



Annual sustainability report - Arabia

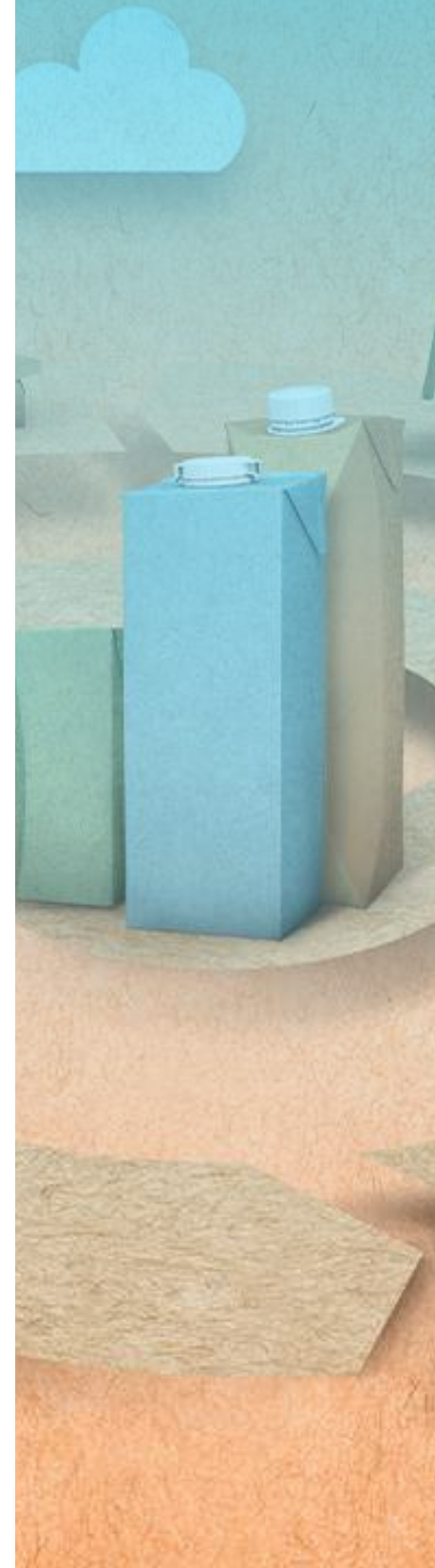


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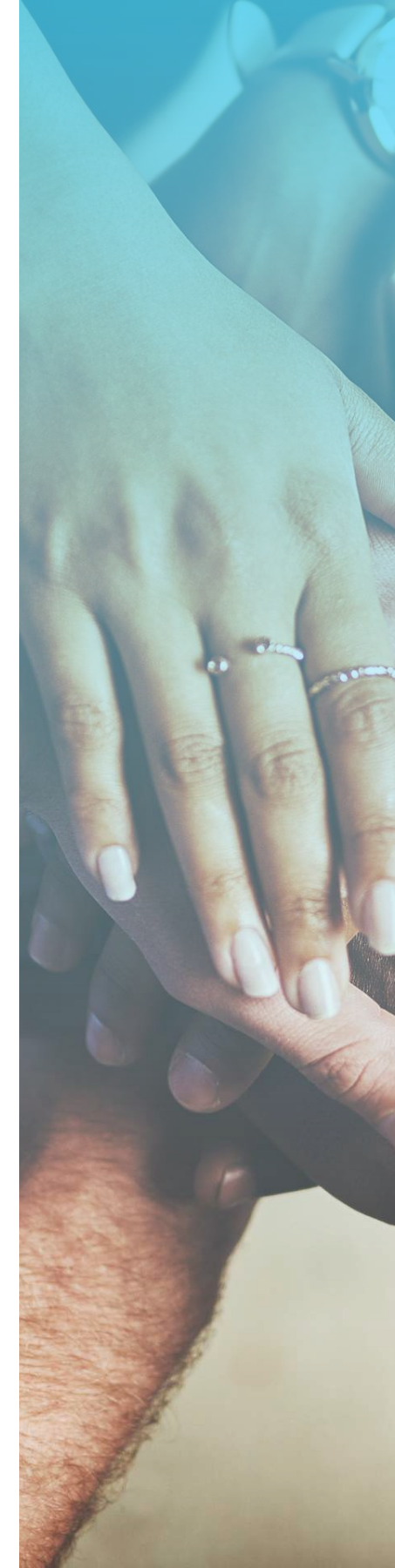
Climate



