



شركة دلمون للدواجن ش.م.ب.
Delmon Poultry Company B.S.C

ESG REPORT FOR 2024

Delmon poultry B.S.C

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A Letter from our CEO

Today's rapidly evolving global landscape places increasing expectations on businesses to take meaningful action on climate change, social equity, and corporate transparency. This makes it more important than ever for us to adapt, innovate, and lead.

Bahrain, in the 26th UN Climate Change Conference (COP26), spoke of its aim to achieve net zero carbon emissions by 2060. Doubling the deployment of renewables from the targets set at COP21 and implementing carbon removal solutions by quadrupling mangrove coverage and doubling tree coverage are among the interim targets set to achieve a 30% carbon reduction by 2035.

We, at Delmon, have embraced this responsibility to ensure our practices are sustainable and we understand that the long-term success of our business depends on the well-being of the communities we serve. We are proactively monitoring and improving the way we operate to minimize our impact on the environment and society. Some of our approaches in this regard include treating the operational residues before disposal and repurposing our wastes to prepare feed additives.

Our inaugural ESG report outlines our commitment, vision for success, and progress to date. This report presents a comprehensive overview of our ESG initiatives and Key Performance Indicators (KPIs). It captures our ongoing efforts across the areas of sustainability, social impact, and governance. We are able to assess our current standing with the data and insights shared in this report and this forms the foundation for the future steps we intend to take.

In this global initiative to secure an environmentally responsible future, we are determined to continue our ESG journey and play our part, knowing that the actions we take today have lasting impacts for generations to come.



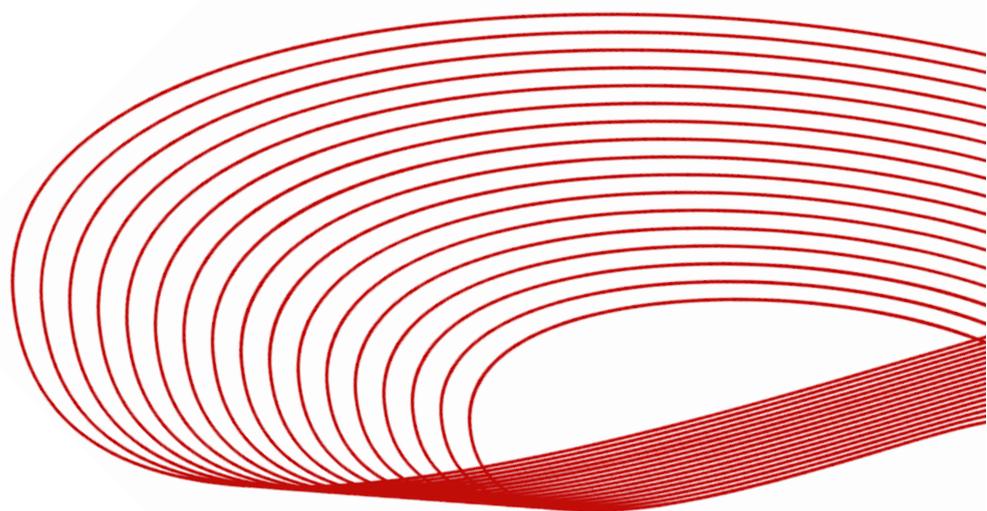
A handwritten signature in black ink, appearing to read 'Abdulhadi Merza Jaafar'. The signature is fluid and cursive, written on a white background.

Abdulhadi Merza Jaafar
Chief Executive Officer

Abbreviations and acronyms

Acronym	Definition
AGM	Annual General Meeting
BAPCO	Bahrain Petroleum Company
BoD	Board of Directors
CBB	Central Bank of Bahrain
CoI	Conflict of Interest
COP21	21st Conference of Parties
COP26	26th United Nations Climate Change Conference
CSR	Corporate Social Responsibility
DPG	Data Protection Guardian
EPA	Environmental Protection Agency
ESG	Environmental, Social and Governance
EWA	Electricity and Water Authority
FY2024	Fiscal Year 2024
GHG	GreenHouse Gas
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation and Air Conditioning
HR	Human Resources
ILO	International Labour Organisation
IR	Investor relation
ISO	International Organization for Standardization
IU	International Unit
KPI	Key Performance Indicator
ME	Metabolisable energy
ML	Mega Litres (1 million litres)
MoC	Ministry of Commerce
PDPA	Personal Data Protection Authority

PDPL	Personal Data Protection Law
PPE	Personal Protective Equipment
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UN SDG	United Nations Sustainable Development Goals



Executive Summary

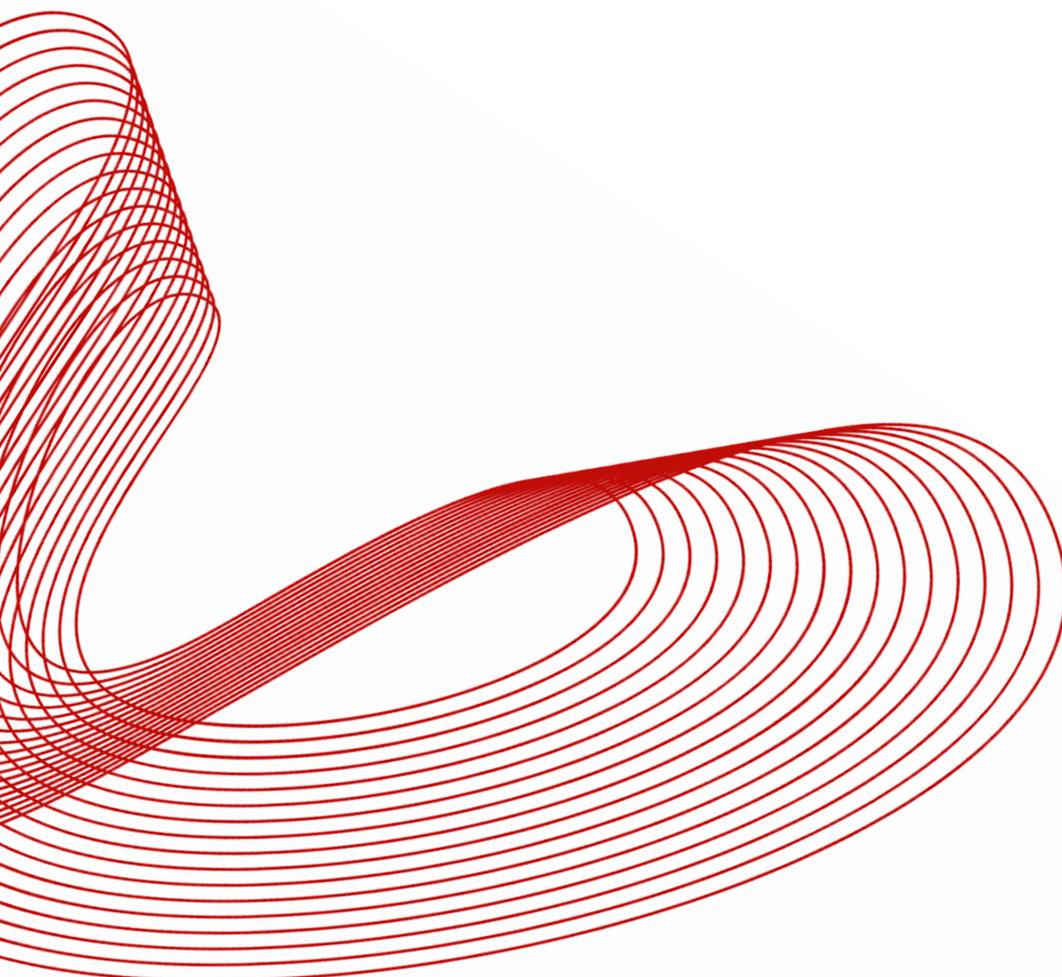
This ESG report outlines our commitment at Delmon, to sustainability, social responsibility, and strong corporate governance. As businesses increasingly play a critical role in addressing global challenges, we are focused on integrating ESG principles into our operations to drive long-term value and positive impact.

On the Environmental front, we are actively working to reduce our carbon footprint, improve energy efficiency, and minimize waste. Our approach aligns with ensuring responsible resource management and a commitment to long-term sustainability.

Social responsibility remains a key priority, with a strong focus on employee well-being, diversity and inclusion, and community engagement. We strive to foster a supportive workplace culture, invest in talent development, and contribute positively to the communities we serve.

Governance is at the core of our ESG strategy, ensuring transparency, ethical business practices, and compliance with regulatory standards. Through strong leadership and risk management, we are committed to maintaining accountability and fostering trust among stakeholders.

The report covers the period from January 1 to December 31, 2024 and reflects our ongoing efforts to embed ESG considerations into our decision-making processes at Delmon. As we move forward, we remain dedicated to continuous improvement, sustainable growth, and delivering long-term value for all stakeholders. We have summarised our material KPIs below:



KPI	DESCRIPTION	AMOUNT (1 ST JAN TO 31 ST DEC 2024)
ENVIRONMENT		
Energy Consumption	Direct and indirect energy usage. <ul style="list-style-type: none"> Direct energy usage refers to energy that is generated and used on property owned or operated by the company Indirect energy usage refers to energy that is generated elsewhere, such as through utilities, but is used by the company 	<ul style="list-style-type: none"> Direct energy: 8,213 MWh Indirect energy: 5,599 MWh Total energy: 13,812 MWh
Energy Intensity	Total annual energy usage per BHD 1 Million of annual revenue	<ul style="list-style-type: none"> 659 MWh / Million BHD
Energy Mix	Breakdown of energy consumption by source	<ul style="list-style-type: none"> Diesel Fuel: 60% Electricity: 40%
Water Usage	Total annual amount of water withdrawn, consumed, recycled	<ul style="list-style-type: none"> Withdrawn: 146 ML Consumed: 103 ML Discharged: 43 ML
Waste Generation	Weight of waste generated and a description of its waste disposal method	<ul style="list-style-type: none"> Waste generated: 44 ML Waste is treated and disposed of safely.
Emission Targets	Description of emission targets set, and steps taken to achieve them, including energy conservation measures	<ul style="list-style-type: none"> No target set.
Antibiotic Use	Percentage of animal production, by weight, that received medically and not medically important antibiotics by animal type	<ul style="list-style-type: none"> Antibiotic feed: 0%
Animal & Source Feeding	<ul style="list-style-type: none"> Percentage of animal feed sourced from regions with High 	Percentage of <ul style="list-style-type: none"> Animal feed from high water stress areas: 100%

KPI	DESCRIPTION	AMOUNT (1 ST JAN TO 31 ST DEC 2024)
	<p>or Extremely High Baseline Water Stress</p> <ul style="list-style-type: none"> Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change 	<ul style="list-style-type: none"> Contracts with producers in high water stress areas: 100% Will be ideating a strategy to manage climate risks on feed sourcing.
SOCIAL		
Health & Safety	Total number of injuries and fatalities occurred, lost days due to work injury and a description of occupational health and safety measures	<ul style="list-style-type: none"> Number of injuries: 4 Number of fatalities: 0 Number of lost days due to work injury: 117 days Required health and safety measures are taken.
Non-Discrimination	Description of its harassment and/or non-discrimination policy	<ul style="list-style-type: none"> Zero tolerance policy for harassment or discrimination. Zero reported cases of discrimination or harassment.
Community Investment	Scope and impact of its community investment activities, as well as amount invested in community as a percentage of company revenue	<ul style="list-style-type: none"> Supported over 39 charities before Ramadan. Partnered with Al-Ataa Charity Association to support community programs. Community investment: 0.02% of annual revenue
Human Rights	Company policy on human rights	<ul style="list-style-type: none"> Align with the United Nations International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

KPI	DESCRIPTION	AMOUNT (1 ST JAN TO 31 ST DEC 2024)
		<ul style="list-style-type: none"> Regularly conduct human rights protection training for all our employees.
Development And Training	Average hours of training employees have undertaken	<ul style="list-style-type: none"> Average training hours undertaken per employee: 21.4 hours
GOVERNANCE		
Board Composition	Composition of the Board categorised by directors type	<ul style="list-style-type: none"> Board members count: 10 Appointed directors: 3 Elected directors: 7 Non-Executive: 100% Independent: 50% Female directors: 10% Regulatory non-compliance: 0%
Whistle Blowing	Description of the mechanisms used to whistleblow (discuss and report on behaviour)	<ul style="list-style-type: none"> Open door policy for whistleblowing. Zero whistleblowing incidents.
Data Privacy	Data Privacy policy and steps to comply with Personal Data Protection Law (PDPL) rules	<ul style="list-style-type: none"> Comply with PDPL rules. Zero instances of non-compliance with PDPL.
Conflict Of Interest	Processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated	<ul style="list-style-type: none"> Conflict of Interest policy is in place and enforced. Periodic forms are obtained from the directors for any conflicts and audited by the External Auditors
Supplier Code Of Conduct	Established Supplier Code of Conduct	<ul style="list-style-type: none"> Supplier onboarding and conduct policy in place. Suppliers complying with code: 99%
Assurance	Processes by which its sustainability disclosures are assured or validated	<ul style="list-style-type: none"> No assurance performed on sustainability disclosures.

