



2024 Sustainability Report



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About This Report

NADEC is pleased to present the company's 2024 Sustainability Report, which outlines our Environmental, Social, and Governance (ESG) commitments, actions, and performance throughout the calendar year. As our second annual sustainability report, this publication reflects NADEC's continued progress and growing integration of sustainability across all facets of our business.

Materiality

The content of this report has been developed in consideration of the priorities, expectations, and needs of our stakeholders, as well as the strategic objectives of our business. It reflects NADEC's dedication to transparency, accountability, and long-term value creation.

Reporting Guidelines and Alignment with National and International Priorities

This report has been prepared in reference to the Global Reporting Initiative (GRI) Standards and in alignment with other key frameworks, including the United Nations Sustainable Development Goals (UN SDGs), the GCC ESG Disclosure Metrics, and the national objectives set out in Saudi Vision 2030, and the Saudi National Sustainability Standards issued by the Ministry of Commerce and the Saudi Exchange (Tadawul), in addition to the ISO 26000 Social Responsibility Guidelines.

Report Scope and Boundary

The scope of this report covers all NADEC operations within the Kingdom of Saudi Arabia from 1 January 2024 to 31 December 2024. All monetary figures are presented in Saudi Riyals (SAR) unless otherwise specified.

Contact Us

NADEC understands that being a sustainable business means continually evolving to meet stakeholder needs socially, environmentally and economically. To help us on our journey, we invite your feedback and questions on the content of this report or on our sustainability activities. Please get in touch with us via the following channels:



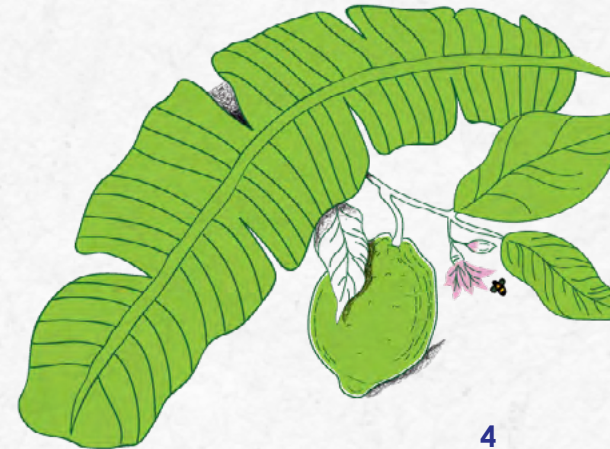
Forward-Looking Statements

This report contains statements that may be deemed as "forward-looking statements" that express the way in which NADEC intends to conduct its activities. Forward-looking statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

NADEC has made every effort to ensure that this report is as accurate as possible. However, by their nature, forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond NADEC's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

Disclaimer

Nadec assumes no responsibility for any decisions or actions taken based on the content of this report, nor for any direct, indirect, or consequential damages that may arise from its use. The company recommends seeking professional advice before making investment or strategic decisions.



Chairman's Message

"Our sustainability agenda is no longer an initiative—it is integral to our operations, decisions, and drive to create value for the Kingdom and its people."



As one of the Kingdom's oldest and most trusted food producers, NADEC recognizes the responsibility that comes with our scale and heritage. With each passing year, our mission to serve society sustainably grows stronger and more purposeful, and our focus on advancing Saudi Arabia's national priorities—particularly in the areas of food security, environmental stewardship, and economic diversification—strengthens.

Our sustainability agenda is no longer an initiative—it is integral to our operations, decisions, and drive to create value for the Kingdom and its people. From the way we steward natural resources to how we empower local farmers and support rural communities, sustainability is central to our strategy and culture.

We take pride in NADEC's integrated strategy, "A New Dawn", which places significant emphasis on sustainability. The strategy reflects our ambition to lead as a regenerative and responsible food company. Guided by the Kingdom's Vision 2030, this strategy helps us set a clear course for how NADEC will continue to grow responsibly, contribute to national development, and remain future-ready in a rapidly changing world.