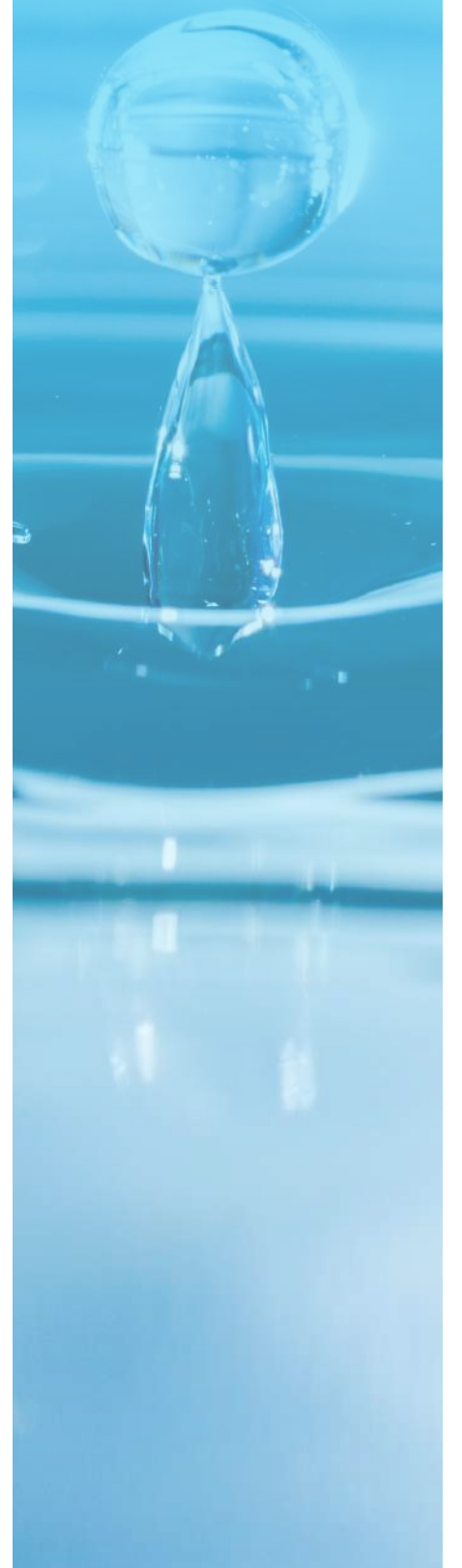
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& Tetra Pak



Introduction





NIELS HOUGAARD Managing Director

Dear All,

Our planet has become home to an average of 2.01 Billion tonnes of solid municipal waste annually, according to the World Bank. Uniquely put, if that volume of waste is placed in trucks, they would circle the Earth 24 times. Experts forecast that annual number to grow by 70% in the coming 30 years.

Sustainability has become top of mind & a strategic priority at the forefront of every leader's agenda. In the Middle East, we've seen significant investments made on the federal level to instil sustainability programs & an equal emphasis on the launch of regulations & policies to complement a national agenda that prioritizes sustainable practices.

In the Kingdom of Saudi Arabia (KSA), it was announced during the third Saudi Green Initiative Forum that a total of 80 public and private initiatives representing an investment of USD 188 Billion are being implemented to propel the country towards the goal of achieving net zero emissions by 2060. In the United Arab Emirates (UAE), an estimated USD 54 Billion has been announced to be invested in renewable energy sources as the country strives to reach net zero emissions by 2050.

With the need to roll out sustainable practices & habits now becoming more pressing than ever, it has become our collective responsibility to thread every step of the way with our planet and its circularity in mind. It is a shared responsibility across individual, community, workplace & national levels.

At Tetra Pak, our dedication to circularity & environmental sustainability underpins everything we do.

This commitment has enabled our ability to innovate and set a good example for other companies in the food and beverage sector. This year's sustainability report highlights numerous major projects & agreements in which Tetra Pak has helped shape the regional circularity & sustainability pathway in the Middle East, in collaboration with our strategic partners, customers, as well as local government authorities.

From the many highlights of the sustainability initiatives Tetra Pak led in 2023 that are highlighted in the report, there are several that stand out and speak to Tetra Pak's commitment to leading the sustainability narrative in our industry in the Middle East.

In the UAE, Tetra Pak spearheaded advocacy activities to create a circular economy & place the groundwork for sustainable packaging practices. This was formalized with the establishment of the Circular Packaging Association (CPA), in collaboration with the United Arab Emirates Ministry of Climate Change and Environment MOCCA, where Tetra Pak was a founding member and continues to be an active voice.

Similarly, in KSA, Tetra Pak signed a Memorandum of Understanding (MoU) with the National Center for Waste Management (MWAN) that contributed to the formation of a national committee comprised of private sector and regulatory representatives, that collaborates to develop robust waste management policies - emphasizing our role as a significant voice in the discussion of sustainability and circularity.

Moreover, our commitment to sustainability was further solidified during COP 28 in the UAE where Tetra Pak participated in key conversations with global leaders on food safety and availability. Our presence at such a prominent global event demonstrates our proactive response to environmental concerns and unwavering support for worldwide sustainability projects.