About Us

Since our establishment in 1980, Delmon Poultry Company (“Delmon”) has pursued a clear yet ambitious mission: to become pioneers in Bahrain’s poultry industry. Our vision has been to provide locally produced poultry that meets the highest standards of quality. In our pursuit towards achieving this, we have continuously tried to improve our operations to satisfy the needs of all our stakeholders without sacrificing our quality.

Our hatchery, feedmill factory, and processing plant have been equipped with high-quality machines and state-of-the-art infrastructure, and with these establishments, we have increased our production capacity to an impressive 12 million chicks per year. This achievement has helped us capture a 30% Market share of the total chicken sales in Bahrain.

Staying true to our vision, we have obtained the global certification of ISO 22000 to ensure we meet international quality standards and improve our food safety management systems. By maintaining these quality standards, we provide a continuous supply of 100% natural chicken products to the Bahrain market, contributing to its efforts to attain food security. We aspire to strengthen the national economy through our production lines while empowering local talent. This is reflected in the fact that 98% of our workforce is made up of Bahraini nationals.

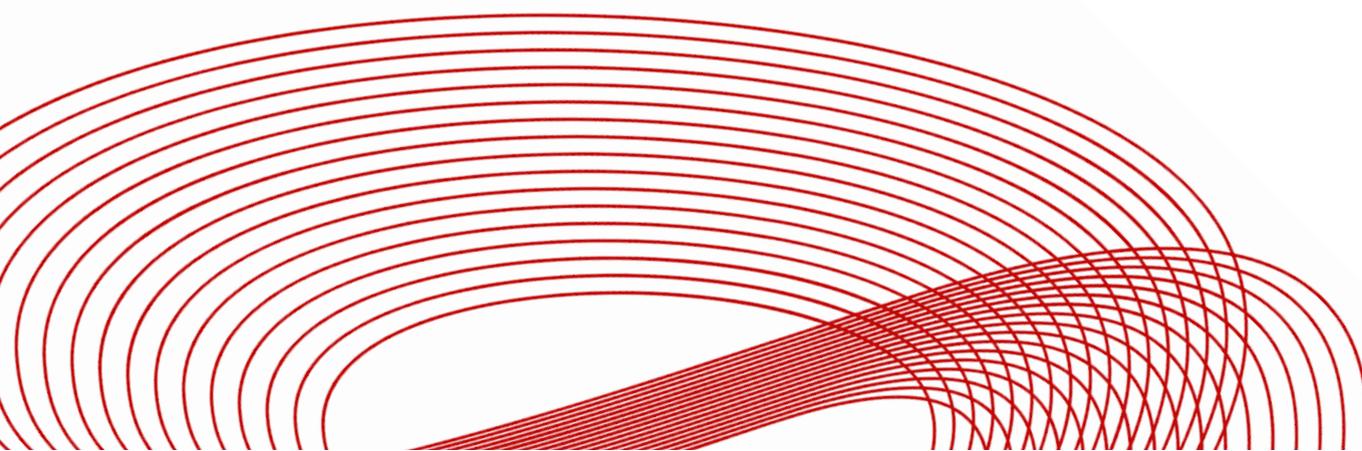
Over the last couple of years, there have been significant developments in the way sustainability and ESG are being approached globally. We, at Delmon, acknowledge this positive change and are constantly exploring new technologies and trying to elevate our performance while also integrating ESG considerations into our practices.

OUR VISION

Providing local products at highest levels of specifications, standards and quality while adhering to international norms and standards.

OUR MISSION

To be pioneers in the poultry industry by adopting the highest levels of quality standards in order to get both our customers’ satisfaction as well as our employees.



Our Operations

Delmon has been providing the Kingdom of Bahrain with 100% natural and fresh chickens for over three decades. In order to continue providing the highest quality products, we have made continuous improvements in our manufacturing processes, which now consist of three key operations, i.e., our feedmill factory, processing plant, and hatchery. These developments in our operations have helped us become a major player in Bahrain's poultry market.

Feedmill factory

In 1982, we established the feed mill factory, which supplies a range of feed suitable for a variety of birds and animals. We consistently track our production in the feed-mill factory to ensure our quality meets not only Bahrain's standards but also international standards. These feeds are available in loose and packed forms, ensuring convenience and suitability depending on customer requirements. The factory consists of two operating plants, producing up to 90,000 metric tonnes every year and producing feed for birds, cows, sheep, and zoo animals.



We introduced our first stage of modernization in 2015, which marked a critical milestone in our journey towards enhancing production efficiency. We successfully replaced two aging mills with advanced equipment by partnering with Bühler, a renowned Swiss technology company. This resulted in a substantial boost to our production capacity as it increased our output to 20 tonnes per hour.



Processing plant

Following the establishment of our feedmill factory, we created our processing plant in 1983 to help us in processing and packaging chickens in adherence to Islamic law, while meeting sanitation and quality standards. We mechanized our operations as a means to ensure consistent packaging and weighing of our products.

In 2010, we made major upgrades in our processing plant that helped us increase our production from 18,000 chickens to 27,000 chickens per day. Furthermore, to meet the growing demand for our products, we built frozen chicken warehouses and replaced our

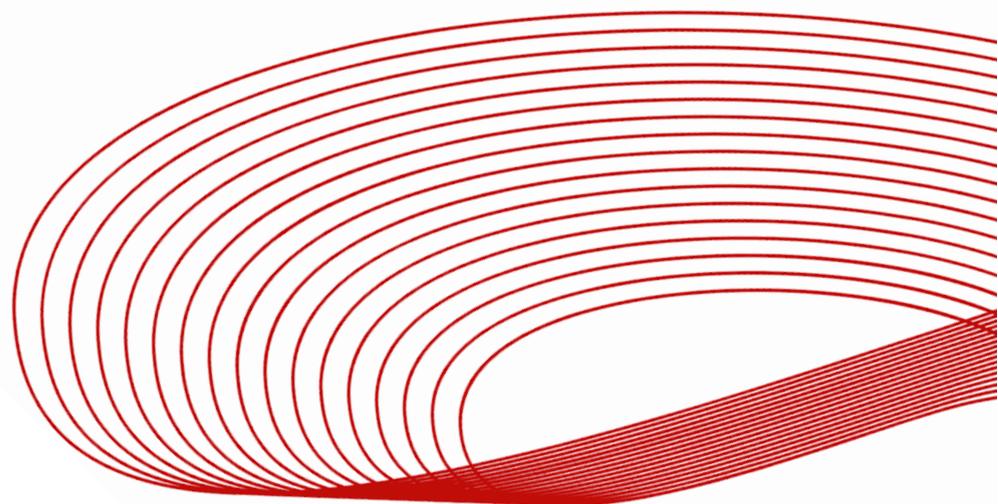
existing unit air handling system with a modern, more efficient system.

Hatchery

Our hatchery was established in 1992, helping us to further contribute to Bahrain's poultry market. The main vision behind introducing this hatchery was to develop local production of high-quality chicks that can be sold to the farmers. To maintain our competitive edge and continue providing healthy chicks to local farmers, we have completed the construction of a new hatchery with production capacity up to 12 million per year.



The enhancements that we have made in our operations are steps that we have taken to fulfill our mission to be pioneers in Bahrain's poultry industry. We will continue to optimize our processes and remain focused on catering to the best interests of all our stakeholders with a sustainable and responsible approach.



Our Products



Delmon supplies fresh, frozen, and minced chicken, also provides feed specific for different birds and animals.

We raise the chickens on a natural, grain-based diet to ensure healthy growth. These chickens, when processed, are immediately flash-frozen to preserve their freshness. This helps us provide products that are fresh and tasty with every preparation. Our frozen chicken is the ideal choice for any poultry consumer, as each chicken is hand-picked, ensuring premium quality and

exceptional taste.

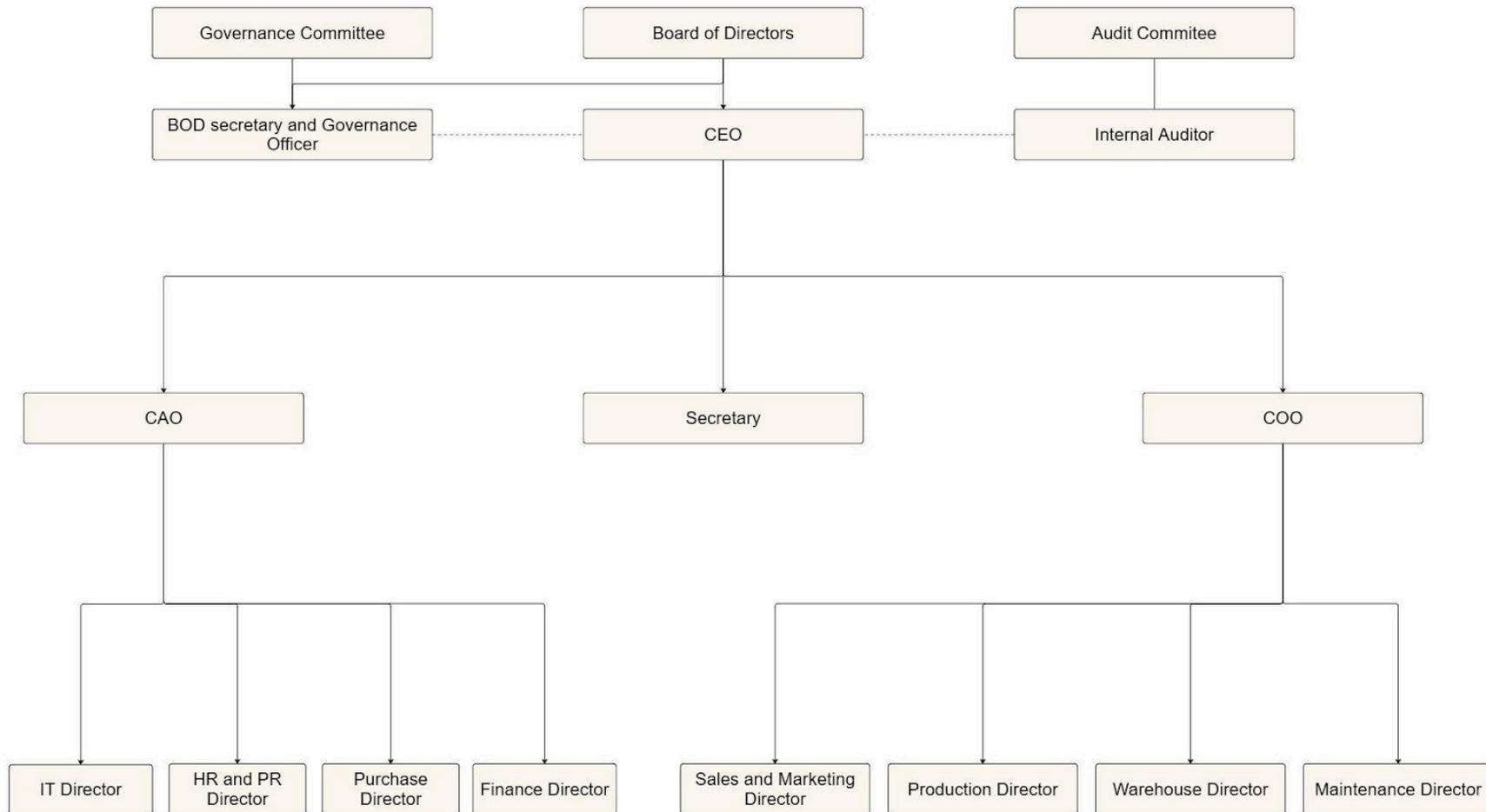
Our animal feed meets the dietary needs of various birds and animals and is specially formulated to meet the needs of each animal or bird. These are made available in both loose and packaged forms, offering convenience for different user preferences. The feed is manufactured from 100% raw vegetables.

