Almarai began producing fresh dairy products from 300 cows. Today, the company produces approximately 1.5 billion liters of milk annually from more than 195,000 cows, making it the world's largest vertically integrated dairy company.
- **Juice Products:** Almarai owns several well-known brands in the juice and beverage sector, such as Al Rabie and Beyti, offering a wide range of natural juices and soft drinks.
- **Bakery Products:** Almarai is also engaged in the bakery industry, producing bread, cakes, and other baked goods.
- **Poultry Products.**
- **Infant and Baby Formula.**

In addition to its flagship Almarai brand, the company markets the following trusted brands:

- **L'usine:** Offers a wide range of products, including bread, ready-made bakery products, and various confectionery items.
- **7DAYS:** An international brand available in more than 65 countries worldwide. Almarai produces and markets the 7DAYS brand in Saudi Arabia and the Gulf region through a joint venture with its Greek parent company, Chipita. The brand offers a wide range of baked and packaged products, including croissants, cake bars, and Swiss rolls in various sizes and packaging formats.
- **Alyoum:** Acquired by Almarai in 2009, this brand offers a wide variety of poultry products that meet nutritional and health needs with quality consumers can trust.
- **Nuralac:** Provides a comprehensive range of infant nutrition products that support children's health and growth from the first day of life through Almarai's Al Kharj factory, the first facility of its kind in the Middle East.
- **Evolac:** Offers the Iraqi market a complete range of infant nutrition products that promote children's health and development from birth.
- **SureGrow Junior.**
- **SureNutrition:** Offers comprehensive nutritional products for dietary management, providing suitable options as primary nutritional sources and dietary supplements.
- **Farm's Select:** One of Almarai's newest brands, launched in 2019, offering carefully selected juices made from premium-quality fruits. The brand received the Nielsen Best Product Innovation Award in 2021.

- **One Bean:** Offers a variety of ready-to-drink iced coffee beverages made from premium Arabica coffee beans sourced directly from Colombia.
- **Ice Leaf:** Offers a selection of iced teas made from premium natural fruit and flower extracts.
- **Al Mira Dates:** Provides a wide variety of natural date products with high nutritional value and serving as a rich source of energy and vitality.
- **Seama:** Sources seafood from around the world and offers a new range of omega-rich seafood products.

Almarai's Vision

To strengthen our leadership position in the region as the trusted choice for food and beverages, while delighting consumers by providing high-quality food every day.

Almarai's Mission

To provide nutritious, high-quality food that enriches consumers' lives every day.

Almarai's core values are as follows (Vision, Mission, and Values):

- **Agility:** We conduct our business with flexibility and high efficiency, making bold decisions with confidence to enhance the interests of our stakeholders.
- **Teamwork:** We work collaboratively, promote transparency, and exchange knowledge and skills to ensure our employees are the best.
- **Commitment:** We take pride in our work and continuously strive to achieve outstanding results.
- **Innovation:** We continuously seek to develop our business and maximize the creative potential of our employees.
- **Respect:** We earn respect through our commitment to fairness, trust, and integrity in all our relationships.
- **Excellence:** We excel in everything we do and consistently deliver the highest standards of quality.

2. Corporate Social Responsibility Practices

Almarai places great importance on corporate social responsibility and considers it an integral part of its operational strategy. In 2023, the company increased its total expenditure on corporate social responsibility by 23% compared with the previous year. The following table illustrates this.

Table (1): Total Expenditure on Corporate Social Responsibility in the Gulf Cooperation Council (GCC) Countries (Unit: Million Saudi Riyals)

2023	2022	2021	2020	Years
50.4	40.9	41.6	35.1	Expenditure

Source: Sustainability Report 2023: "Better Performance Every Day," p. 35.

The table shows that Almarai's expenditure on corporate social responsibility has witnessed a significant increase, achieving a 40% growth over a four-year period. This substantial increase reflects the company's commitment to and interest in achieving a balance between the success of its business operations and its contributions to improving society and protecting the

environment. The following are the main areas of corporate social responsibility on which Almarai focuses:

2.1. Corporate Social Responsibility toward Employees

Almarai's Occupational Health and Safety Management System has been designed to effectively prevent work-related injuries and illnesses, while reducing mental health incidents among employees and stakeholders. The company's health and safety management systems are based on Almarai's Health and Safety Policy and are founded on three key pillars that define its safety approach and management: "Safe People, Safe Place, and Safe Practices Strategy."