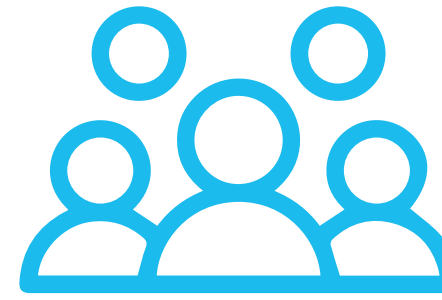
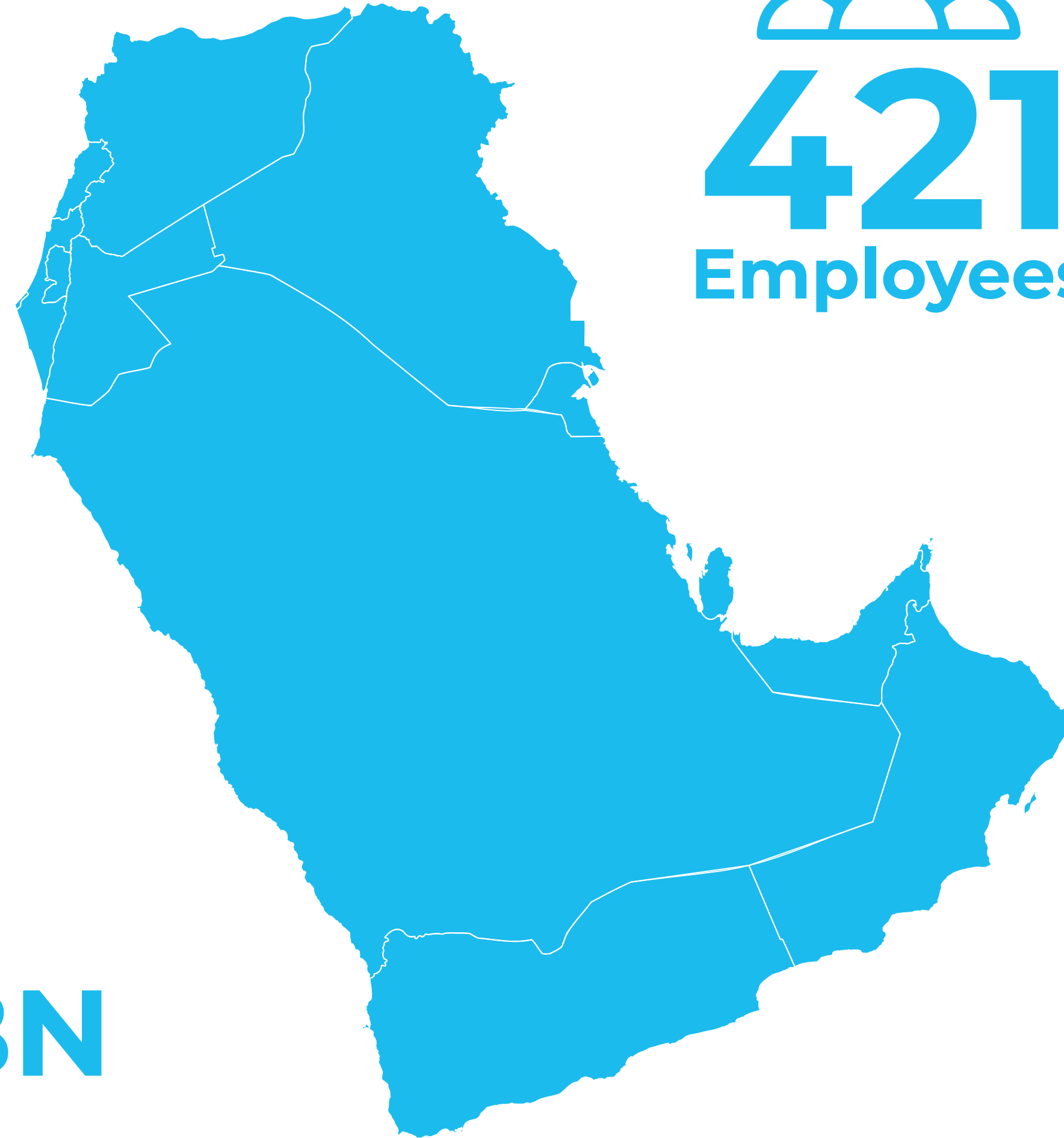
Throughout the year, we've shown that meaningful progress in sustainability requires joint efforts and inventive solutions. Tetra Pak's projects and partnerships demonstrate our conviction in the power of collective action. By collaborating closely with governments, business leaders, & communities, we can continue to create significant change & support the region's transition to a circular economy.

I would like to encourage you to read this report to learn more about our accomplishments and the meaningful work we are doing at Tetra Pak. Together, we can create a more sustainable future and protect what's good.

Thank you for your ongoing support and commitment to our common mission.

Facts & figures

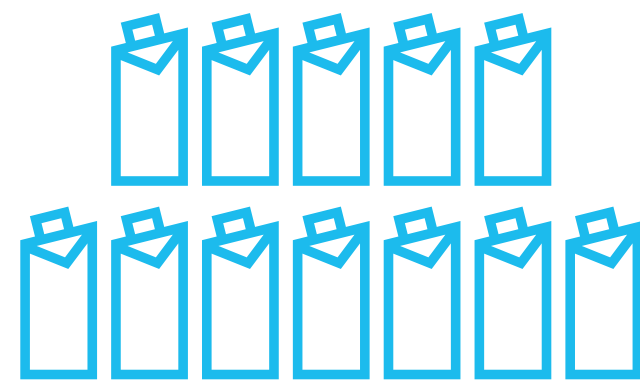
A round-up of key numbers from Tetra Pak Arabia area



421
Employees

273
Packaging machines
in operation

2558
Processing units
in operation



5.2BN
Packages sold

01
Production
plants

05
Sales offices

Circularity



A landmark agreement between Tetra Pak & Union Paper Mills (UPM)

Union Paper Mills (UPM) and Tetra Pak advanced their collaboration in 2023 by inking a ground-breaking recycling infrastructure agreement worth AED 2.5 million. With this project, used beverage cartons (UBC) in the United Arab Emirates (UAE) will be collected and recycled throughout an economically viable value chain.

Since signing a memorandum of understanding (MoU) in November 2022, both businesses have moved to assess requirements & capabilities to collect & recycle UBC, both technically & financially. This partnership included many strategic discussions, industrial trials using used cartons gathered from nearby dairy producers, & thorough technical evaluations which included visits and support from global recycling specialists.

The shipment of the new recycling equipment is well on its way, with delivery & installation anticipated for the second half of 2024. Collections have commenced in collaboration with waste management & collection companies to provide feedstock for the start-up phase, anticipating the recycling line's complete operation. A major step towards sustainability and circularity in the United Arab Emirates, the facility will be capable to process & recycle up to 10,000 tonnes of carton waste annually once it is operational.