Our feed offerings include:

- Broiler chicken feeds that are formulated to aid the healthy growth of broiler chickens, helping them reach optimal size and weight.
- Layer Chicken feeds that are formulated to help the chickens improve their health and increase egg production by providing nutrients essential for stronger eggshells.
- Balanced feeds tailored for a variety of livestock like cows, sheep, and zoo animals support overall health, growth, and productivity.

Organization structure

At Delmon, we have a well-defined chain of command that supports effective communication and decision-making, as outlined below:



Awards and Certifications

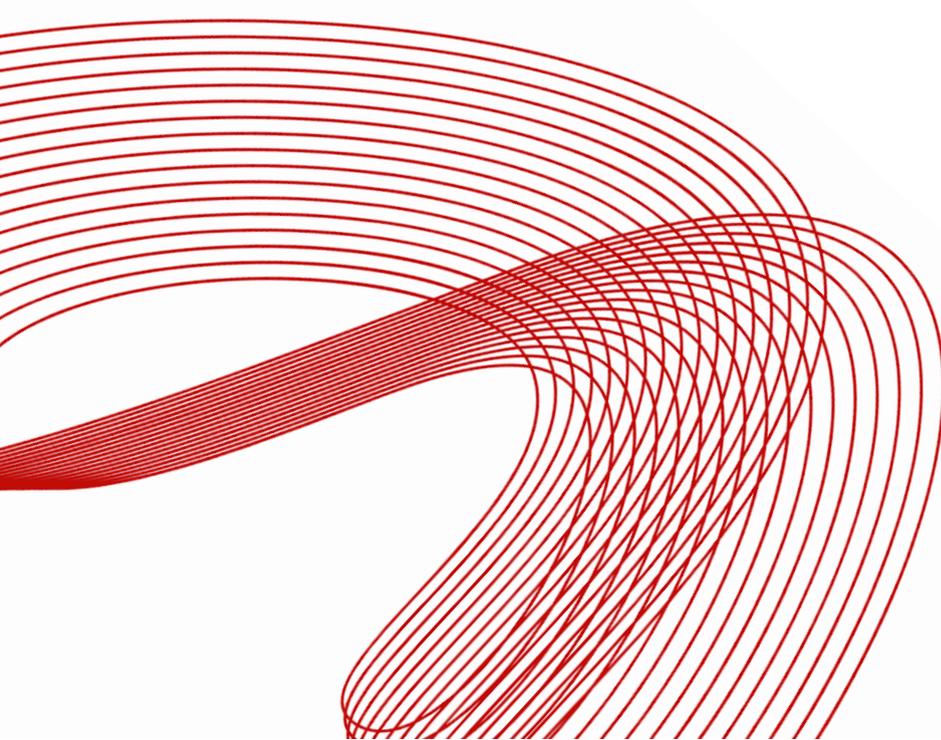


We have obtained the **ISO 22000: Food Safety Management Systems** certification as a testament to Delmon's commitment to high standards of quality in our poultry operations.

This internationally recognized standard for food safety management systems, developed by the International Organization for Standardization (ISO) provides us a framework to identify, control, and mitigate risks to food safety, ensuring that our products are safe for consumption throughout the entire supply chain, from primary production to final consumption.

The practices we employ in the processing plant have been designed such that we process the chickens in accordance with the requirements of Islamic laws. We always prepare the Halal chickens we offer in the market by following the Islamic dietary laws.

Both the ISO 22000 and Halal certifications show our steadfast commitment to food safety, quality, and ethical practices, and we hope to continue improving and expanding our efforts in these areas.



ESG at Delmon

About the report

We are pleased to present our Environmental, Social, and Governance (ESG) report for the year 2024 (1st January to 31st December 2024). The report spans across these three main sections, with each addressing the topics material to us, detailing our current practices and our aspirations for improvement in these areas.

The disclosures in this report are made in accordance with the Global Reporting Initiative (GRI) Standards, Bahrain's CBB - ESG guidelines, and industry best practices. It serves as our first formal communication to our stakeholders, where we present our operations from an ESG perspective and highlight our alignment with the ESG principles.

- **Environment:** This section of the report highlights our dedication towards environmental protection. We aim to reduce our impact on the environment and promote sustainable practices across our operations.
- **Social:** This section of the report emphasizes our commitment to our employees and the community around us. Key areas covered within this section include how we treat our employees, community engagement, and our human rights policies.
- **Governance:** This section of the report focuses on ensuring that our operations are conducted responsibly. Key areas covered in this section include our Board diversity, Personal Data Protection Law (PDPL) policy and selection of suppliers.

This report's disclosures have not undergone independent third-party assurance; but it can be considered in the future as we further develop our ESG practices.

With the launch of our inaugural ESG report, we hope to meet our stakeholder's interests and strive to continue contributing to Bahrain's development.



ESG Purpose statement

In the course of monitoring and reporting on our ESG metrics, we have recognized the growing responsibility that businesses have in considering the long-term impacts of their operations on people and the environment. Delmon embarks on this journey to contribute to a sustainable future by identifying ways to align our business strategy with global efforts.

With an aim to enhance the livelihood of our community, we have designed the existing operational model to support local family farms by sourcing our poultry from them and recruiting local talent to be a part of our workforce. We conduct supplier evaluations to ensure they align with our quality standards and the products we offer are made following the highest standards of hygiene and safety.

To reduce our energy and waste consumption, we also look forward to investing in sustainable technologies such as solar energy in the years ahead. We plan to review our primary operations, i.e., our feed mill, hatchery, and processing plant, to responsibly manage our resources, ensure ethical production, and contribute to a healthier food supply chain.

With careful consideration of our actions, our ESG purpose is to drive positive changes in the way we operate and fulfill our part in this shared responsibility to move to a sustainable future.

Reporting boundaries

In an Environmental, Social, and Governance (ESG) report, it is crucial to define the reporting boundaries to ensure that stakeholders understand the scope and limits of the data and information being presented.

In this report, the boundaries encompass activities and operations within our factories and hatcheries only. This includes all processes related to egg incubation, hatching, and initial chick care, as well as production activities such as feed production, packaging, and waste management at our factory sites.

The reporting boundaries do not include activities beyond the hatcheries, such as the growth and rearing of chickens on farms. Specifically, this means that farms where the chickens are raised for further development or meat production are outside of the scope of this report. Any data related to these farm operations is therefore excluded.

ESG Committee

As we embark on our journey towards greater sustainability and accountability, we have established a cross-functional ESG committee. This committee consists of representatives from different levels and departments who help streamline our activities with the corporate ESG goals and ensure that these goals are integrated into our operations and decision-making processes.

To achieve our desired outcomes, we have structured our ESG committee into two tiers of oversight: the Steering Committee and the Working Group.

Steering committee

The Steering Committee is composed of members in key leadership roles. Their responsibilities include leading ESG initiatives, overseeing the activities of the working group and ensuring that Delmon's efforts align with its long-term vision and industry best practices, among others. The committee also reports ESG-related matters to the Board of Directors, highlighting any issues or developments that require their particular attention for informed decision-making.

Working group

Management-level employees constitute the Working Group, who ensure that sustainability initiatives are integrated into the company's overall strategy and operations. The working group meets regularly to track progress, troubleshoot issues, and support the ongoing implementation of ESG initiatives.

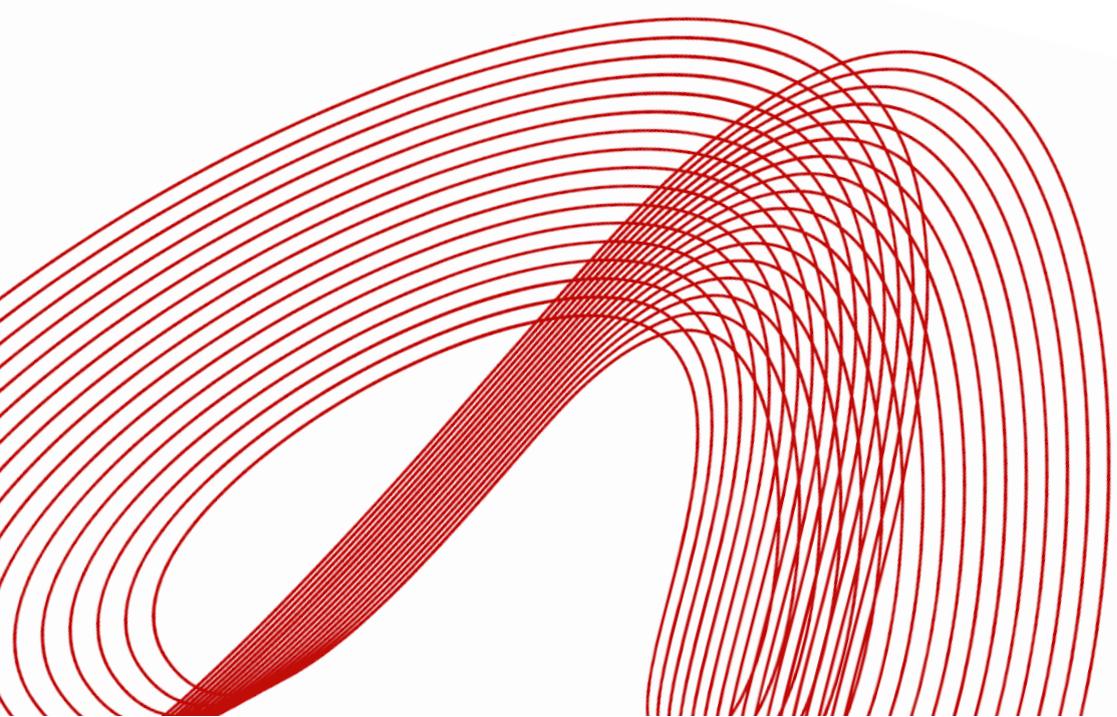
Stakeholder Engagement

We, at Delmon, have a wide range of channels to engage with our internal and external stakeholders who are key to our ESG initiative. The feedback and suggestions we receive from them are valuable insights that help guide our decision-making and improve our overall operations. We bear their interests in mind and constantly seek to update and engage with them through open communication and transparent reporting.