Almarai has developed a comprehensive strategy to enhance its work environment, ensuring employee development and the fulfillment of their career aspirations. As part of its commitment to developing employees' skills and capabilities, the company provides high-quality training and development programs that meet the evolving needs of the labor market and help employees realize their full potential. Almarai also offers an attractive package of benefits and rewards that reflects its appreciation for employees' dedication and commitment, recognizing them as true partners in the company's journey toward success.

To monitor and analyze health, safety, and security incidents, the company has implemented an incident reporting system that is easily accessible to all employees. This system encourages employees to report potential hazards, unsafe acts, and unsafe conditions. Management can then monitor these reports to identify the root causes of incidents, enabling informed decision-making to prevent their recurrence and implement the necessary corrective actions.

In addition to its strong commitment to employee safety, Almarai is developing a comprehensive employee health and well-being program tailored to employees' needs. The company has launched an Employee Assistance Program (EAP) that enables employees to consult multilingual mental health professionals throughout the week and from any location, allowing them to discuss a wide range of health-related concerns in complete confidentiality.

The company provided 507,551 training hours for its employees. Through the Almarai Academy, the company collaborates with local and international training providers to deliver high-quality leadership development programs. This initiative is aligned with Almarai's core values collaboration, commitment, innovation, respect, and excellence and aims to foster a corporate culture built on cooperation, respect, innovation, and excellence (Sustainability Report 2023: "Better Performance Every Day," 2023; Sustainability Report 2023: "Better Performance Every Day," 2023).

The following table presents the main employee-related statistics.

Table (2): Employee Health and Safety

2023	2022	2021	2020	Years
195	202	228	180	(Number of Lost Time Injuries (LTIs)
206.222	227.229	167.915	62.965	Number of Employee Health and Safety Training Hours
5.0	5.9	4.7	1.7	Average Employee Health and Safety Training Hours
				Employee Absenteeism Rate

6.0	7.0	3.1	5.0	Gulf Cooperation Council (GCC) Countries
8.0		12.2	7.0	United States of America
5.6	6.1	6.7	3.6	Argentina

Source: Sustainability Report 2023: "Better Performance Every Day," pp. 65–66.

The table indicates that the number of health and safety training hours increased over the last four years, reaching 206,222 training hours in 2023. This increase contributed to a reduction in the number of employee injuries, owing to the skills and knowledge acquired through these training programs. In 2023, only 195 employee injuries were recorded.

Almarai offers a wide range of initiatives aimed at improving the work environment and enhancing employees' opportunities for personal and professional development. These initiatives include (Sustainability Report 2023: "Better Performance Every Day," 2023):

- Performance and recognition awards, such as the Annual Service Award and celebrations of special occasions, including Saudi National Day.
- Social, health, and well-being activities, such as discounted gym memberships and internal company events.
- Training, e-learning, and leadership development programs, including the Future Leaders Program.
- Opportunities to contribute to the community through blood donation campaigns and simple home-based projects.
- Recreational facilities at Almarai factories for sports and relaxation.
- Personalized employee recognition emails for all staff members.

The objective of these initiatives is to ensure that Almarai remains an exceptional workplace where employees feel supported, appreciated, and accomplished. As a result of these initiatives, the employee turnover rate at Almarai declined to 10.2% in 2023. In addition, the Health, Safety, and Security Committee appointed 12 female employees as fire wardens and first-aid responders to enhance diversity among committee members, as illustrated in the following table.

Table (3): Growth in the Number of Female Employees by Year

2023	2022	2021	2020	Years
1046	929	847	868	Female Employees

Source: Sustainability Report 2023: "Better Performance Every Day," p. 31.

2.2. Almarai's Corporate Social Responsibility toward Society

As part of its corporate social responsibility and ongoing commitment to supporting communities, Almarai continues to implement a wide range of initiatives. Its primary focus has been on training and development, health, sports, donations, and sponsorships (Sustainability Report 2023: "Better Performance Every Day," 2023).

2.2.1. Training and Development

Almarai is committed to supporting the education sector and has long supported numerous educational initiatives. In addition, the company places particular emphasis on empowering the next generation of women by creating more opportunities for their professional development. This commitment is reflected, for example, in the inclusion of women in the Health, Safety, and Security Committee as field supervisors and first-aid responders.

