## **Technology and Innovation**

At Almarai, digital transformation is at the core of our strategy to create value for our stakeholders, optimize operations and drive sustainable growth. Through significant investments in advanced technologies and infrastructure, we are not only modernizing our processes but also setting a new standard for operational excellence in the FMCG sector. Our commitment to leveraging technology ensures that "We Grow on the GO", we remain agile, customer-centric and environmentally responsible in a rapidly evolving marketplace.

Our digital transformation strategy focuses on five digital strategic priorities, such as enhancing operational efficiency and generating new digital revenue streams, as shown in the first visual. By aligning our operating model with key digital enablers like AI, IoT and cloud platforms, we optimize asset utilization, minimize risks and deliver exceptional customer experiences. This transformation is supported by a robust internal structure that fosters a culture of innovation, empowering our teams

with the tools and insights needed to make data-driven decisions. Our operations are now more streamlined, allowing us to respond swiftly to market demands while reducing operational costs

## Strategic digital priorities



Our five-year digital transformation roadmap lays out our phased approach to integrating innovative technologies across various functions. From Al-powered analytics and cloud management systems to data governance frameworks, each milestone builds towards a resilient infrastructure capable of supporting our long term growth. In 2024, we implemented critical tools

like Advanced Business Analytics, SASE/SD-WAN and cloud-managed WiFi 6 for improved connectivity. These early initiatives pave the way for more advanced solutions, such as generative AI and decision intelligence, which we will deploy over the next few years to further enhance operational agility and data-driven decisionmaking.

A central component of our strategy is creating a "Single Source of Truth" for data, by implementing an advanced Data Lakes solution, enabling real-time access across all business verticals. This data consolidation improves operational efficiency, enhances customer experiences and supports precise, timely decision-making. With real-time analytics available at their fingertips, our teams are better

equipped to anticipate market trends, optimize inventory management and ensure our products reach consumers precisely when needed.

Almarai's HR digital transformation strategy focused on maximizing efficiency and optimizing systems and processes during the year. By implementing SAP Analytics Cloud (SAC), we enabled data-driven decision-making with integrated analysis, planning, forecasting and data visualization, enhanced by Al and machine learning. Additionally, SAP SuccessFactors Onboarding was introduced to streamline onboarding and offboarding, improving engagement and retention across the employee lifecycle. System enhancements also included upgrading the Recruiting module to automate manual tasks and transitioning from SAP Jam to SAP Workzone, empowering users to create personalized digital workspaces.

Al and machine learning also play a significant role in Almarai's innovation landscape. We are exploring and prioritizing Al-driven solutions across various functions, including marketing, supply chain, HR and finance. However, we also have some AI solutions already implemented, such as Alpowered predictive analytics enable personalized marketing campaigns and product recommendations, boosting customer satisfaction and engagement. In our Poultry division, Al-driven quality control systems uphold the highest standards in manufacturing, minimizing waste and improving product quality. These Al applications showcase our commitment to integrating cuttingedge technology into all aspects of our business.

As we progress, cloud adoption remains a critical enabler of our transformation. By migrating key workloads to the cloud, we gain

scalability, security and the flexibility to innovate faster. Our digital platforms not only enhance the customer journey but also support sustainable practices, enabling us to reduce waste and minimize our environmental footprint in line with our sustainability goals. This commitment to cloud solutions reinforces Almarai's alignment with Saudi Vision 2030, emphasizing our role in the Kingdom's digital and economic advancement.

Through these initiatives, Almarai is redefining what it means to be a modern FMCG company. By strategically investing in technology, we ensure that our business remains resilient, agile and responsive to changing market needs. Our focus on innovation and sustainability positions us as an industry leader and exemplifies our dedication to creating lasting value for our customers, employees and stakeholders.

## Pioneering Digital Transformation in the Dairy Industry with Google Cloud

In a landmark collaboration, Almarai, the world's largest vertically integrated dairy company and the fourth most valuable dairy brand by Brand Finance in 2024, has partnered with Google Cloud to accelerate its digital transformation. This strategic partnership enables Almarai to strengthen its operational efficiency, enhance customer experience and propel growth in an evolving market landscape. As consumer expectations rise across the Middle East, Almarai's commitment to leveraging cuttingedge digital technologies positions it as a leader in the Food and Beverage industry.

Almarai's transformation centers around migrating critical systems to Google Cloud, including SAP RISE workloads and its primary sales application. This move not only enhances Almarai's operational agility but also enables it to innovate at pace. With Google Cloud's scalable infrastructure, Almarai gains the ability to expand seamlessly "Grow on the GO", optimize resource allocation and ensure its systems perform reliably under peak demands.

Almarai's digital transformation with Google Cloud aims to unlock new growth, enhance customer experience and achieve peak operational performance.

A core aspect of this transformation is data sovereignty, with Almarai hosting its data within Saudi Arabia to align with local regulations and the Kingdom's Vision 2030 goals. This strategic focus on data control and compliance underscores Almarai's commitment to national priorities and its role in advancing Saudi Arabia's digital agenda. Through this collaboration, Almarai and Google Cloud are setting a new standard for operational efficiency and customer satisfaction in the region's Food and Beverage industry.