Stakeholder Group	Stakeholder Interests	Methods of Engagement
INTERNAL STAKEHOLDERS		
Board of Directors	<ul style="list-style-type: none"> Ensuring the company meets its regulatory and ESG responsibilities Strong financial performance and long-term strategic planning Transparent reporting and accountability Sustainable growth and market competitiveness 	<ul style="list-style-type: none"> Financial reports Management review meetings Performance reports Open communication channels
Senior management	<ul style="list-style-type: none"> Meeting performance targets and operational efficiency goals Strong alignment with company's strategic objectives Efficient decision-making and resource allocation Ensuring compliance with ESG initiatives and risk management 	<ul style="list-style-type: none"> Team meetings Open communication channels Performance reviews
ESG committee <ul style="list-style-type: none"> Steering committee Working group 	<ul style="list-style-type: none"> Establish and manage Delmon's ESG strategy and goals Ensure adherence to relevant standards and best practices in ESG Monitor and report on ESG performance and progress Identify and manage ESG-related risks 	<ul style="list-style-type: none"> Committee meetings Updates and reports on ESG targets, initiatives and goals Internal communications Training and workshops
Employees	<ul style="list-style-type: none"> Fair wages and benefits Safe and healthy working conditions Opportunities for career 	<ul style="list-style-type: none"> Internal meetings Workshops and training sessions Tamkeen's career

Stakeholder Group	Stakeholder Interests	Methods of Engagement
	<ul style="list-style-type: none"> growth and skill development 	<ul style="list-style-type: none"> progression support Trade unions
EXTERNAL STAKEHOLDERS		
Government entities <ul style="list-style-type: none"> Central Bank of Bahrain (CBB) Ministry of Municipalities affairs and Agriculture Ministry of Health Ministry of Commerce 	<ul style="list-style-type: none"> Compliance with food safety and animal welfare regulations Adherence to environmental standards and sustainability practices Transparent financial reporting practices 	<ul style="list-style-type: none"> Annual financial reports ESG report (starting 2024) Regular communications with ministries
Shareholders	<ul style="list-style-type: none"> Sustainability of operations Long-term financial performance 	<ul style="list-style-type: none"> Annual General Meeting (AGM) Investor Relations (IR) programs Annual financial reports ESG report (starting 2025)
Community	<ul style="list-style-type: none"> Employment opportunities to the local workforce Minimizing environmental impact (waste management, pollution control etc) Engagement in community welfare and corporate social responsibility initiatives. Contribution to local food security and public health improvements 	<ul style="list-style-type: none"> Prioritizing opportunities for the local Bahraini workforce in the employment process Charitable donations CSR initiatives Volunteering activities Sourcing from local businesses
Local farms	<ul style="list-style-type: none"> Access to healthy one-day-old chicks and quality feed Fair and timely compensation Access to technical support and training on best practices 	<ul style="list-style-type: none"> Provide chicks and quality feed to raise them Provide training and guidance to promote effective practices Buy the product from the associated

Stakeholder Group	Stakeholder Interests	Methods of Engagement
	<ul style="list-style-type: none"> ● Regular communication and long-term business relationships 	<p>local family farms</p>
Suppliers	<ul style="list-style-type: none"> ● Environmentally responsible organization ● Long-term contracts and stable business relationships ● Timely payments and fair pricing ● Regular and clear communication and updates 	<ul style="list-style-type: none"> ● Supplier code of conduct ● Supplier meetings and events ● Supplier selection and evaluation
Customers	<ul style="list-style-type: none"> ● High-quality, safe, and fresh products ● Affordable pricing and consistent supply ● Ethical business practices and animal welfare standards ● No instances of health and safety hazards 	<ul style="list-style-type: none"> ● Website ● Email ● Mobile app ● Customer grievance mechanism

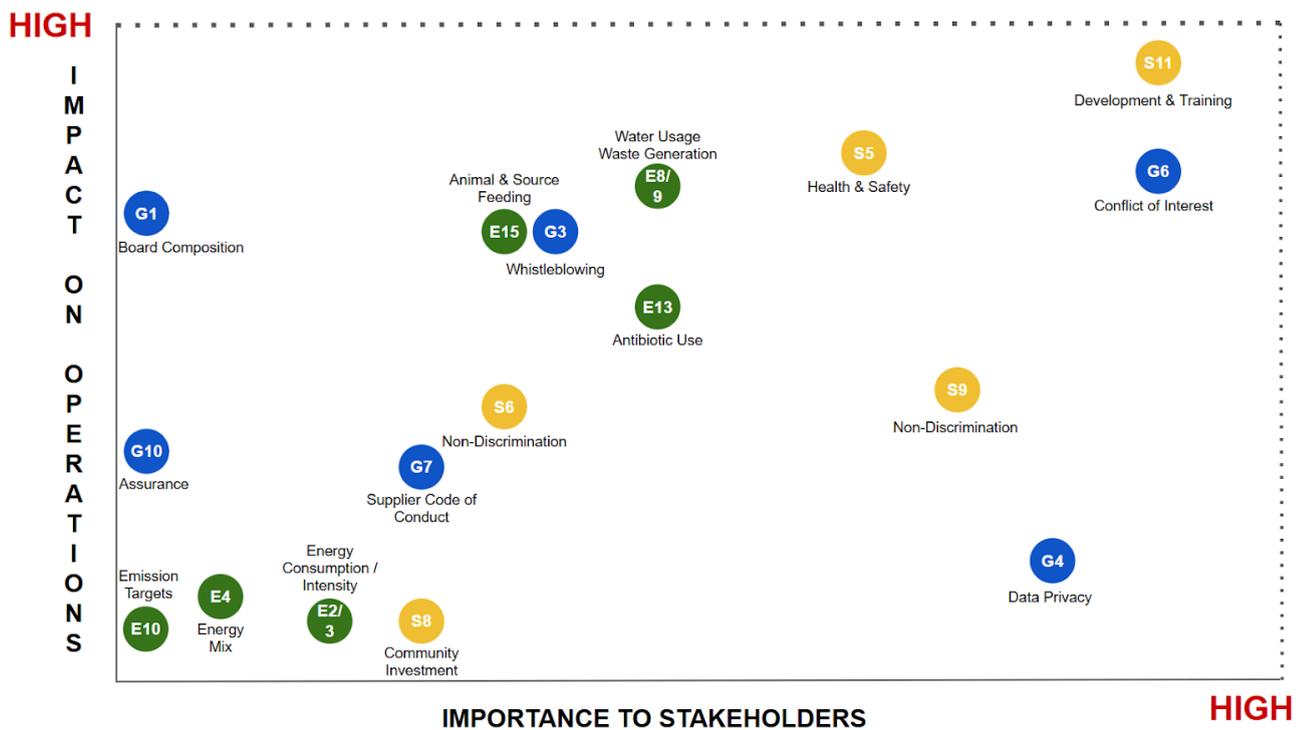


Materiality Assessment

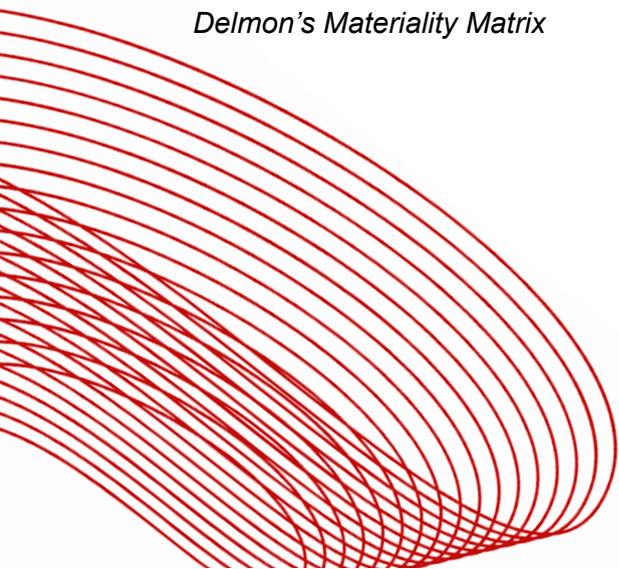
A materiality assessment was performed to identify and prioritize ESG issues that are relevant to Delmon. We evaluated ESG areas based on their potential impact on our operations and how our operations, in turn, might impact the economy, society, and the environment. These areas also influence the assessments and decisions of our stakeholders.

The stakeholder surveys we conducted in 2024 helped us gather input about the ESG issues pertinent to Delmon’s operations and identify a range of material issues on which we could base our ESG targets and goals. The assessment included evaluating 37 key performance indicators (KPIs) from the GRI and SASB standards that relate to the ESG aspects of our operations. The methodology we adopted for our assessment was in line with the Central Bank of Bahrain's issued ESG guidelines for 2024.

By plotting the ESG issues on the materiality matrix, we identified and prioritized 18 material ESG issues and their KPIs, to report on.



Delmon’s Materiality Matrix



The following material items have been identified based on the results of the survey.

Code	Material Topics	Relevant GRI standards
E2	Energy Consumption	GRI 302: Energy 2016
E3	Energy Intensity	GRI 302-3: Energy Intensity
E4	Energy Mix	GRI 302-1: Energy Consumption within the Organization
E8	Water Usage	GRI 303: Water and Effluents 2018
E9	Waste Generation	GRI 306: Waste 2020
E10	Emission Targets	GRI 305: Emissions 2016
E13	Antibiotic Use	GRI 416: Customer Health and Safety 2016
E15	Animal & Source Feeding	GRI 308: Supplier Environmental Assessment 2016
S5	Health & Safety	GRI 403: Occupational Health and Safety 2018
S6	Non- Discrimination	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-Discrimination 2016
S8	Community Investment	GRI 413: Local Communities 2016
S9	Human Rights	GRI 412: Human Rights Assessment 2016
S11	Development And Training	GRI 404: Training and Education 2016
G1	Board Composition	GRI 102-22: Composition of the Highest Governance Body and its Committees
G3	Whistle Blowing	GRI 102-17: Mechanisms for Advice and Concerns about Ethics GRI 205: Anti-corruption 2016
G4	Data Privacy	GRI 418: Customer Privacy 2016
G6	Conflict Of Interest	GRI 102-25: Conflicts of Interest
G7	Supplier Code Of Conduct	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016
G10	Assurance	GRI 102: General Disclosures

With a comprehensive approach that includes strategic integration, regular monitoring, and targeted stakeholder engagement, we will effectively manage the identified material areas and address key ESG concerns to ensure consistent progress toward our sustainability goals.

Alignment to UNSDGs

As a means to support the United Nations Sustainable Development Goals (UN SDGs), we have designed our sustainability strategy in a way that aligns our business operations with practices that support these goals. Our current operations align with the SDG targets mentioned in this report and we look forward to aligning with more in the coming years.

2 ZERO HUNGER



Targets: 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists, and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment.

Alignment with Targets: We support more than 30 local Bahraini farmers by providing them chicks to raise. We also provide adequate training and inputs to nurture them and once the chicks become fully grown chickens, we buy them back from the farmers.