We are proud of the progress we have made in 2024 aligning our governance and operations with national and international sustainability standards. These efforts embody our aspirations for sustainable leadership in the agri-food sector, and reflect our enduring values of transparency, resilience, and

inclusivity.

On behalf of the Board of Directors, I would like to express my sincere gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz Al Saud—may God protect them—for their continued leadership and support in strengthening the Kingdom's food system and sustainable development goals.

I also extend my appreciation to the Board, executive leadership, and the entire NADEC team for their unwavering dedication throughout the year. Their collective efforts have reinforced NADEC's role as a national enabler of sustainable progress.

Together, we look to the future with confidence, determined to continue leading with purpose and contributing meaningfully to the Kingdom's transformation.

Mr. Abdulaziz bin Saleh Al-Rebdi
Chairman



CEO's Message

NADEC continued its transformation journey in 2024 by accelerating strategic investments, advancing operational excellence, and strengthening its role in supporting Saudi Arabia's Vision 2030.

From expanding our red meat production to launching new partnerships and achieving robust financial performance, our progress has been both strategic and impactful. NADEC recorded a net profit of SAR 775 million this year – a 156.6% increase from the previous year that showcases the resilience and effectiveness of our New Dawn strategy.

A focus on environmental, social, and governance performance took center stage throughout 2024 with the official launch of our sustainability strategy. Built around three pillars: Regenerative Agriculture and Sustainable Sourcing, Operational Excellence and Resource Optimization, and Health, Wellbeing and Access to Nutrition, the strategy reflects our dual responsibility to people and planet, ensuring our growth is inclusive, responsible, and future-focused.

Regenerative Agriculture and Sustainable Sourcing

In 2024 NADEC deepened our investment in sustainable sourcing and regenerative agriculture—an approach that not only protects the ecosystems we rely on but also enhances the prosperity of our supplier communities. As part of this effort, we introduced a supplier screening framework, improved our Supplier Code of Conduct to include regenerative criteria, and initiated new partnerships with academic institutions and smallholder farmers to advance responsible sourcing practices. We also launched pilot projects in regenerative farming, such as our smart farming initiative in Al Jouf, leveraging IoT technologies to optimize irrigation and improve olive crop resilience.

Operational Excellence and Resource Optimization

At the operational level, we implemented more than 120 digital transformation projects—enhancing our ERP, supply chain forecasting, and automation capabilities. Our Haradh-based solar PV plant played a vital role in clean energy transition, helping avoid over 58,000 tonnes of CO₂ emissions. We also made significant strides in workforce safety and wellbeing, expanding HSE training programs and advancing toward ISO 45001 alignment. Water reuse efforts were accelerated with the upcycling of wastewater at The Circle treatment facility, which achieved >98% reduction in odor and microbial contamination, offering a scalable model for sustainable water stewardship.

Consumer health and wellbeing remained at the heart of our innovation efforts. We expanded our Nutrition for Life program to include product reformulations, clearer nutritional labelling, and community outreach initiatives. In 2024, NADEC worked with over 40 schools and sponsored national campaigns like World Food Day to raise awareness about healthy eating. New product launches, such as high-protein Greek yoghurts and potassium-rich laban drinks, reflected our focus on aligning nutritional offerings with public health needs. These initiatives were further supported by packaging eco-design updates and consumer education programs aimed at reducing household food waste.

"NADEC recorded a net profit of SAR 775 million in 2024 – a 156.6% increase from the previous year – showcasing the resilience and effectiveness of our New Dawn strategy."

Looking ahead, NADEC is scaling its sustainability ambitions. With our ESG framework in place, we will continue measuring impact, engaging stakeholders, and unlocking value that goes beyond profitability. I extend my heartfelt gratitude to our Board, leadership team, partners, and employees for their continued trust and dedication.

Dr. Solaiman bin Abdulaziz Al-Twajri
CEO



About NADEC

Established by Royal Decree in 1981, the National Agricultural Development Company (NADEC) stands today as one of the largest vertically integrated agricultural and food production companies in the Kingdom of Saudi Arabia. Headquartered in Riyadh, with a growing regional presence including operations in Dubai and Bahrain, NADEC was the first agricultural company to be listed on the Saudi Stock Exchange (Tadawul: 6010), marking a significant milestone in the Kingdom's journey toward food independence and agricultural innovation.