In 2023, Almarai organized the "Partners in Success 2023" event under the slogan "Saudization Is a Strategic Goal", with the objective of attracting young Saudi talent. Furthermore, the company launched several programs and initiatives to support workforce localization. Among the most notable initiatives are:

- Cooperation with the Food Industries Polytechnic and the Saudi Logistics Services Company to provide training and support workforce localization in the food and beverage sector.
- Cooperation with the Authority for the Care of Persons with Disabilities to train and qualify persons with disabilities.
- Cooperation with the Ekhaa Charitable Society to support the care and education of orphans.

2.2.2. Health

Almarai is committed to supporting health initiatives to help people live longer and healthier lives. In 2023, the company continued to support various health programs, including health initiatives for employees, communities, awareness campaigns, and public events. These initiatives reflect Almarai's ongoing commitment to providing the highest standards of healthcare for its employees and the communities it serves. Among the key initiatives supported are:

- Supporting organizations, projects, and campaigns that promote healthy eating habits and healthy lifestyles, while raising awareness of health issues, including support for cancer patients.
- Cooperating with the Friends of Persons with Disabilities Association to support activities for persons with disabilities.
- Providing financial support to the Zahra Breast Cancer Association to contribute to the "Lamsat Zahra" project, which serves cancer patients and survivors.
- Providing financial support to the Saudi Charitable Association for Rheumatic Diseases to supply biological medications for children with rheumatic diseases through the Association's "Rheumatism Heroes" program.

2.2.3. Sports

Almarai recognizes the importance of sports in promoting well-being, inclusion, and positive health outcomes. Accordingly, the company sponsors a variety of sporting events and activities throughout the year. Through these initiatives, Almarai seeks to develop and train young athletes, promote a culture of walking within society, empower persons with disabilities by developing their athletic abilities, improve their quality of life, enhance their participation in

sports activities, and support them in becoming champions at both the national and international levels.

Among the major sporting events sponsored by the company are:

- Hail International Rally.
- Support for the My Bicycle Association activities and sports championships for persons with disabilities.
- Support for the International Table Tennis Federation Open Championship for Persons with Disabilities.
- Sponsorship of the Qaryah Equestrian Cup.
- Support for the Fifth Golf Championship.
- Sponsorship of the International Table Tennis Federation Para Championship – Saudi Arabia 2023.
- Sponsorship of the Riyadh Running Team during the Saudi National Day celebrations.

2.2.4. Donations and Sponsorships

As a socially responsible company, Almarai supports numerous awards in partnership with other organizations to recognize outstanding achievements within society. The company also supports projects, organizations, events, and campaigns that generate positive social impact through both financial and non-financial contributions. These include:

- Supporting the Dental Care Program.
- Platinum sponsorship of the Fifth Future Food Forum 2023 in Dubai.
- Sponsoring the Almarai Academic Excellence Award, launched in 2006, which provides support to students enrolled in public education systems across the Gulf Cooperation Council (GCC) countries.
- Sponsoring the Almarai Veterinary Medicine Award, launched in 2010 in cooperation with the Saudi Veterinary Medical Association and King Faisal University, to support the veterinary profession and protect livestock health in the GCC countries.
- Supporting 257 charitable associations through food supply chains.
- Sponsoring the Deliz Exhibition at King Saud University.
- Donating infant formula to victims of the earthquakes in Syria and Turkey.
- Sponsoring the Almarai Ideal Mother Award, which honors mothers of children with disabilities for their dedication and support.

The following table summarizes the main statistics related to Almarai's corporate social responsibility practices toward society.

Table (4): Statistics on Corporate Social Responsibility Practices toward Society

2023	2022	2021	2020	Years
1530	411	63	0	Number of Schools Providing Snacks to Students
639	566	1355	0	Number of Low-Income Families Receiving Food Supplies

391	318	183	0	Number of Charitable Associations Receiving Food Donations
54	40	0	0	Number of Children in Orphanages and Charitable Associations Receiving Breakfast Meals
54	10	4	0	Number of Schools Benefiting from the Dental Care Campaign

Source: Sustainability Report 2023: "Better Performance Every Day," p. 77.