Recycling of
10,000 tonnes
of carton packages

Tetra Pak collaborates with the environment agency of Abu Dhabi to enhance green economy goals in the UAE

Tetra Pak, in association with the Environment Agency of Abu Dhabi, has been proactively promoting the diversion of single-use plastic from landfills. For this initiative, which was spearheaded by Nadeera Technologies, Carrefour & backed by other industry titans like Unilever, Pepsi and Coca Cola, a smart recycling system was set up in Carrefour's Saqr branch in Abu Dhabi. Beginning on September 22, 2023, the initiative provided customers with bags to return their recyclables, which include used cartons, metals, paper, cardboard, and plastics. The items are first inspected, then gathered and sorted at a material recovery center.

Since its launch, "Yalla Return" has had a big impact:

1034

Free kits distributed.

1396

App downloads.

179

Active users completed drop-offs.

4742

Kg of recyclables gathered.

9,928

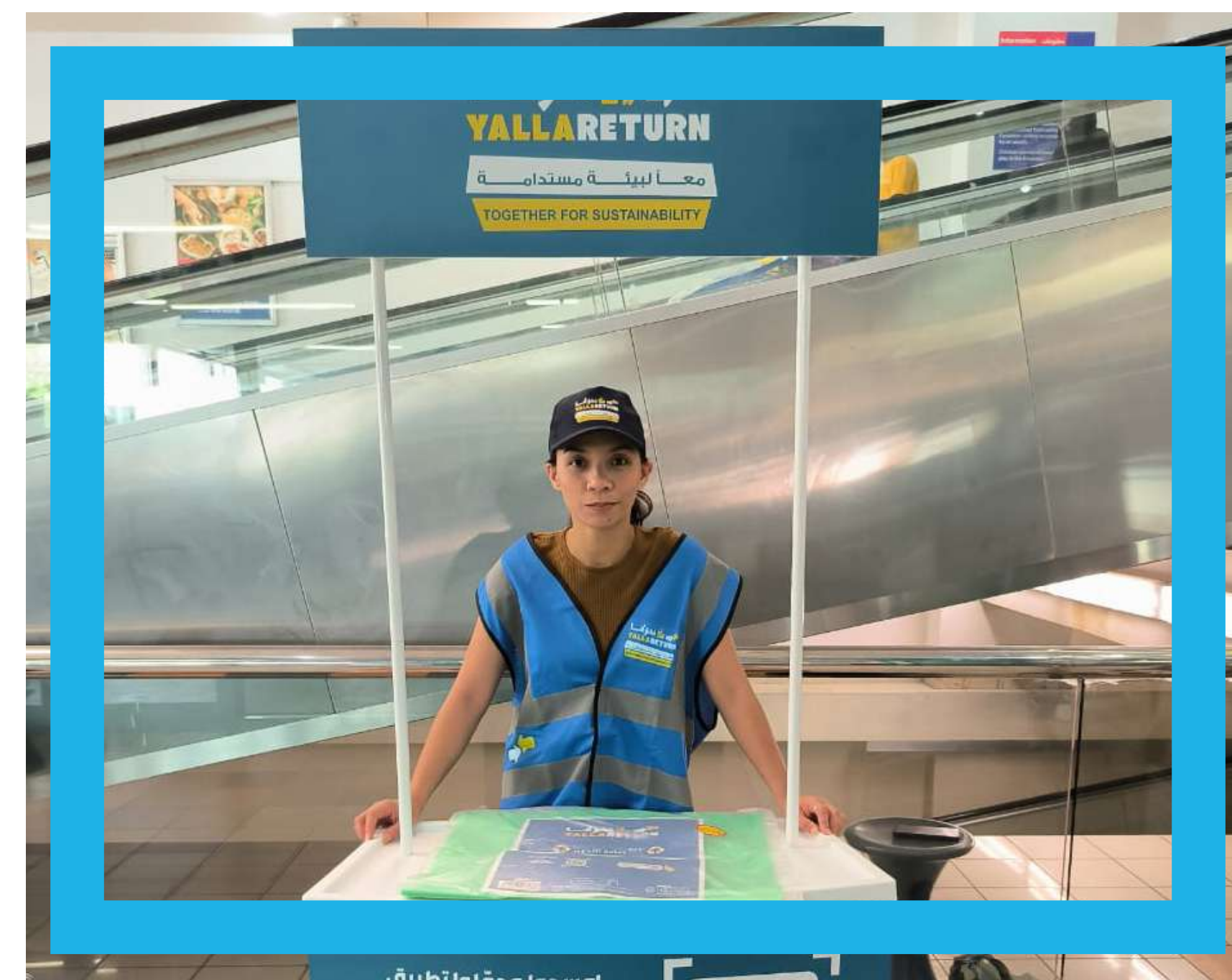
Kg of CO2 emissions avoided.

24.9

MWH of energy saved.

67.2

M³ spared landfill space.



Go green campaign; a partnership between Tetra Pak & SADAFCO to promote recycling awareness across schools in Saudi Arabia

Tetra Pak & the Saudi Dairy and Foodstuff Company (SADAFCO) joined forces during a three-months educational campaign to raise recycling awareness across the Kingdom of Saudi Arabia. In 150 schools in Riyadh and 100 schools in Jeddah, the initiative aimed to teach children from grades 1 to 6 through a series of educational workshops and interactive learning sessions the value of recycling, waste reduction, & responsible consumption. Participating in this effort were both public and private schools.