For over four decades, NADEC has played a strategic role in reinforcing Saudi Arabia's food security, contributing to the Kingdom's economic diversification goals under Vision 2030, and delivering premium agricultural and consumer products to both domestic and international markets. Our integrated business model spans large-scale dairy farms, high-tech greenhouses, crop and livestock production, and advanced processing and distribution networks. The company's product portfolio includes fresh and long-life dairy products, cheeses, juices, olive oil, fruits and vegetables, and red meat, all produced under the highest standards of safety, nutrition, and sustainability.

Our Values

Care

We are dedicated to delivering products of exceptional quality. Our commitment to excellence is embedded in every stage of our value chain—from farm to table—ensuring consumer and employees trust and satisfaction.

Responsibility

We are conscious of our environmental and social impact. Through sustainable practices and active community engagement, we aim to create long-term value for all stakeholders while preserving natural resources for future generations.

Drive

Our passion for innovation and continuous improvement fuels a workplace culture of creativity, collaboration, and personal development. We empower our people to reach their full potential and drive forward our sustainability goals.

Excellence

We pursue the highest standards of quality, efficiency, and innovation across our operations. Our investment in research and development enables us to anticipate market trends and exceed customer expectations through differentiated, value-added products.

Cooperation

We foster close, trust-based relationships with our partners, suppliers, and customers. By encouraging open dialogue and shared innovation across our supply chain, we build collective resilience and sustainable growth.

For more details of our Vision, Mission and Values, please refer to our [2024 Annual Report](#).

Our Mission

To provide high-quality, nutritious food products that meet the evolving needs of our customers and contribute to healthier communities across the Kingdom and beyond.



Our Vision

To achieve regional and global leadership in the food and beverage sector, enhancing the Kingdom's global image and economic strength while advancing national food self-sufficiency and sustainable development in line with Vision 2030.



NADEC's Journey

1981

NADEC was established by Royal Decree with an initial capital of SAR 400 million.

1982

Opening of the Wadi Al-Dawasir Agricultural Project.

1984

Opening of the first dairy and fresh milk products factory.

1985

Opening of the Hail Agricultural Project.

1986

Start of dairy and milk products packaging.

1987

Opening of the Al-Jouf Olive Oil Project.

1993

Nadec listed on the financial market (Main Market, Tadawul: 6010).

2016

Inauguration of a dedicated plastic packaging factory in Nadec City.

2015

NADEC inaugurated the Al-Hazm model farm for cows, enhancing its position as an integrated agricultural system.

2014

NADEC's scope of activity expanded with the Sudan Agricultural Project, adding a new canvas to the map of agriculture and development.

2007

Expanded its cheese factory and began producing fresh juices in the newly expanded facility.

2006

Start of production diversification and intensive olive production.

1995

Opening of the second dairy and fresh milk products factory.

2019

Signing of a solar power purchase agreement with ENGIE to supply 124,000 barrels of fuel annually.

2020

Signing of a Memorandum of Understanding with Pure Harvest to cooperate in building and operating high-tech agricultural production systems.

2021

Commercial operation started for the solar energy project in partnership with ENGIE in the Haradh Industrial Zone.

2022

- Commencement of high-quality tomato production using smart greenhouse technology.
- Opening of the new olive oil factory in Al-Jouf.
- Transition to full automation of all company operational and marketing processes.

2024

- Signing of a partnership agreement with United Feed Company to establish a livestock farming company for red meat production.
- NADEC expanded its protein footprint in the market of Saudi Arabia with SAR 180.3 Mn Revenue in its first year of operations.

2023

- Launch of the "New Dawn" strategy for 2023 - 2027.
- Capital increase of SAR 2 billion through a rights issue.
- Strengthening of strategic partnerships, including agreements with: SIRC, Elion Resources Group, Del Monte, and United Feed Company.