The table above shows that Almarai's corporate social responsibility practices toward society have increased significantly, as follows:

In 2020, the company did not provide any snacks to students. However, beginning in 2021, it launched this initiative by supporting 63 schools. This number increased substantially over the following two years, reaching 1,530 schools in 2023.

Similarly, the number of charitable associations receiving support from Almarai more than doubled between 2021 and 2023, increasing from 183 associations to 391 associations.

The number of low-income families receiving food supplies from Almarai reached 639 families in 2023, compared with 566 families in the previous year.

The number of children in orphanages and charitable associations receiving breakfast meals was 40 children in 2022, increasing to 54 children in 2023.

The number of schools benefiting from the Dental Care Campaign reached 54 schools in 2023, compared with 10 schools in 2022 and only 4 schools in 2021.

3.2. Almarai's Corporate Social Responsibility toward the Environment

As part of its commitment to environmental protection and reducing its impact on shared natural resources, Almarai focuses on several key areas, the most important of which are the following (Sustainability Report 2023: "Better Performance Every Day," 2023):

3.2.1. Water Management

Almarai became a member of the Alliance for Water Stewardship (AWS) in 2018, a step that has supported numerous water conservation and water stewardship initiatives within the communities where the company operates. The Alliance for Water Stewardship promotes the creation of a water-secure world in which people, cultures, businesses, and nature can thrive both now and in the future. This partnership has enabled the company to better understand and implement best practices, ensuring the reduction of water-related impacts and the conservation of water resources to the greatest extent possible.

The company has also implemented greater efficiency across its agricultural land and pasture areas, enabling higher productivity while using less water. In line with its commitment to innovation, Almarai has introduced water management systems, including water metering, water monitoring, and water risk assessments, to improve water-use efficiency and identify opportunities for further improvement.

As a company operating in the food industry and relying heavily on agriculture for the supply of raw materials, effective water conservation and management are essential. Since joining the Alliance for Water Stewardship in 2018, Almarai has strengthened numerous water

conservation initiatives within the communities where it operates. Improved utilization of agricultural land has enabled the company to achieve higher productivity while consuming less water.

The following table presents Almarai's performance in water management.

Table (5): Water Management at Almarai

2023	2022	2021	2020	Years
2.735.613	2.832.210	2.319.571	3.363.978	(Water Recycled and Reused (m ³)
%21.2	%21.8	%21	%27.7	Percentage of Water Recycled or Reused
6.381.364	6.082.047	4.693.366	8.239.288	(Total Water Consumption (m ³)

Source: Sustainability Report 2023: "Better Performance Every Day," pp. 78–79.

The table above clearly demonstrates the efforts made by Almarai in water recycling, as the company recycled and reused 21.2% of its water in 2023.

3.2.2. Packaging Innovation

Product packaging is an essential component in product consumption and in reducing the risk of food spoilage. Almarai seeks to minimize the environmental impact of its packaging while meeting product requirements through sustainable packaging solutions without compromising product hygiene or quality.

As part of its objective of preventing 9,000 metric tons of waste by 2025, the company has so far succeeded in reducing waste by 7,247 metric tons. During 2023 alone, Almarai achieved a notable milestone by eliminating 164 metric tons of plastic and reducing the annual weight of packaging paper by 628 metric tons. The company's waste reduction initiatives have produced tangible results, including:

- Reducing the use of plastic packaging materials by 4,719 metric tons.
- Reducing the use of packaging paper by 2,528 metric tons since 2018.
- Improving yogurt cup packaging by incorporating 10% recycled plastic, thereby promoting the principles of the circular economy in product design and development.
- Achieving a 67% recycled material content in the production of paperboard packaging during the 2023 fiscal year.

As an integral part of the packaging design process, Almarai makes well-informed decisions regarding the feasibility of packaging from the earliest stages of product design. One of the company's most notable contributions in this area was its participation in the Jeddah Green Wall, the world's largest vertical mural, through the donation of 200,000 plastic caps from its dairy product containers to the Jeddah Municipality.

3.2.3. Climate Change

Almarai has established an ambitious objective to increase the use of clean energy sources across all operational divisions including administration, manufacturing, sales and distribution, and logistics to 20% by 2025. To achieve this goal, the company collaborates with global energy producers to develop renewable energy facilities. For example, since 2018, Almarai has been developing solar power generation capacity at various sites and, by **2023**, was exploring innovative applications of solar energy, including the production of hot water.