One of the program's main unique elements was placing recycle bins produced by Saudi Top Plastics (STP) made of recycled Tetra Pak carton packages in the classrooms for students to drop used carton packages and other recyclables that they consume while in school. These items were then collected, segregated and sent for recycling. The campaign successfully reached thousands of students & witnessed significant outcomes:

This programme is a testament to Tetra Pak and SADAFCO's joint commitment to encouraging sustainable behaviours & raising the bar when it comes to awareness surrounding sustainability & environmental care among Saudi Arabia's younger population. We believe this initiative comes at a time when Saudi Arabia is diversifying its economy, growing its population, & urbanizing—all of which have placed sustainability as a key national priority—encouraging more efforts from businesses of all sizes.

Teaching students about the advantages of recycling & promoting a change in consumption patterns to ones that are more sustainable is the first step towards a positive change on a national scale. Tetra Pak's commitment to sustainability and its proactive strategy for addressing waste collection and management in Saudi Arabia will position the Kingdom for a more sustainable future, in line with the Saudi Vision 2030.



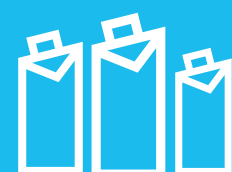
125K

Students participated in the campaign.



250

Schools across Saudi Arabia.



23K

Milk Cartons were collected.



KSA

Used Tetra Pak packages were recycled in Riyadh, Saudi Arabia.

Tetra Pak moves towards the goal of zero waste at its factory in Jeddah, Kingdom of Saudi Arabia

Tetra Pak's Jeddah factory achieved significant progress in reducing production waste in 2023. This milestone is part of the company's ongoing commitment to efficiency & sustainability in production operations.

Paperboard, foil, polymer, & ink are among the basic supplies used to make Tetra Pak packaging material. Within the process of production, this material can generate waste during the production lifecycle when elements do not get inverted in the packages. Every day at Tetra Pak, the concept of World Class Manufacturing (WCM) is implemented to reduce this kind of waste. The operational efficiency is increased & the amount of waste that is recycled is decreased by methodically implementing focus activities under WCM that target the biggest waste losses.

At the Jeddah factory, waste reduction is addressed methodically with a focus on ongoing development through WCM. Two activities focus on process improvements while five focus activities address defect areas.

Reducing manufacturing waste minimizes the environmental impact of Tetra Pak's activities, which directly advances the company's sustainability objectives. Tetra Pak is committed to applying WCM concepts to further sustainability & waste management to advance further progress at the Jeddah factory.

365

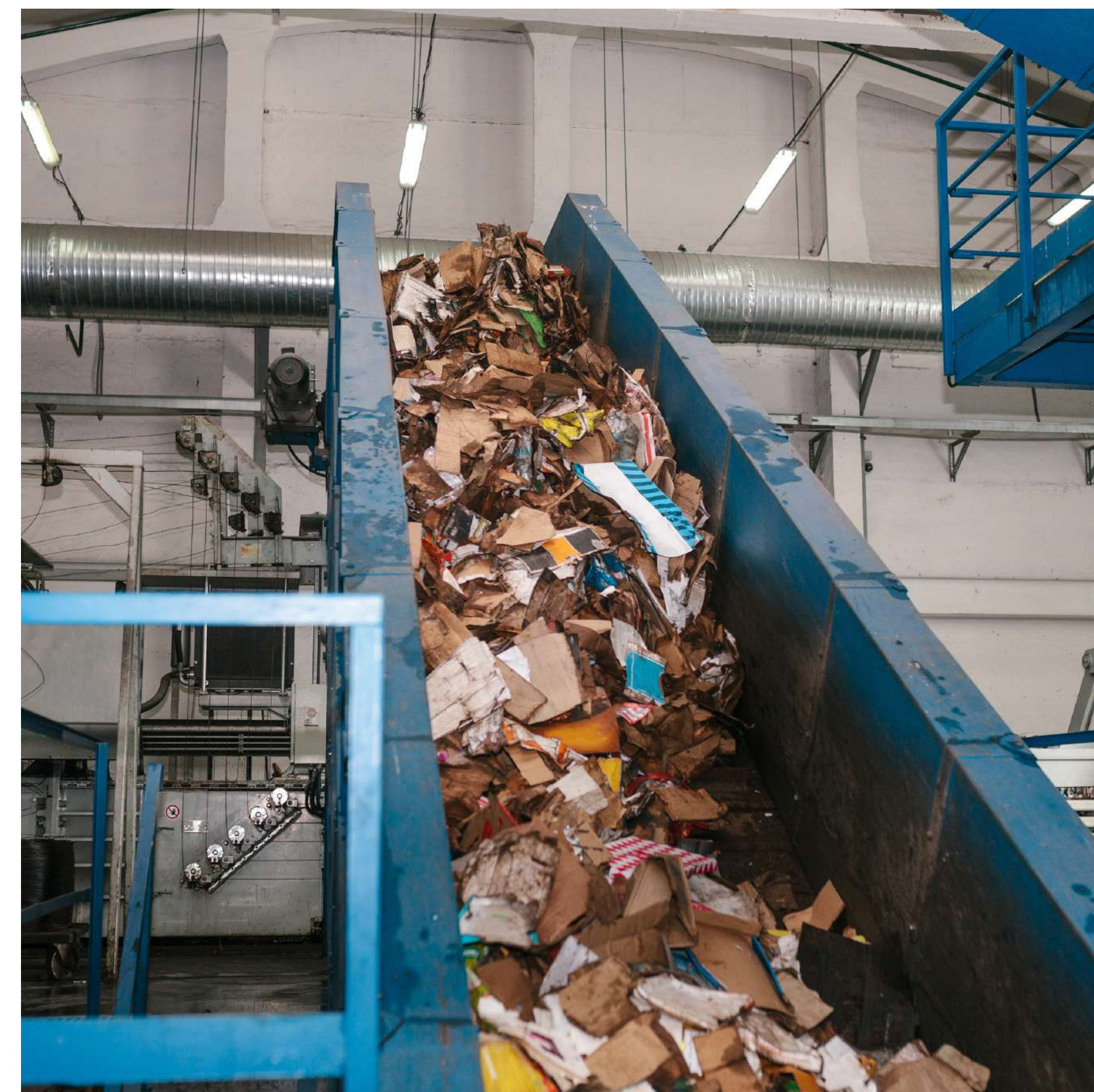
Tonnes saved production waste in 2023 compared to 2022.