NADEC by the Numbers

3,220.4
SAR
million revenue

116%
increase in calf
products and
red meats sector
revenue

156%
increase
in net profit

58,092
TONNES
of CO₂ emissions avoided
through solar power use

69,948,722
kWh
generated by PV solar plant in
2024

32,960
hours of training delivered

97.6%
of our female
workforce are
Saudi women

ISO 37301
CERTIFICATION
achieved for
our compliance
management system

13%
reduction in
direct energy
consumption

4,791
our full-time
employees in 2024

238,632,168
kWh
generated by captive
power plant in 2024

>98% odor
REDUCTION
and significant microbial
reduction achieved at The
Circle wastewater
treatment facility



Our Market Segments in 2024

Dairy

NADEC’s dairy segment continues to serve as the backbone of its product portfolio, encompassing **fresh dairy products, long-life dairy products, and cheese and butter products**. These offerings are manufactured using advanced processing systems that ensure freshness, safety, and nutritional value while meeting evolving consumer preferences.

- Dairy products and by-products represented **43.9%** of company revenue in 2024
- Long-life dairy products accounted for **26.0%** of company revenue
- Cheese and butter products contributed **11.6%** of company revenue
- **28** types of dairy products and by-products
- **16** types of full fat/low fat dairy products
- **8** types of full fat/low fat/fat-free yoghurt products
- **7** types of Greek yoghurt products
- **25** types of cooked cheese
- **23** types of spreadable & cream products
- **7** types of high-protein dairy products

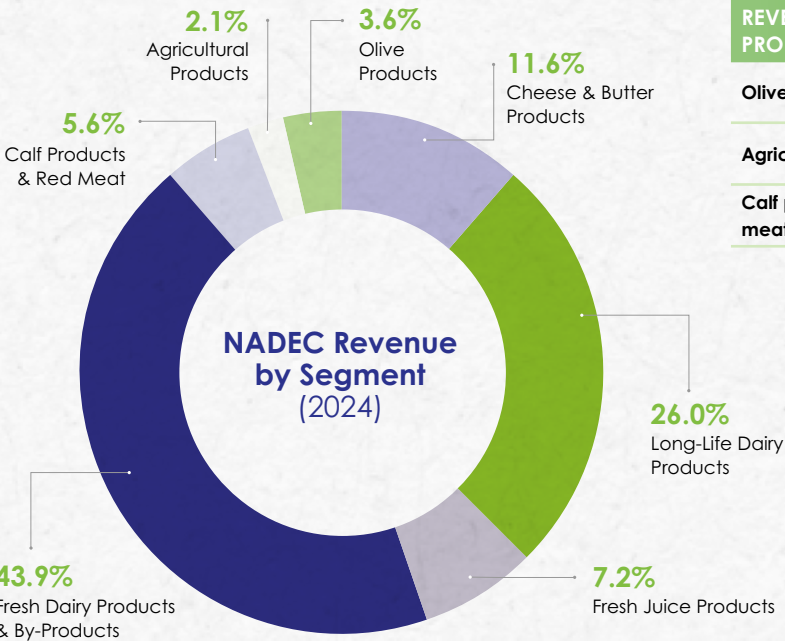
REVENUE FROM DAIRY	UNIT	2022	2023	2024
Fresh dairy products & by products	SAR million	1,246.0	1,506.1	1,413.7
Long-life dairy products	SAR million	622.6	833.2	836.3
Cheese & butter products	SAR million	376.8	353.6	374.6

Juice

NADEC's juice segment delivers fresh and nutritious beverages derived from high-quality fruits and processed using modern technologies that retain natural vitamins and antioxidants. The segment offers a wide range of juices and nectars tailored to the tastes and health-conscious preferences of consumers.

- Juices represented **7.2%** of company revenue in 2024
- **36** varieties of fresh juices and nectars

REVENUE FROM JUICE	UNIT	2022	2023	2024
Fresh juice products	SAR million	237.2	234.9	231.4



Food Products

Produced with the support of modern agricultural practices including organic fertilizers and smart irrigation, NADEC's food products span a wide range—from olives and vegetables to red meat and agricultural crops. These products uphold the company's standards of freshness, nutrition, and sustainable sourcing.