6 CLEAN WATER AND SANITATION



Targets: 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Alignment with Targets: We ensure that the wastewater from our operations is treated before its discharge and repurpose our solid waste to by-products like protein pellets for fish feed.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



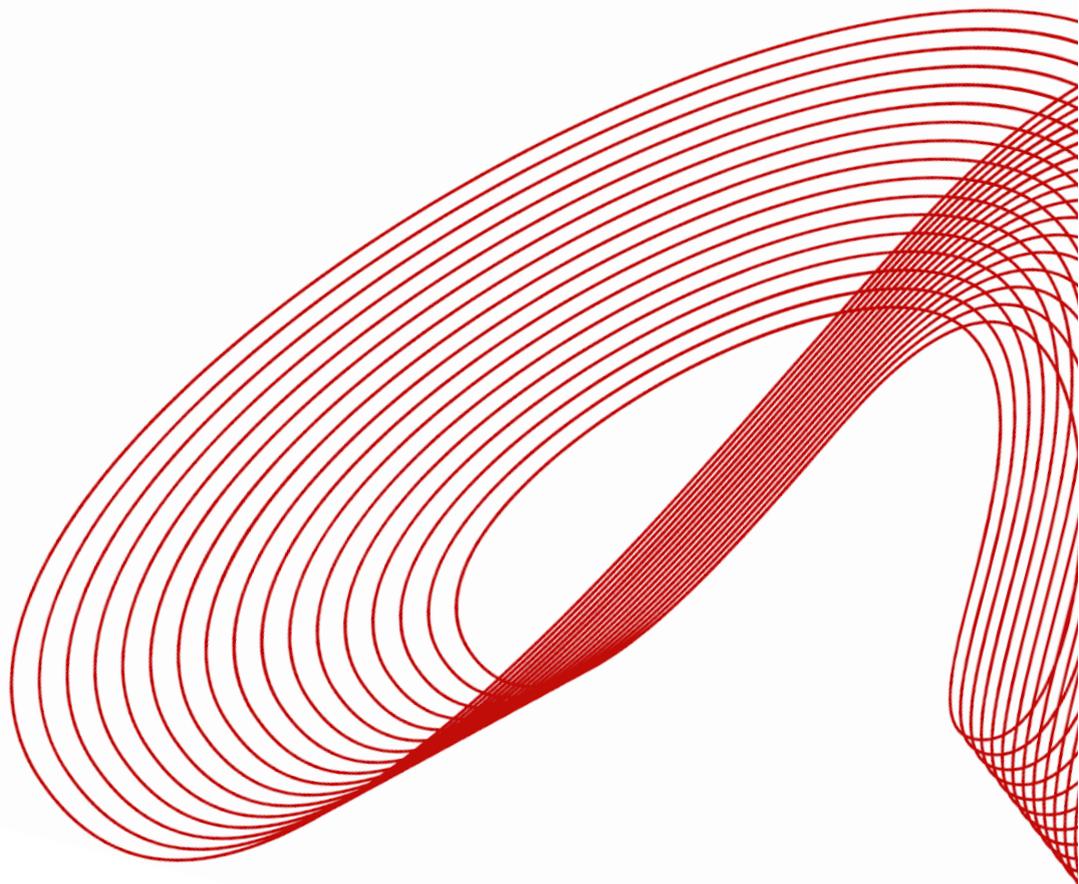
Targets: 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Alignment with Targets: We convert the residues from poultry processing to feed additives, thereby reducing our waste generation.

Alignment to COP26 Bahrain Goals

We are working to align our operations with the Kingdom's vision of attaining carbon neutrality by 2060. The nation has established a set of interim targets to be achieved by 2035, which includes implementing carbon removal solutions by quadrupling mangrove coverages, doubling tree coverages, and doubling the deployment of renewables from the targets set at COP21.

As a generator of wastewater, we currently treat it before discharge and we intend to repurpose this from our operations to support tree planting initiatives. We have also planned to invest in increasing the use of renewable energy sources, such as solar energy, in Delmon to further reduce our carbon footprint.





ENVIRONMENT

Towards a sustainable future, with
Delmon!

Environmental KPIs

The health of our environment is a shared commitment that requires collective action. Bearing this in mind, we, at Delmon, recognize that conserving the planet's natural resources is essential and that the impact of our operations on the natural environment should be minimal. Going forward, we are eager to integrate sustainability principles into our business practices and work well with the environment.

We consider it our duty to monitor greenhouse gas emissions and any environmental impacts from our operations. We monitor our GreenHouse Gas ("GHG") emissions from tools provided by environmental organizations like the Environmental Protection Agency ("EPA") and the United Nations Framework Convention on Climate Change ("UNFCCC"). Additionally, we included an environmental tool with relevant databases and references to gather and monitor environmental data in our reporting.

We believe in a sustainable future, as signified in our motto, "Towards a sustainable future, with Delmon!". Our stance on the material topics identified, i.e., energy, water, waste and community well-being, has been disclosed in this section and will be an integral element in our ESG strategy that we shall design in the upcoming years. We also took the initiative to disclose our emissions as a commitment to provide our stakeholders with a transparent picture of our carbon footprint.

Energy consumption

We use energy in our poultry operations in the form of heating, lighting, cooling, and ventilation, all of which contribute to the environmental impact of the business. At the moment, we mainly use energy through the following means:

Electricity Consumption

We source electricity for all three of our premises, i.e., the hatchery, feedmill factory, and processing plant, from the Electricity and Water Authority (EWA). With the help of our environmental tool, we track our electricity consumption and obtain estimates of the amount of energy we use. Our primary electricity consumption is attributable to lighting and cooling, which is important to keep our chickens healthy and well.

Diesel Consumption

Diesel is mostly used in two specific areas: our fleet of vehicles and our operational boilers. We track our diesel consumption by recording vehicle mileage to obtain their consumption figures. Since, our diesel is sourced from BAPCO (Bahrain Petroleum Company) and third-party sellers additionally, we are provided details of the amount of diesel we use and extract. To be in line with our environmental goals, we are constantly looking into other energy sources to cut down on the carbon emissions that come from diesel consumption.

Refrigeration and HVAC systems

We prioritize ventilation and cooling systems to maintain the best conditions for our chickens. We closely monitor the performance of our cooling assets, such as our HVAC and freezer systems, to make sure they work at their best and track the refrigerant gas injections into our systems. In the years 2020 and 2021, we constructed freezer storage units and an air chiller unit, respectively.

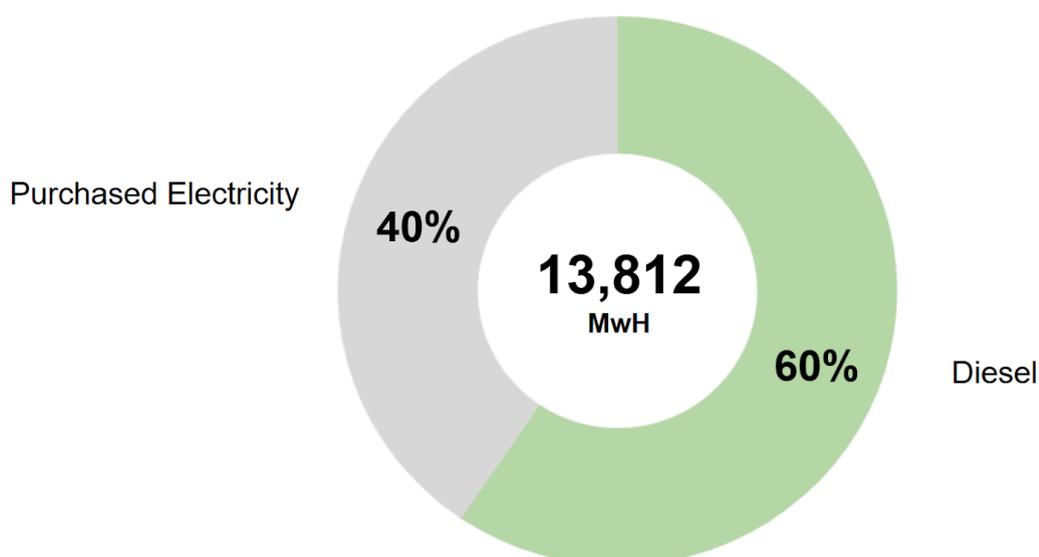
Refrigeration systems are a critical part of our operations and we frequently monitor and update them. We plan to switch from using traditional refrigerants, like R-22, to more environmentally friendly alternatives, such as R-454B. Additionally, we will incorporate the EPA's rules about HVAC refrigerants and closely monitor our gas usage. The revamp of our refrigeration system will be a part of our business strategy and in line with our ESG policy. Statistics on our energy consumption, in accordance with GRI-302, during the Reporting Period are summarized as follows:

Delmon's energy consumption for 2024

Energy Source	Type	Total
Purchased Electricity	Indirect	5,599 MWh
Diesel	Direct	8,213 MWh
TOTAL ENERGY CONSUMPTION (in MWh)		13,812 MWh

Energy intensity & Energy mix

At present, all of Delmon's energy is sourced from non-renewable energy sources. A breakdown of our energy consumption source wise is given in the chart below:

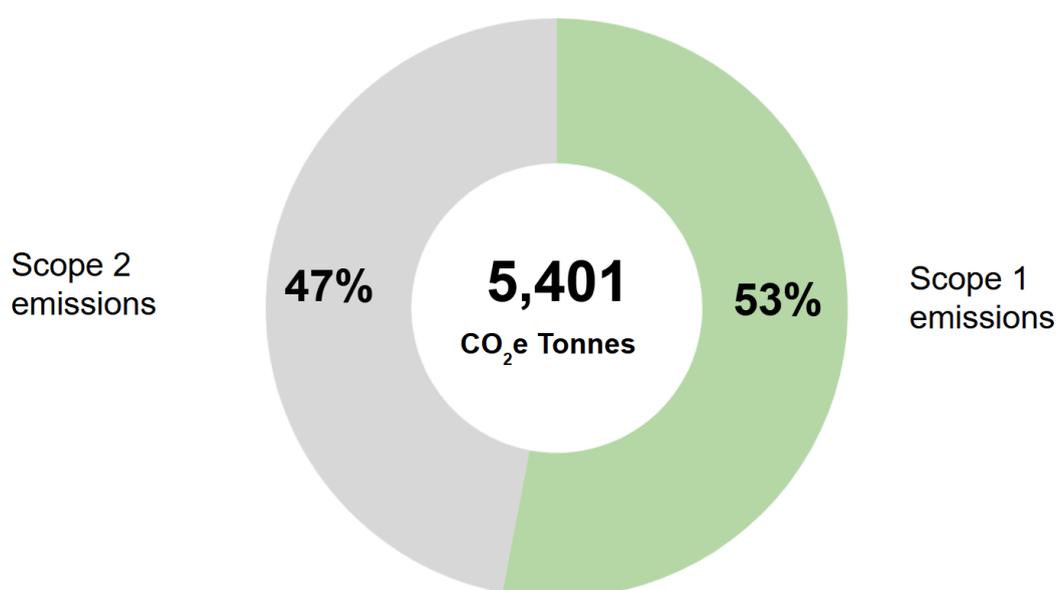


DPC utilised 659 MWh of energy per million BHD of revenue it generated in 2024.

GHG emissions

Emissions and the global warming phenomenon are increasingly affecting the planet with each passing day. The rising temperatures and the changing weather patterns have proven to affect poultry health, productivity, and feed availability.

While ‘emissions’ were not identified as a material topic in our materiality assessment, we are keen on decarbonizing our operations and emerging as a leader in sustainable poultry production. Delmon’s steering committee will evaluate Delmon’s emissions in the coming years to set a target for reducing these emissions, aligning it with Bahrain’s target of 35% reduction by 2030 and net zero emissions by 2060.



Delmon’s GHG emissions for 2024

Category	Emission source category	Total (in Tonnes CO ₂ equivalent)
Scope 1	Fuels	1,954
	Refrigerants	903
Total Scope 1 Emissions		2,857
Scope 2	Electricity	2,544
Total Scope 2 Emissions		2,544
TOTAL EMISSIONS		5,401

The table showcases our carbon footprint and provides an overview of our Scope 1 and Scope 2 emissions.

Scope 1 emissions: These are direct GHG emissions that occur from sources that are controlled or owned by Delmon.