23%

Achieved rate of improvement in reducing production waste.

243

Honda Civics equivalent to the tonnes of production waste saved.



Tetra Pak firms up waste segregation initiatives at the Jeddah factory

Tetra Pak Firms up Waste segregation initiatives at the Jeddah Factory In line with its commitment to sustainability, Tetra Pak's Jeddah factory in the Kingdom of Saudi Arabia has made significant strides in waste segregation in its operations during 2023.

Greater recovery and reuse of valuable materials is a key step in relieving the strain on limited natural resources and slowing down environmental deterioration. It is possible with waste segregation at the source, which Tetra Pak has been able to achieve using comprehensive waste segregation practices.

Waste generated at the factory is segregated into two primary categories; hazardous waste and non-hazardous waste. Metal scrap, paperboard, coated paper, cores, aluminium foil, plastic, PVC, side trim, wooden pallets and boxes, and spent oils are among the many categories into which waste materials are carefully segregated. Forklifts help the operators manually manage this segregation. Shredded, compacted paper trash is delivered to paper recyclers; other materials are similarly treated for recycling.

Segregating waste also supports diverting it from landfills, therefore lowering greenhouse gas emissions. Also, using a technique that allows cliché plates to be used up to three times per design, the team were able to successfully reduce waste to landfill by 20 percent.

Tetra Pak is proud of the considerable reduction in waste the factory accomplished in 2023 in comparison to former years, solidifying the company's continued dedication to efficient waste management, lowering its ecological impact and advancing a circular economy.

Top waste reduction indicators in 2023:



Shelves, separation walls, bins are byproduct of recycled items.

2.6%

Tonnes of waste is transferred to landfill as some items cannot be recycled.

97.41%

Of waste recycled at the Jeddah facility.

2620

Tonnes of waste in 2023.

20%

Reduction of waste in landfill.



Nature



Tetra Pak unveils sustainable collaboration with IFFCO Group

Tetra Pak's cutting-edge processing equipment & packaging lines have been selected by IFFCO Group to power the new Nabatat Integrated Factory in the Kingdom of Saudi Arabia. The Leading FMCG chose Tetra Pak's integrated lines for processing & packaging due of their advanced sustainability capabilities that reduce waste & facilities consumption, as well as carbon emissions.

Several ground-breaking innovative technologies will be used in the cream-producing new factory, which is scheduled to debut in 2025. IFFCO and Tetra Pak align on a joint comprehensive strategy to reduce environmental impact and promote international sustainability standards. Part of IFFCO's dedication is collaboration with regional vendors and other organizations to promote the wider use of sustainable practices.

Specifics of the agreement:

- IFFCO has contracted Tetra Pak to invest in the first water filtering station in the Middle East. With 95% of the water used in their equipment recovered, filtered, & reused, this station will drastically cut down on water wastage.
- Sustainable packaging: The Tetra Pak TBA 1000 Edge Light Wing 30 package has a tethered cover to reduce litter and uses 33% less plastic. At up to 88% plant-based material, this package represents a significant advancement in the use of renewable materials for packaging.
- Investment in Tetra Pak tethered caps: IFFCO is the first Middle Eastern-based investor to do so in compliance with international recycling regulations. Because of their ability to remain affixed to the box, these caps make sure they get to recycling facilities.

95%

Of the water used in IFFCO equipment recovered, filtered, and reused.

33%

Reduction in plastic use.

88%

Plant-based material used in the packages.



Water conservation efforts at the Jeddah factory

Industrial processes depend heavily on water, & economical sustainability & environmental preservation rely on its effective utilization. Throughout 2023, the team at the Jeddah Factory rolled out several initiatives to reduce the burden on local water supplies by maximizing water efficiency, protecting natural ecosystems, & guaranteeing availability for coming generations.

The environmental & safety engineering departments at Tetra Pak put in place a number of water-saving measures such as:

- Condensate water reuse: The factory uses the water that condenses from the air conditioning system for irrigation and ink cleaning.
- The water is directed via pipes into tanks, which provide water for irrigation of the landscape and cleaning of equipment used in the printing process of packaging goods.
- Water management: To facilitate more effective irrigation line management, a manual control valve was installed to the irrigation pipes.
- Digital monitoring: A digital control motorized system has replaced the traditional pressure tank reading equipment to offer more precise and effective water usage monitoring.