- Agricultural products represented **2.1%** of company revenue
- Olive products represented **3.6%** of company revenue
- **5** types of organic olive oil
- **21** types of agricultural crop products
- **29** types of calf products and red meats

REVENUE FROM FOOD PRODUCTS	UNIT	2022	2023	2024
Olive products	SAR million	60.4	68.6	115.1
Agricultural products	SAR million	56.7	116.9	69
Calf products and red meats	SAR million	94.5	83.6	180.3



Facilities & Locations

NADEC operates an integrated network that spans both local and international markets. Within the Kingdom of Saudi Arabia, NADEC maintains a wide footprint supported by a well-established infrastructure of agricultural projects, retail outlets, and production facilities.

NADEC operates four major agricultural projects across Saudi Arabia, strategically located to support regional agricultural production and food security objectives:

- Wadi Al-Dawasir
- Haradh
- Hail
- Al Jouf

These facilities are essential to NADEC's diversified production of dairy, fruits and vegetables, olive oil, and red meat, and they integrate advanced technologies such as smart irrigation and greenhouse systems to optimize yield and sustainability.

NADEC's international presence continues to grow, with exports and partnerships enabling access to a broad consumer base across the Middle East and beyond. As of 2024, NADEC maintains:

Two regional branches:

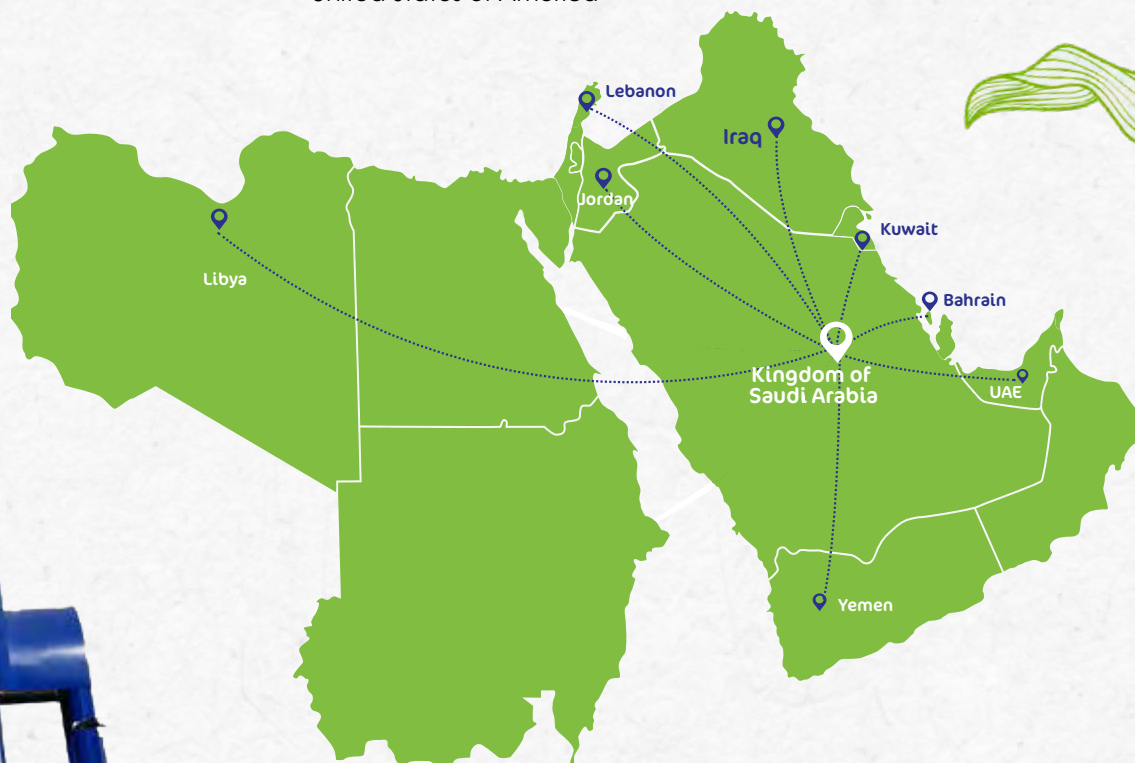
- Dubai, United Arab Emirates (UAE)
- Kingdom of Bahrain