- Stationary combustion: This includes emissions that come from the combustion of fossil fuels, like a boiler that heats a building. Other fuels that may be included in these activities include natural gas, liquified petroleum gas, oil and propane.
- Mobile Sources: Mobile combustion covers emissions released from all vehicles owned or controlled by a firm (e.g. cars, vans, trucks). However, only vehicles running on fossil fuels (gas or diesel) fall under Scope 1.

Scope 2 emissions: These are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

For computing GHG emissions for 2024, we have kept Scope-3 emissions out of scope. We are currently looking into better understanding the activities defined within our Scope- 3 emissions, and the approach we can use to better engage with and access representative data within our supply chain.

Waste management

Delmons waste disclosure as per GRI-306

Particulars	Total
Dumping (Non-hazardous)	44 ML

A part of the poultry industry - a significant producer of waste, DPC is invested in reducing its effects on the environment and making the world a cleaner place. At present, all of DPC's waste is non-hazardous.

Treatment of Wastewater

We treat the wastewater that our operations produce and then transport it to one of the Supreme Council for Environment (SCE) approved facilities using vacuum tankers.

At present, a substantial portion of Delmon's waste is liquid, and through a partnership with a local Bahraini company, we treat the waste prior to disposal. High-pressure jetting trucks are used to remove and treat the wastewater.

We primarily deal with two types of liquid wastes: liquid waste from poultry and wastewater.

Breakdown of liquid waste produced by DPC in 2024

Waste Type	TOTAL
Liquid waste from poultry	1 ML
Wastewater	43 ML
Total Liquid waste	44 ML

Solid Waste Conversion

We repurpose a significant portion of our operational solid waste by processing it into protein pellets. In FY 2024, Delmon successfully turned 924 metric tonnes of solid waste into protein pellets.

Similar to the strategy we employ in wastewater disposal, we are dedicated to adopting environmentally friendly practices in disposing of the solid wastes, such as the manure and operational by-products, in a manner that ensures the well-being of the communities around us.

Water management

The poultry industry is among the largest users of water. As a major poultry producer in Bahrain, we aim to reduce water wastage and promote effective water management practices.

Our water supply method is meant to make sure that our processes run smoothly while also taking into account the unique problems that come with being in an industrial area. More than 90% of our water comes from the Electricity and Water Authority (EWA) of Bahrain. We also obtain sweet water from a private Reverse Osmosis (RO) supplier to meet our needs.

In the coming years, as part of our ESG strategy, we are dedicated to having key water conservation practices, such as sustainable scalding machines.

Delmon’s water consumption for 2024

WATER USAGE			
GRI Disclosure 303 - 3 : Water Withdrawal			
Source	Freshwater	Other water	Total
Third-party water (EWA, Municipal Corporation)	146 ML	-	146 ML
Total water withdrawal			146 ML
GRI Disclosure 303 - 4 : Water Discharged			

Destination	Freshwater	Other water	Total
Third-party water	-	43 ML	43 ML
Total water discharged			43 ML
GRI DISCLOSURE 303 - 5 : WATER CONSUMPTION			103 ML

Animal welfare

Feed for our poultry

We care about our customers' health as much as we care about the health of our chickens. Accordingly, Delmon does not currently use any antibiotic feed additives in its practices.

As we stay dedicated to offering high quality feed, we carefully select and mix the ingredients we use to make them and ensure that our chicks get the nutritional intake possible at all stages: feeder, grower, layer, and finisher. Their diets are well-balanced in protein, amino acids, and vitamins. This way, we make sure that our actions are good for the health of our animals, the environment, and the people we serve. All of our animal feed is sourced from producers in high water stress areas. Going forward, we will be ideating a strategy to manage climate risks on feed sourcing.

Integrity in nutrition

Nutrient Density for Digestibility: Our feed, with a high dry matter concentration, is nutritionally dense, making it easier for birds to digest and absorb nutrients, supporting healthy growth and efficient development. This contributes to their overall welfare by reducing stress on their digestive systems.

Protein-Powered Nutrition: We ensure that our feed is formulated with a high protein level, essential for muscle building and overall health. The balance of metabolizable energy (ME) and crude protein optimizes nutrient conversion, while the inclusion of essential amino acids like methionine and lysine supports optimal growth and efficiency.

Fiber and Healthy Fats for Gut Health: Our feed contains 3% crude fat, providing key fatty acids for energy and overall health. The 3% fiber content helps improve gut health, ensuring that birds efficiently absorb nutrients for better welfare and performance.

Micronutrient Enrichment: The feed is fortified with a comprehensive range of vitamins and minerals, such as Vitamin A (11,000 IU/kg) for immune support, Vitamin D3 (5,000 IU/kg) for calcium absorption and bone health, and essential minerals like zinc, iron, and selenium for metabolic processes and overall health.

These points highlight our commitment to animal welfare by offering a balanced, nutritious diet that contributes to the birds' health, comfort, and optimal growth.



SOCIAL

Empowering communities with Delmon!

Social KPIs

A principle that resonates throughout organizations is that ‘our people are our greatest assets’, and we firmly uphold this belief at Delmon. Our employees are key to fulfilling our vision of becoming pioneers in the poultry industry.

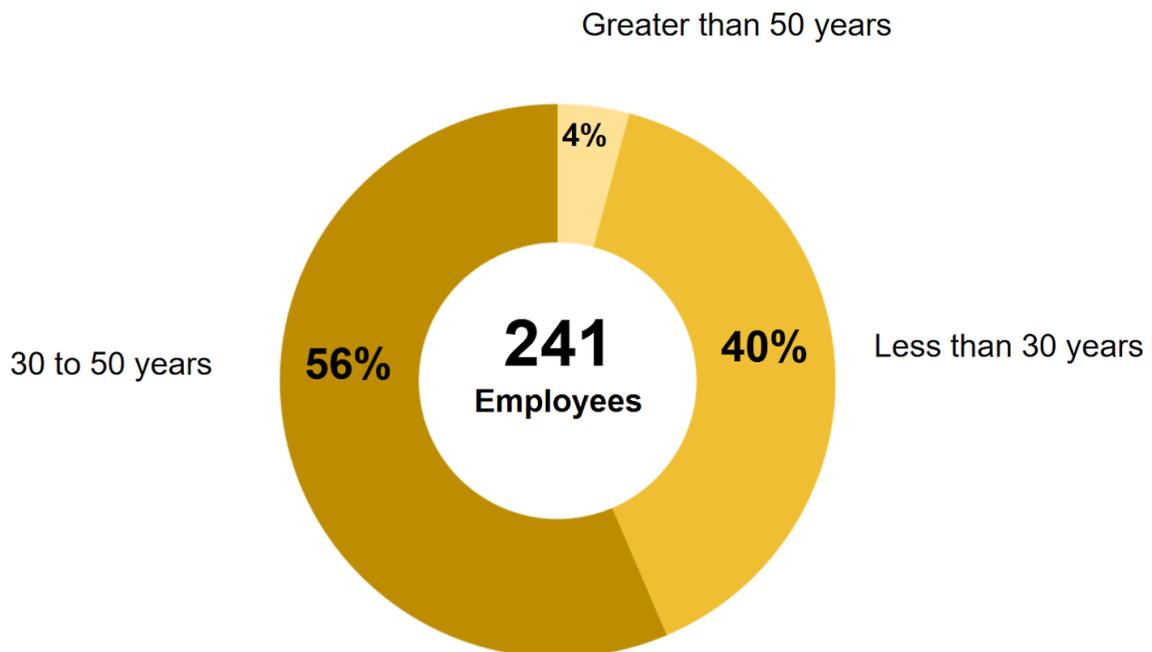
To attract, engage, and retain the best talent, we continuously invest in our employees through training sessions and foster a workplace culture that promotes safety and drives innovation. We have been continuously trying to improve our business practices by means of building strong relationships with our local farmers, providing products of the highest quality to our consumers, and ensuring the safety and development of our employees.

This section highlights the initiatives that have been taken by Delmon in key areas such as health & safety, community investment, and employee development under the ‘Social’ aspect of our operations.

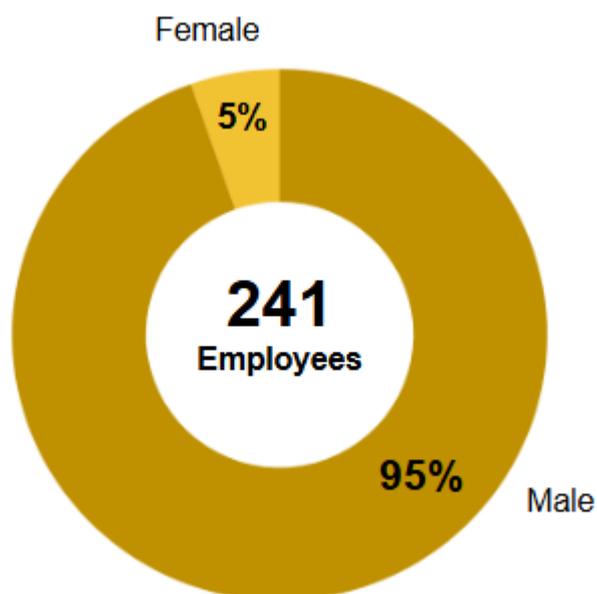
Employee composition

Currently, we have 241 dedicated full-time employees working with us. We have a diverse and skilled labor pool consisting of individuals of different age groups and genders. Given the nature of our poultry operations, our workforce consists of 94.6% male and 5.4% female employees.

The below pie chart shows how the employees are bucketed into categories based on their age:



The below pie chart shows how the employees are bucketed into categories based on their gender:



Community investment

At Delmon, we believe it is important to give back to our community. With the help of our employees, our modernized operations, and other resources, we strive to create a positive social impact in our communities.

Through our philanthropic endeavors, we focus on supporting charities that address critical needs such as education, healthcare, and food security. As per our custom, we financially support charities every year before the holy month of Ramadan, and this year we were able to support over 39 charities across the Kingdom. Alongside that, we have partnered with **Al-Ataa Charity Association**, with the aim of supporting purposeful community programs.

In 2024, we donated BHD 4,400 which is approximately 0.019% of Revenue to charity.

Community Development Projects

As a means of promoting local farmers, we have taken significant steps through our 'Local Farmer Support Program', a community development initiative aimed at supporting Bahrain's agricultural sector. Under this program, we partner with 20 local farms, providing them with chicks and feed at minimal cost throughout the breeding period. Additionally, we purchase the majority of the produce from these farms, ensuring a stable and sustainable income for local farmers.



We have introduced the 'Distinguished Breeder Award' as a way to promote Bahrain's agriculture industry. This initiative is designed to periodically evaluate breeders, with assessments occurring every six months. The assessments are based on a comprehensive set of criteria that aim to elevate the quality of poultry production. During our celebrations in May of this year, the **National Company** was chosen to be honored with the Distinguished Breeder Award.

Employee Volunteerism

We organized a collaborative beach cleanup campaign in coordination with the Northern Governorate Municipality. This initiative, focusing on Damistan Beach, saw the active participation of our employees from different departments and divisions within Delmon.

Support to Education Sector

We are dedicated to advancing the education sector by providing opportunities for experiential learning and career advancement. Our commitment to empowering future generations is demonstrated through our comprehensive support programs:

On-the-Job Training: By partnering with secondary schools, Delmon offers students the opportunity to participate in our "Takween" program, which provides them with real-world experience and training.

University Graduation Program Support: We assist university students in fulfilling their graduation requirements by providing them valuable industry exposure and practical experience.

Supporting education is vital as it equips individuals with the skills and knowledge necessary for personal and professional growth and helps contribute to a wider social and economic development. Our initiatives are made to ensure that students have a pathway for successful transition from academic learning to professional success.