The company is also expanding its biofuel-powered sales fleet, despite the challenges associated with securing suitable fuel supplies. Almarai remains committed to its sustainability objectives and continues to explore alternative fuel options for operating its sales fleet. The company has received the Best Poultry Company in Carbon Emissions Reduction Award. The following table presents the company's performance in climate change management.

Table (6): Company's Performance in Climate Change Management

2023	2022	2021	2020	Years
76.726	59.949	40.980	31.317	Total Solar Energy Consumption (Thousand kWh)
%4.0	%3.7	%2.3	%2.5	Percentage of Electricity Consumption from Solar Energy in the Gulf Cooperation Council (GCC) Countries
769.391	617.619	669.148	716.451	Direct Stationary Energy (Consumption (Thousand kWh)

Source: Sustainability Report 2023: "Better Performance Every Day," pp. 80–81.

The table above shows that Almarai is making significant efforts to reduce its electricity consumption by replacing conventional energy sources with renewable energy, particularly solar energy. In 2023, solar energy accounted for 4% of the company's total electricity consumption, equivalent to 76,726 kWh, compared with 3.7% in 2022.

Almarai's approach to climate change management is based on four key pillars:

1. Management Commitment: Establishing an effective communication system and allocating appropriate resources to support the effective management and implementation of the climate program.

2. Operational Improvements: This includes:

- Raising awareness by supporting employee reward and recognition systems to encourage the generation of energy-saving ideas.
- Reviewing standard operating procedures and operational practices to improve energy efficiency.
- Implementing all feasible employee-generated energy-saving initiatives.
- Conducting energy audits to foster an energy-conscious culture.

3. Engineering Improvements: Maximizing the benefits of collaboration to identify all energy sources used across company sites and developing engineering controls to reduce energy consumption.

4. New Technologies:

- Identifying and implementing new technologies to improve existing equipment and enhance energy efficiency.

3.2.4. Waste Management

In 2023, Almarai's waste recycling initiatives continued to develop and progress. The company recycled 95% more waste than in 2022 and increased the quantity of food waste sold as animal feed by 96.45%, reflecting its commitment to waste reduction. It also significantly reduced the

amount of waste sent to landfill, lowering it to 55%, compared with 70% in 2018, while continuing to expand partnerships with external service providers to convert food and dairy waste into animal feed.

Almarai collaborates with packaging material suppliers, recycling companies, plastic manufacturers, the National Center for Waste Management, and the Saudi Investment Recycling Company to reduce waste at its source and divert the majority of waste away from landfills. Furthermore, together with other companies operating in the fast-moving consumer goods (FMCG), plastic manufacturing, and recycling sectors, Almarai participates in the Packaging Working Group under the Federation of Saudi Chambers. This collaboration aims to strengthen coordination with the National Center for Waste Management and the Saudi Investment Recycling Company to further increase waste diversion from landfills.

3.2.5. Organic Fertilizer Production

Almarai continues to produce organic fertilizers through its poultry waste carbonization operations in Hail. The EcoChar gasification plant, located at the HADCO facilities, produces a carbon-rich material obtained by heating biomass in a sealed container under oxygen-limited or oxygen-free conditions. This product contains high levels of phosphorus, potassium, magnesium, and carbon, and can retain moisture up to 2.5 times its volume.

The product possesses superior nutrient retention properties and provides greater value in improving soil stability than conventional biochar. EcoChar, considered an enhanced form of biochar, can increase crop productivity, improve agricultural practices, and has various other applications, including use as an animal feed supplement, soil amendment, and water purification medium.

3.2.4. Corporate Social Responsibility toward Customers

Almarai's corporate social responsibility toward its customers is primarily reflected in three main areas:

3.2.4.1. Quality and Trust

Almarai is committed to providing products whose quality deserves consumers' trust by ensuring both product quality and food safety through the following measures:

- The company prioritizes consumer health and safety and is committed to ensuring the food safety and quality of all its products. After obtaining Food Safety Management System certification for all its manufacturing sites, Almarai implemented a framework to ensure that its laboratories obtain ISO 17025 accreditation.
- The company also requires its key suppliers to obtain food safety certification recognized by the Global Food Safety Initiative (GFSI). As a result, 74% of these suppliers have obtained the required certification (Sustainability Report 2023: "Better Performance Every Day," 2023).