Product distribution through agents and partners in:

- Sharjah, UAE
- State of Kuwait

Sales and distribution operations via export channels in:

- Jordan, Lebanon, Libya, and Yemen
- Palestine, Iraq, Mauritania, Somalia, Maldives, Seychelles
- United States of America



Financial Performance

In 2024, NADEC continued its growth trajectory with total revenues reaching SAR 3.22 billion, marking 0.7% year-on-year increase. This growth was primarily driven by the rapid expansion of the calf products and red meat segment, which recorded a 116% surge in revenues compared to 2023.

Despite a slight increase in wage-related expenses, operating costs were reduced by 0.9%, reflecting ongoing efficiency initiatives and smart cost control. While international revenues saw a dip due to market dynamics in selected regions, domestic performance remained strong, with KSA revenues climbing to SAR 2.92 billion and accounting for over 90% of total revenues.



FINANCIAL PERFORMANCE	UNIT	2022	2023	2024
Total revenue	SAR million	2,694.2	3,196.9	3,220.4
Revenue from KSA	SAR million	2,399.6	2,829.3	2,915.8
Revenue from other countries	SAR million	294.5	367.6	304.6
Operating cost	SAR million	2,547.2	2,852.4	2,831
Employee wages and benefits	SAR million	462.4	502.3	522.7
Payments to providers of capital	SAR million	0.2	0.2	0.2
Payments to the government	SAR million	303.3	344.4	296.4
Total tax paid	SAR million	225.9	258.7	210.3



Tax Approach & Contribution

NADEC's approach to taxation is grounded in regulatory compliance, accountability, and its role in supporting national development. We ensure full compliance with applicable tax laws across our areas of operation, including Saudi Arabia, Bahrain, and the UAE, guided by a structured internal strategy aligned with our broader business and sustainability goals.

Oversight of tax governance is led by the Senior Manager – Treasury & Tax, with day-to-day risk management overseen by the Tax Manager. Tax considerations are embedded into decision-making processes, supported by internal policies, staff training, and a structured assurance process to validate disclosures and ensure transparency.

Associations, Memberships & Awards



ISO 9001:2015 Quality Management System

ISO 22000:2018 Food Safety Management System

ISO Certification 17025

ISO Certification 27001



FSSC 22000 V.5.1 Food Safety Management System



SASO – Quality Mark



Saudi GAP (Dairy)

Saudi GAP
(Wheat & Dates)



Halal Certificate



CERES



Saudi Organic Certificate



AIB International (2017G – 2018G)



SAUDI MADE Certificate

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Our Sustainability Approach

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A New Dawn: Sustainability

NADEC began implementing its strategy via a structured ESG roadmap aligned with global sustainability frameworks and national development ambitions, including Vision 2030 and the Saudi Green Initiative. Aimed at creating long-term value for the Kingdom, our consumers, employees, and the environment, the strategy is a core pillar of our “New Dawn” corporate transformation.

Rooted in our belief that sustainability is a responsibility and a business opportunity, the strategy responds directly to material ESG issues such as water stress, climate resilience, resource efficiency, and nutrition security and is structured around three strategic pillars that address the “People” and “Planet” dimensions of NADEC’s operations and value chain. Together, they define our approach to becoming the most environmentally safe and socially impactful food business in Saudi Arabia.

NADEC the leading food business, nourishing people and the planet

Regenerative Agriculture & Sustainable Sourcing

Nurture resilient economies by partnering with suppliers

Grow agricultural productivity and food security in KSA through regenerative agriculture

Operational Excellence & Resource Optimisation

Create a safe, inclusive, nurturing culture that inspires excellence and enables all to excel

Transform food production and distribution in KSA through resource optimization

Health, Wellbeing & Access to Nutrition

Empower healthy lifestyle choices in KSA by producing nourishing products people need

Achieve ecosystem health by operating within local and global environmental limits

Enablers of change: sustainable finance, partnership, innovation & governance

For more details regarding our sustainability strategy, please visit our [2024 Annual Report](#).