The collective application of these measures enabled the factory to reduce its total cost of ownership & save over 14,000 Euros a year, by using half as much sweet water. The significant water reduction enabled the company to save 2,080 cubic meters of water in 2023, while saving 6,000 Euros a year in additional operational expenses.

Tetra Pak is proud by the notable progress of the Jeddah Factory in water conservation efforts by means of process improvement, staff involvement, & the adoption of water-saving technologies. The team's ongoing dedication to reaching water efficiency targets & encouraging sustainable industrial practices includes these initiatives.

14K

Euros saved per year.

2,080

Cubic meters of water saved.

6K

Euros extra saved per year.



Climate



Energy conservation & reduction at the Jeddah converting factory & warehouse, Saudi Arabia

Facing the challenges of global climate change & the government's roll out of net-zero carbon emission policies, Tetra Pak has continued to make efforts to reduce energy consumption and improve efficiency of operations in our Jeddah factory. We have implemented various strategies in 2023, including:

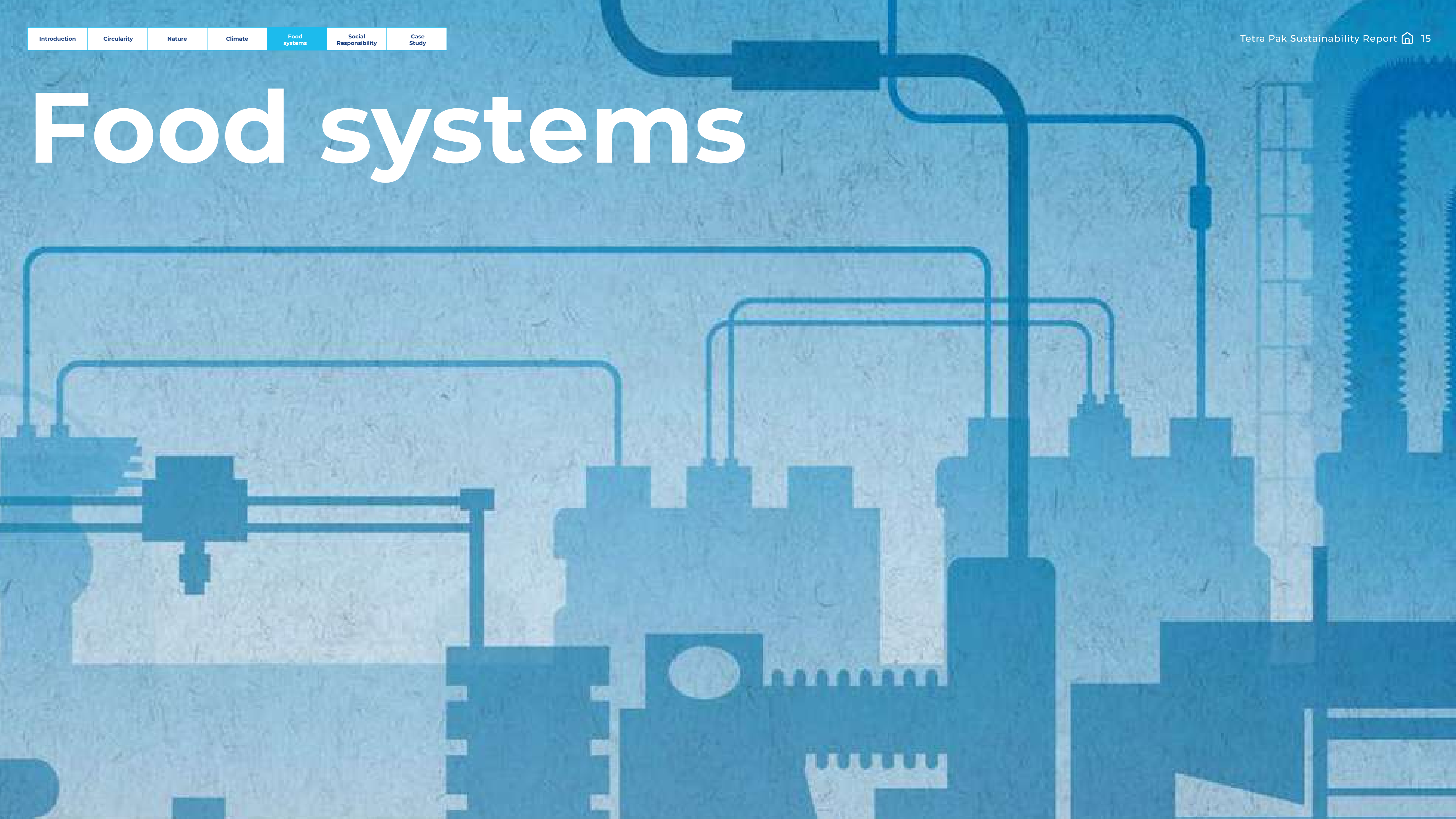
- Installing LED lights/ solar panels in the administration building
- Installing jacket heaters to conserve energy in all the extruders in the coating process
- Upgrading of the energy source that powers 9 forklifts at the factory to electric power Swapping the LPG (Gas) source to electric battery source to power the 9 forklifts.

The combined results of these initiatives saw the energy consumption at the Jeddah factory fall by 1% in 12 months, leading to CO2 reduction of 0.28 tonnes in 2023.