3.2.4.2. Animal Welfare

Almarai's Animal Welfare Policy applies to its Livestock Division and Poultry Business Unit with respect to the breeding, handling, and transportation of cattle and poultry. The policy incorporates the company's commitments in addition to all applicable legal requirements. Almarai is dedicated to safeguarding the health and welfare of all animals under its care,

recognizing that animal welfare affects not only the quality of animals' lives but also the quality and safety of the food they produce.

The company continues to adopt leading best practices and is committed to the following principles (Almarai Policy and Position Statements: Animal Welfare Policy, 2023):

- Ensuring the health and welfare of all animals within the Livestock and Poultry Business Units by applying guidelines consistent with the principles of the World Organisation for Animal Health (WOAH)
- Handling and caring for animals humanely, with zero tolerance for any form of abuse, mistreatment, neglect, or omission throughout the live animal supply chain.
- Ensuring the implementation of the following Five Freedoms through a structured practical approach:
 - Freedom from hunger, thirst, and malnutrition.
 - Freedom from fear and distress.
 - Freedom from physical and thermal discomfort.
 - Freedom from pain, injury, and disease.
 - Freedom to express normal patterns of behavior
- Providing animals with high-quality feed without the use of growth hormones.
- Requiring all employees to be competent in humane animal handling, aware of their responsibilities regarding animal welfare, and fully compliant with applicable laws and regulations.

3.2.4.3. Responsible Marketing

Almarai's Responsible Marketing Policy applies to all marketing and communication activities directed at consumers. The policy covers marketing and communications through television, radio, outdoor advertising, print media, digital platforms, including company-owned websites, third-party websites, social media, applications, online games, direct marketing, sponsorships, all other forms of communication, and product packaging.

This policy is supported and reinforced by Almarai's Executive Leadership Team, overseen by the Marketing and Communications Departments, and implemented throughout the company with direct employee support.

With regard to the principles of responsible marketing, the company's communications adhere to the following (Almarai Policy and Position Statements: Responsible Marketing Policy, 2023):

- Respecting the ethics and values of consumers in each country.
- Providing information to target audiences in a transparent manner.
- Prohibiting the promotion of compulsory snacking.
- Encouraging marketing directed toward adults responsible for family purchasing decisions (parents and young people aged 12 years and above).
- Providing accurate and understandable product information.
- Portraying children in marketing communications, where appropriate, while ensuring that they appear in safe physical and social environments.

- Supporting selected initiatives that promote healthy and active lifestyles.
- Promoting products that meet the health and taste preferences of school communities.
- Developing selected educational programs specific to the company.

IV. Conclusion

In conclusion, corporate social responsibility constitutes the core of Almarai's strategy. The company consistently seeks to achieve a balance between its economic and social objectives with the aim of improving the quality of life in the communities in which it operates through numerous effective initiatives. Furthermore, Almarai demonstrates a strong commitment to environmental protection, reflecting its dedication to a more sustainable future. Based on this study, the following findings were reached:

1. Almarai received the Best Poultry Company in Carbon Emissions Reduction Award.
2. The company increased its total expenditure on corporate social responsibility by 23% in 2023 compared with 2022.
3. The company provided 507,551 training hours for its employees.
4. The Almarai Academy collaborates with local and international service providers to deliver high-quality leadership development programs for its employees.
5. The company sponsors a wide range of sporting events and activities throughout the year, including tennis, golf, equestrian sports, and others.
6. Almarai reduced its use of plastic packaging materials by 4,719 metric tons.
7. The company reduced its use of packaging paper by 2,528 metric tons since 2018.
8. The company improved its yogurt cup packaging by incorporating 10% recycled plastic, thereby promoting the principles of the circular economy in its design and development processes.
9. Almarai continues to explore alternative fuel options for operating its sales fleet.
10. The company is making significant efforts to reduce its electricity consumption by replacing conventional energy sources with renewable energy, particularly solar energy, which accounted for 4% of its total electricity consumption in 2023.
11. Almarai prioritizes consumer health and safety and is committed to ensuring the food safety and quality of all its products after obtaining Food Safety Management System certification across all its manufacturing sites.
12. The company has ensured that its key suppliers obtain food safety certification recognized by the Global Food Safety Initiative (GFSI), with 74% of these suppliers having obtained the required certification.

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