Sustainability Oversight

Sustainability at NADEC is governed through a structured and cross-functional approach that ensures strategic alignment, executive oversight, and operational accountability across the organization. This governance structure reflects NADEC's focus to integrating ESG principles into every aspect of its business model.

At the strategic level, the Head of Strategy oversees NADEC's sustainability agenda and reports directly to the Executive Committee and Board of Directors. This reporting line ensures that ESG considerations are embedded in corporate decision-making, risk management, and long-term planning.

Sustainability Objectives & Initiatives

NADEC's sustainability vision is grounded in its ambition to become the leading sustainable food and agriculture company in the Kingdom of Saudi Arabia. Our ESG strategy and roadmap were developed to ensure we not only mitigate environmental and social risks, but also actively contribute to Vision 2030, support resilient local food systems, and deliver long-term business value.

The strategy is structured around three thematic pillars that reflect the most material areas of our impact and opportunity:

1. Regenerative Agriculture and Sustainable Sourcing



We aim to lead the transition to regenerative farming in the Kingdom by supporting ecosystem restoration, improving soil health, and promoting climate-resilient agricultural practices. Our sourcing approach is being redesigned to favour sustainable inputs and local supply chains that deliver positive environmental and social outcomes. Through targeted pilot projects and supplier engagement, we are embedding regenerative principles into our core operations.

2. Operational Excellence and Resource Optimisation



We are improving operational sustainability across our facilities, logistics, and manufacturing processes. This includes initiatives to reduce greenhouse gas emissions, improve water and energy efficiency, and embed circularity in waste management. The roadmap sets clear Year 1 actions to strengthen environmental management systems, complete a GHG baseline, and prepare for ISO 14001 certification. These initiatives will position NADEC as a more resilient and resource-efficient business.

Operational responsibility is delegated through NADEC's Level of Authorities framework, which defines governance roles and decision-making powers across both corporate and functional teams. This framework enables seamless coordination between departments—including Strategy, Supply Chain, Operations, Finance, and Compliance—on sustainability targets, data management, and performance tracking.

3. Health, Wellbeing and Access to Nutrition



We are committed to supporting healthier lifestyles for our consumers and communities. This includes reformulating products for improved nutritional value, enhancing food safety systems, and introducing initiatives to promote responsible consumption. We are also strengthening workplace health and safety and fostering employee wellbeing. Our consumer engagement efforts aim to increase awareness around food waste and healthy dietary habits.

Each pillar is underpinned by a three-year roadmap with clear implementation milestones. Key performance indicators (KPIs) have been defined for all major initiatives, enabling us to track progress, disclose outcomes transparently, and drive continuous improvement.



Materiality Assessment

Our materiality assessment process defines our sustainability priorities and aligns our ESG initiatives with stakeholder expectations and business imperatives. It enables us to identify the most significant topics across our value chain and ensure that our strategy is focused on the highest areas of social, environmental, and economic impact.

In 2024 we evolved our approach to materiality by gathering insights from **peer benchmarking, global ESG frameworks**, regulatory trends, and extensive internal and external stakeholder engagement. More than 15 targeted consultations were conducted with NADEC executives, operational leads, and sectoral experts to assess the current maturity of our sustainability performance and ambitions. These insights were supplemented by global and local landscape reviews covering ESG themes, emerging risks, and evolving best practices in the food and agriculture sector.

The process followed a structured methodology:

- A **long list of potential sustainability topics** was compiled from international benchmarks, ESG rating agencies (MSCI, Sustainalytics, ESG Invest), academic literature, industry frameworks, and national priorities.
- Topics were **grouped and refined** based on their relevance to NADEC's operational context and stakeholder concerns.
- Each topic was evaluated for its **actual and potential impact on NADEC**, as well as NADEC's impact on the topic, in the short and medium term.
- The topics were then **prioritized as "very high," "high," or "moderate"** to guide reporting and resource allocation.