Human Rights

At Delmon, we respect the rights of all human beings as set out in the United Nations International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. As such, we have **zero** tolerance for hate, discrimination or any other form of hostility in our organization and we regularly conduct human rights protection training for all our employees.

In 2024, we had **zero reported cases** of discrimination or harassment based on the audits conducted.

Child & Forced Labour

We conduct pre-onboarding checks to ensure that all our employees are of age, as we strictly prohibit employing individuals below the age of 18. In case of any violation against this principle, we deal with it in accordance with relevant laws and regulations.

Health & Safety

Delmon's Health & Safety department is headed by our Industrial Safety Officer, who constantly oversees the production process and ensures that all workers are equipped with appropriate protective gear. He also develops plans to mitigate any potential health risks and conducts annual awareness programs for employees.

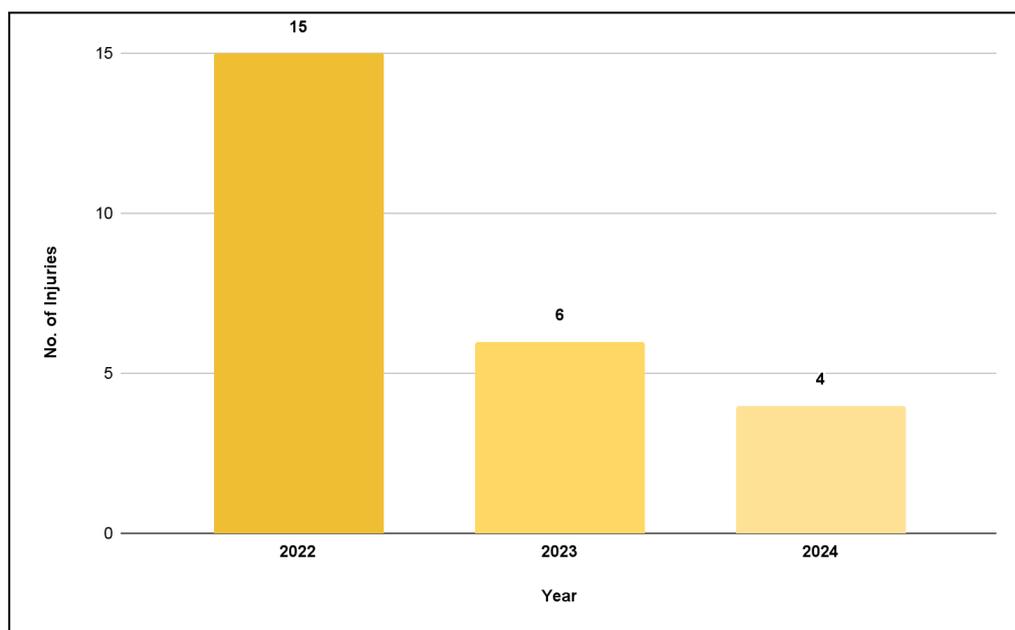


As a tool to effectively communicate our health and safety procedures, we consistently issue brochures, display bulletin posts across our product sites, and provide our health and safety manual in both Arabic and English. We conduct annual health and safety training to support our continuous operational improvements. We have also implemented the internationally recognized Food Safety Management standard (ISO 22000) as a means of prioritizing our employees' safety while preparing quality products. Our first aid kits can be found across the operation sites, ensuring easy access in case of any injury. With these measures, we are able to keep our employees up to date with the safety standards and appropriate first-aid methods and thereby reduce the number of injuries on site.

Total Injuries and Fatalities Over the Past Three Years

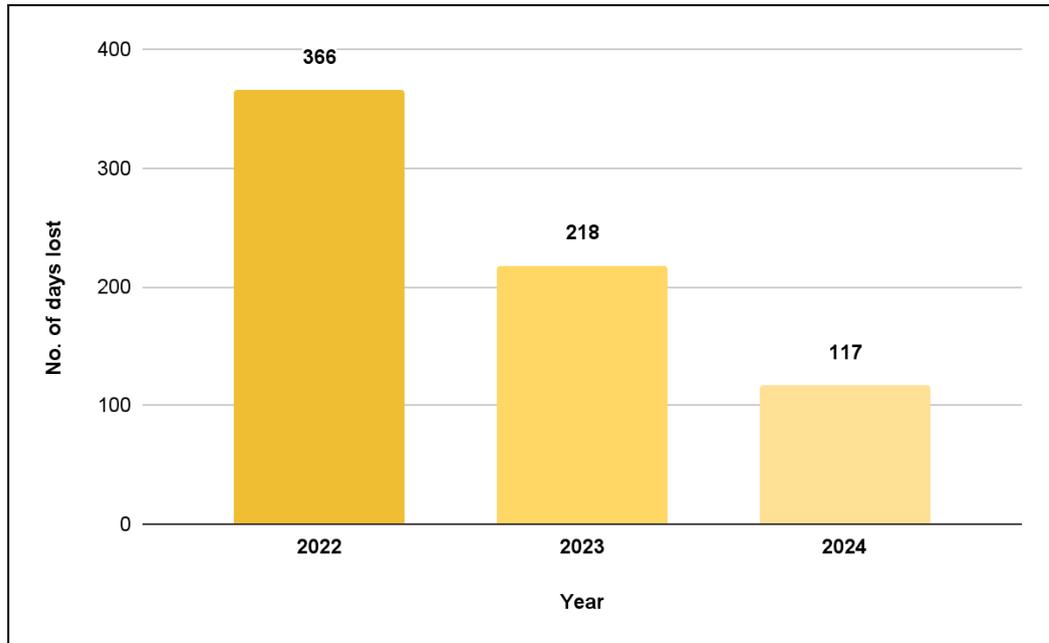
Occupational safety is a major priority for us. Before our employees start participating in the production process, we make sure that they have received their company-mandated safety training. This introductory program covers topics such as fire hazards, first aid, and methods to prevent occupational diseases and teaches the employees the appropriate ways to use Personal Protective Equipment.

Given below are the total number of injuries and fatalities reported across the company in the past three years, including the reporting year:



Lost Days Due to Work-Related Injuries (2022–2024):

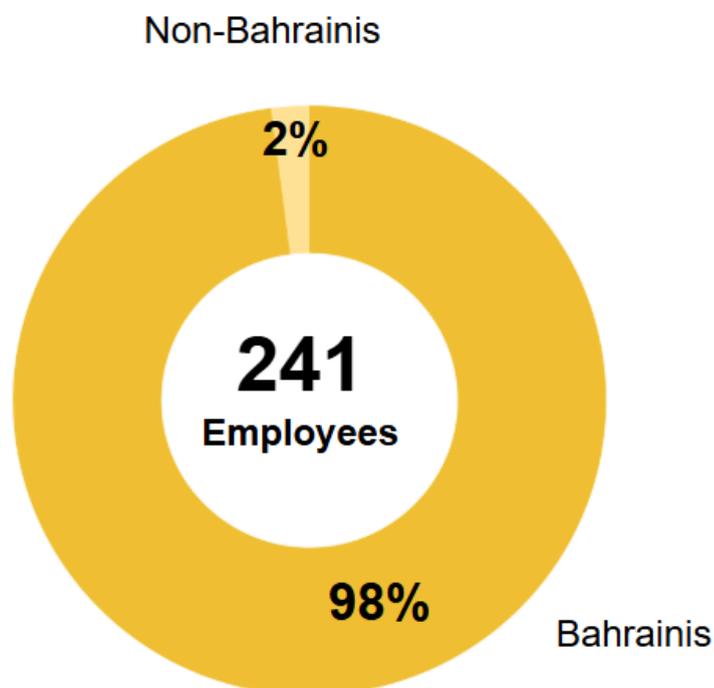
In the past three years we have been able to considerably reduce our total man days lost due to work-related injuries. This is because of proactive safety measures and rigorous health & safety protocols that were implemented.



Nationalization

Nationalization is one of the pillars towards fostering economic development in the Kingdom of Bahrain. Recognizing this, we have created an HR policy that places Bahraini citizens as a priority in our hiring process. We explore alternative Arab nations for potential employees only when we are unable to find a suitable Bahraini employee.

Nationalization is not just a regulatory compliance but a practice that has been embedded into our operations. It is a testament to our commitment towards our core value of “Strengthening the national economy through our production lines while empowering local manpower”.



Training and development

At Delmon, we actively focus on the continuous development of our employees by periodically offering them training programs. By investing in our people, we aim to increase productivity and employee satisfaction, all the while increasing our standards across our operations.



In 2024, we trained our employees in safety, soft skills, managerial courses, specialist courses, and technical courses, meeting both personal and professional growth. Eligible employees had the opportunity to select training courses that not only aligned with their personal interests but also supported our career succession planning strategy.

As a part of our broader efforts to encourage a healthy lifestyle among employees, we organized an awareness session, led by physiotherapist **Fatima Al Rabie**, in collaboration with **Dr. Bashar Al Sayed Orthopedic Clinic**. The lecture emphasized the importance of maintaining proper posture, particularly when lifting heavy objects, as a means to prevent injury and improve overall physical well-being.

Rewards, Benefits and Well-being

We are committed to offering our employees a safe work environment and a comprehensive benefits package. At Delmon, we cover 100% medical insurance for all our employees.



GOVERNANCE

Integrity, Accountability, and Sustainable
Growth

Governance KPIs

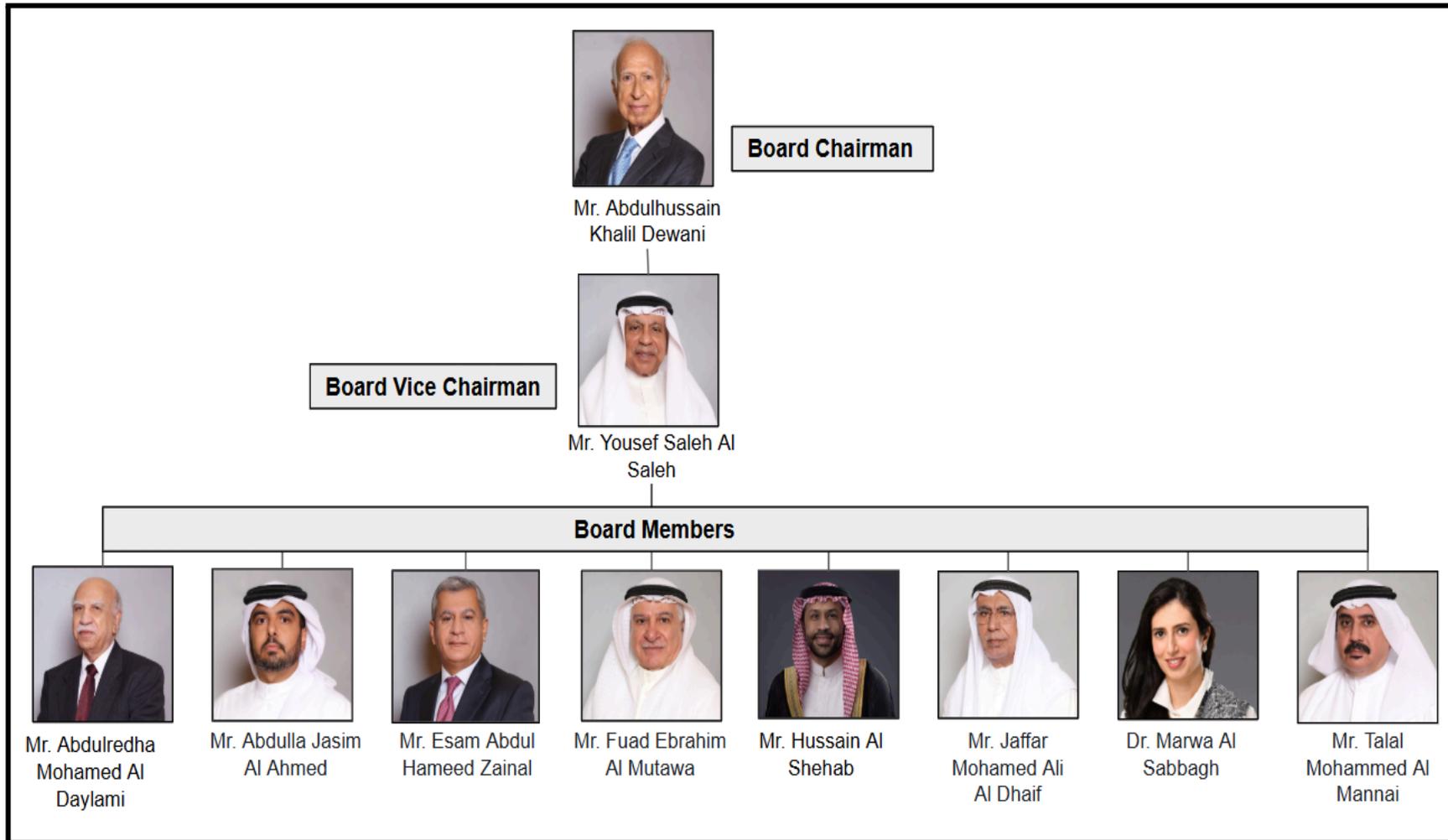
Good governance comprises transparency and accountability and is key to making ethical and responsible decisions in an organization. At Delmon, we have implemented robust governance practices and understand how essential oversight and open communication are as we work to improve these practices continually. Our aim is to build a strong foundation for sustainable and responsible growth in the long run.