CO2 reduction of
0.28 tonnes
in 2023



Food systems



School milk program in Yemen to secure access to safe nutrition

Working with the Hayel Saeed Anam (HAS) Group and the World Food Programme (WFP), Tetra Pak introduced Yemen's first school milk program. Through the provision of fortified milk to 10,000 children, this pilot project addressed food shortages by enhancing their nutritional intake and health and encouraging school attendance. Through the use of their combined product research and manufacturing skills, Tetra Pak and HSA Group strive to ensure that Yemeni children have access to wholesome milk, which promotes their intellectual and physical development.

HSA Group makes UHT milk enhanced with vitamins and minerals based on regional nutritional deficits. Supplying the Tetra Brik Aseptic® 125 packaging, which preserves milk freshness for up to 12 months, Tetra Pak helps to reduce transportation difficulties brought on by Yemen's deteriorating infrastructure. The milk distribution to schools is handled by the Humanitarian Development Program (HDP) of the HSA Group, which coordinates with relevant agencies including the Ministry of Education and the UNICEF and WFP-managed nutrition cluster.

Both companies placed an emphasis on education as part of this project, working with schools to promote recycling. Children learn about the effects of waste on the environment and environmentally friendly methods of managing it. To determine how the program affects the kids' health and educational performance, the International Food Policy Research Institute (IFPRI) is carrying out an impact evaluation.

Thanks to the pilot program, 10,000 pupils in the Taiz governorate received fortified milk which serviced around 20 schools. This hands-on strategy will help raise environmental and educational awareness among the younger generation while meeting urgent dietary demands for improved health.



10K
Pupils in Taiz

The infographic features a large white '10K' on a blue background, with 'Pupils in Taiz' written below it. At the bottom, there is a white circular icon containing two stylized human figures with their arms raised, surrounded by a circular arrow pointing clockwise.



School milk program in Iraq provides 800,000 students with access to safe milk

Tetra Pak Arabia launched a pilot program with Alssad Group in Iraq to support the government of Iraq in its efforts to address access to safe & nutritious food in the country. The school milk program reaches 800,000 students across the public-school network in Iraq and provides them with access to flavored milk products packaged in Tetra Pak cartons, that ensures they receive their daily intake of nutrition. The program runs across Baghdad and neighboring cities targeting the underprivileged school areas. The pilot started distribution for around 1300 schools at elementary grades 1-6.



1300

Schools were pilot covered across Baghdad and neighboring cities.



800K

The pilot targeted an estimated 800,000 students on daily basis.

Social responsibility



Employee welfare continues to be a priority at Tetra Pak. Understanding the relationship between health and happiness and output, the management team focused on stress management & social interaction to create a vibrant workplace where staff members feel appreciated and driven.

A part of these initiatives, the Jeddah Factory organized four football, basketball, cricket, and paddle tennis championships and competitions. Physical exercise and social connection are two key elements of general well-being, and these activities promoted both. A total of 140 staff participated in several sporting events across the year, underscoring the factory's dedication to encouraging an active and healthy lifestyle among its employees.

Healthy people support a healthy business, which starts a beneficial cycle that helps teams as well as the business. This is a common understanding and goal for all 421 staff members at Tetra Pak.



 **140** staff participated

An infographic on a blue background. On the left, there is a white icon of three stylized human figures. To the right of the icon, the number '140' is written in a large, bold, white font, followed by the word 'staff' in a smaller font, and the word 'participated' in a large, bold, white font below it.

Case study



Case study

Tetra Pak teamed with the Saudia Dairy and Foodstuff Company (SADAFCO) to advance sustainability initiatives at the latter's main production plant in Jeddah, Kingdom of Saudi Arabia. Key components of this joint partnership is to boost productivity and production while minimizing Environmental effect, while also striving towards lowering packaging waste and water conservation.

Reducing Waste and Raising Efficiency SADAFCO & Tetra Pak entered into a service agreement known as Tetra Pak Plant Perform in order to reduce packaging waste and achieve desired efficiency. Performance guarantees are part of this agreement, which calls on Tetra Pak site-based engineers to maintain packaging equipment both preventatively and correctively. The daily, weekly, & monthly maintenance plan guarantees the machines' best possible performance and lifespan, which immediately lowers the amount of packing material wasted.

Tetra Pak was also essential to water conservation at the SADAFCO Jeddah facility. Tetra Pak saved water, chemicals, and time by streamlining the filling machine cleaning procedures such that several machines could be cleaned in a single loop. Instead of being disposed of after a single usage, the cooling water in the tank jackets of aseptic tanks was designed to be recirculated in a closed loop.

- 4 million liters of water saved as a result of water conversation technique across a four-month period in 2023
- The maintenance program of Tetra Pak helped cut the monthly waste of packaging materials from 16.19 tonnes to 15.21 tonnes when compared with numbers in 2022.

One effective cooperation to improve sustainability in industrial operations is that between SADAFCO and Tetra Pak. Tetra Pak has helped SADAFCO reduce waste and conserve water while also achieving excellent productivity and efficiency levels. This case study emphasizes the major advantages that may be attained by means of focused sustainability programs & continuous cooperation between business executives in the food & beverage industry.

*Leading Middle Eastern food producer SADAFCO is well-known for its Long-Life Milk, Tomato Paste and Ice Cream, and it sells its goods under the Saudia brand.



Reduction of production waste material from

16.19 tonnes
to
15.21 tonnes.

4M_L
Of water saved.

 **Tetra Pak**[®]
PROTECTS WHAT'S GOOD