With an independent and engaged board, clear policies, and effective risk management, we work hard to align our strategies with the needs of investors, employees, and the broader community. These governance practices guide how our organization operates and help navigate risks while staying aligned with our values.

We are happy to report that women make up 10% of our Board, and we continue to encourage female participation in our workforce.

In this section, we have outlined the 'material' governance practices at Delmon, providing you with an insight into our governance approach.

Board Composition



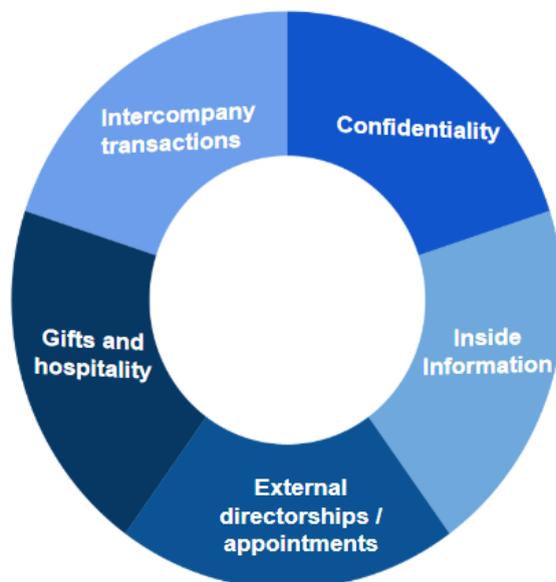
Board member	Executive / Non-executive	Independence	Tenure	Representation
Mr. Abdulhussain Khalil Dewani	Non-executive	Independent	1980 - 44 years	Elected
Mr. Yousef Saleh Al Saleh	Non-executive	Independent	1980 - 44 years	Elected
Mr. Abdulredha Mohamed Al Daylami	Non-executive	Dependent	1995 - 29 years	Appointed
Mr. Talal Mohammed Al Mannai	Non-executive	Independent	2007 - 17 years	Elected
Mr. Jaffar Mohamed Ali Al Dhaif	Non-executive	Independent	1997 - 27 years	Elected
Mr. Esam Abdul Hameed Zainal	Non-executive	Dependent	2019 - 5 years	Elected
Mr. Abdulla Jasim Al Ahmed	Non-executive	Dependent	2022 - 2 years	Appointed
Dr. Marwa Al Sabbagh	Non-executive	Dependent	2023 - 2 years	Appointed
Mr. Fuad Ebrahim Al Mutawa	Non-executive	Dependent	2016 - 8 years	Elected
Mr. Hussain Al Shehab	Non-executive	Independent	2024 - 1 year	Elected

Compliance check: Zero instances of non-compliance identified

At Delmon, we remain focused on meeting regulatory requirements and maintaining strong governance practices. In this regard, the company has complied with the guidelines and policies established by the Ministry of Commerce (MoC), Central Bank of Bahrain (CBB) and Bahrain Bourse. There were **zero** reported instances of non-compliance in FY 2024 and **zero** concerns were raised by the MoC and CBB throughout the year.

Conflict of interest

Delmon has established a policy that outlines areas where potential Conflict of Interest (Col) may arise for management and directors and provide guidelines to follow when such situations occur. The policy addresses both commercial and personal Conflicts of Interest to safeguard the interests of the company and its stakeholders. It provides a comprehensive framework for identifying, managing, and disclosing Col and lays down the procedures to be followed to comply with the same.



As a general rule, all company information is confidential and not to be disclosed to third parties except in cases where disclosure is required by the Company's shareholders or law. Directors may request access to Company information necessary for their duties and formal requests can be made by the Board to the Corporate secretary for access to the management, resources, and information to fulfill their responsibilities. Directors are required to disclose all external appointments to the Corporate Secretary.

All Delmon directors are mandated to complete an Annual Independence and Conflict of Interest Declaration form. This form is completed to disclose any potential or actual conflicts of interest, which may include issues related to confidentiality, related party transactions, intercompany dealings, and external directorships or appointments where personal interests might unduly influence professional judgments. They are also required to disclose any Col to the Board and these disclosures are recorded in the meeting minutes.

As a means of ensuring transparency to all shareholders, any instances of related-party transactions and their financial impacts are detailed in Delmon's annual report. Additionally, our auditors review these transactions in the following year to confirm that all related parties have fulfilled their obligations.

We require that every board member and key executive update the Board and officer nominated by the Board with all relevant information to determine its status of independence and conflict of interest on a periodic basis.

Whistleblowing policy

We recognise the importance of integrity and transparency in operations and have established a policy to ensure whistleblowers are protected and ethical concerns are

addressed promptly. As part of our onboarding process, we educate our employees about the whistleblowing practices in Delmon.

Employees can voice their concerns about a broad range of issues, which include but are not limited to illegal activities, financial misconduct, criminal behavior, safety and environmental risks, misuse of company resources, potential fraud acts or misuse of power, sexual or physical assault and other forms of unethical or inappropriate behavior.

We have an open-door policy for whistleblowing, which allows employees to report concerns safely and confidentially. This policy promotes a culture where issues can be addressed without fear of retaliation. The employees can report directly to the CEO, CEO's secretary, direct manager, or the Chief Financial Officer (CFO), providing multiple accessible channels for communication and ensuring that the issues are addressed promptly.

All the reports are directed to the Audit Committee, which may delegate the investigation to a senior executive or a staff committee at the administrative level, specifying the scope and period of the investigation as necessary. There were **ZERO** whistle blowing incidents in 2024.

Data privacy

The importance of protecting personal and sensitive data of our stakeholders cannot be overstated. Our Data Protection Framework aligns the PDPL regulation with Delmon's set guidelines. This ensures that personal data is processed and disclosed only with the individual's consent, except in cases explicitly allowed by law.

Consent shall be taken:

- before processing any sensitive personal data
- when transferring personal data to third parties
- when transferring personal data outside Bahrain



We have appointed a Data Protection Guardian (DPG) to periodically monitor and enhance data protection awareness among our employees. The DPG monitors the processing of personal data for any violations of the provisions of Bahrain PDPL. The DPG ensures that all employees, including new joiners, are informed about personal data protection practices and are trained on handling and processing personal data in compliance with Bahrain's PDPL requirements.

Employees are required to report any personal data violation or breach to the DPG, who will assess and verify if the data is processed in compliance with the Bahrain PDPL.

For instances of non-compliance, the DPG will determine if the incident is IT-related, which is notified to the IT department and non-IT incidents are reported to the Data Controller of the relevant department, who will take corrective actions. The DPG will update the personal data violation register when corrective actions are taken and in instances where the actions are not implemented, it will be notified by the DPG to the Bahrain Personal Data Protection Authority (PDPA). These are some of the measures in place to ensure the ethical management of data in Delmon.

There were **zero** reported instances of IT non-compliance in FY 2024.

Supplier code of conduct

Delmon has established a clear policy for evaluating and selecting vendors to ensure that all business needs are met with due diligence. The Board of Directors (BoD) oversees the company's resources and operations, delegating authority for day-to-day decision-making where necessary.

We have a vendor selection process that begins with a thorough analysis of the business requirements. After which the purchasing team researches potential service providers and shortlists vendors who meet our qualitative and quantitative requirements.

We aim to avoid conducting businesses with vendors where a conflict of interest (Col) arises, but when necessary we ensure full disclosure and the individual with the Col is excluded from the evaluation process. Clear guidelines are also in place to ensure ethical purchasing, such as discouraging the acceptance of gifts of considerable value from vendors.

We have established a vendor evaluation criteria wherein vendors are scored on criteria such as ISO certification, price, quality, and lead time. As a matter of best practice to maintain performance standards, our vendors are evaluated on a quarterly basis.

During the year, we updated our vendor evaluation form and those who do not meet the minimum requirements are subject to progressive actions based on their evaluation scores. Those in the "Very Poor" range (scores less than 10) are given one chance for re-evaluation, with disqualification for one year if no improvement is made, and permanent removal after three consecutive poor scores; however, they may be engaged temporarily if no alternatives exist. Suppliers in the "Poor" range (between 11 to 20) are allowed to quote for one order but face a one-year disqualification after two consecutive poor scores and removal after four. Similarly, suppliers in the "Fair" range (between 21 to 30) may continue to quote for future orders, with ongoing engagement dependent on the availability of substitutes. Those



suppliers who fall in the “Excellent” range (between 31 to 40) receive priority for future orders and are eligible for long-term agreements.

We engaged with 116 suppliers for raw materials, consumables, spare parts, and services in the year 2024. Of these 99% (115 out of 116) of our suppliers complied with Delmon’s code of conduct by scoring above the minimum requirements needed in the supplier performance evaluation.

We address the performance of suppliers in the “Very Poor” and “Poor” categories by providing guidance, tailored improvement plans, and regular feedback to help enhance their performance, while setting clear expectations and metrics to ensure alignment. When replacements are necessary, we conduct the market research, pre-qualify potential suppliers, and evaluate their reliability through pilot engagements before committing to larger contracts. With the help of ERP systems and data analytics, we monitor supplier performance and identify trends. To reduce reliance on underperforming suppliers, we actively expand our network through local and global sourcing. Additionally, we conduct regular risk assessments, maintain contingency plans, and engage with industry networks to identify reputable suppliers through referrals.

Building on our progress

In this first year of ESG reporting, we have gained a deeper understanding of how our actions influence the environment and those around us. This awareness has encouraged us to be more mindful and responsible in our decisions as we continue our sustainability journey.

As the saying goes, “Progress is made one step at a time”. With this in mind, we will continue advancing our efforts to align with global sustainability goals. In the years ahead, we look towards improving our environmental responsibility through sustainable resource management, enhancing our social impact by prioritizing workforce well-being and community engagement, and strengthening governance through responsible accountability and ethical business practices. Through these efforts, we plan to continue integrating ESG principles into our decision-making and daily operations.