For more information on materiality assessment and stakeholder engagement, please visit our [2024 Annual Report](#).

This resulted in the identification of **16 key sustainability themes**, aligned with NADEC's corporate strategy and the national Vision 2030 agenda.

Water and Effluents:

Efficient water management, wastewater treatment, and pollution prevention.

Waste, Pollution, and Packaging:

Reducing waste through circular practices and sustainable packaging.

Climate Change:

Emissions management, energy efficiency, and adaptation strategies.

Sustainable Sourcing and Regenerative Agriculture:

Enhancing biodiversity, soil health, and long-term agricultural productivity.

Food Security, Health, and Nutrition:

Ensuring access to safe, nutritious food while supporting healthy lifestyles.

Human Capital:

Strengthening occupational health and safety, talent development, and inclusive growth.

Food Quality and Safety:

Maintaining high standards of food quality and safety throughout the production process to protect consumer health.

Community / Social Impact:

Contributing positively to local communities addressing societal needs, including access to healthy, nutritious foods, skills building and development and fair employment opportunities.

Diversity, Inclusion, and Equal Opportunities:

Fostering a diverse and inclusive workplace where all employees have equal opportunities for growth and development.

Occupational Health and Safety:

Ensuring a safe and healthy work environment for all employees through robust health and safety practices.

Governance and Business Ethics:

Upholding high standards of governance and ethical behavior in all business activities to ensure integrity and accountability.

Impact of products and services:

Evaluating and minimizing the environmental and social impacts of products and services throughout their lifecycle.

Nationalization:

Supporting national economic goals by prioritizing local talent and resources in business operations.

Animal Health and Welfare:

Ensuring the well-being of animals in farming operations through humane treatment and veterinary care.

Economic Inclusion:

Supporting economic development and inclusion by providing fair employment opportunities and engaging with local suppliers.

Human Rights:

Upholding human rights in all operations and supply chains, ensuring fair treatment and ethical practices, in alignment with local legislation and best practice.



These issues are also reflected in the strategic pillars of our sustainability strategy and roadmap, ensuring alignment across our operations, risk management, and stakeholder engagement frameworks.

Looking ahead, NADEC is continuously updating our materiality assessment to reflect changes in stakeholder expectations, regulatory shifts, and strategic priorities. This dynamic approach ensures that our sustainability strategy remains relevant, credible, and focused on delivering long-term value for all stakeholders.



Regenerative Agriculture & Sustainable Sourcing

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Material Topics:

- Sustainable sourcing and regenerative agriculture
- Animal health and welfare
- Economic inclusion

Alignment with UN SDGs:



Regenerative Agriculture & Sustainable Sourcing

The resilience of our food system begins with the land and people who cultivate it. With this in mind, NADEC is reimagining the way we engage with nature and our suppliers to ensure the long-term sustainability of our agricultural inputs. Through our strategic focus on Regenerative Agriculture and Sustainable Sourcing, we are focusing on restoring ecosystems, empowering local communities, and strengthening food security across Saudi Arabia.

Our approach is built on two synergistic dimensions: People and Planet. On the people side, supporting local farmers, building supplier capabilities, and creating fair, inclusive, and transparent sourcing relationships helps to drive shared value. On the planet side, adopting regenerative farming practices collectively enhance soil health, conserve water, protect biodiversity, and reduce climate-related risks. By aligning these two approaches, we are laying the foundation for a supply chain that is both resilient and ethical, and clearly aligned with national development goals and stakeholder expectations for environmental leadership.

Sustainable Sourcing

Sustainability principles are purposefully integrated into every aspect of NADEC's procurement activities and they are fully embedded into our Supplier Code of Conduct and Procurement Policy. Both the code and the policy set forth clearly defined expectations for our supplier conduct and procurement practices regarding human rights, labour practices, and environmental responsibility. These policies are communicated to new suppliers during onboarding, and we encourage third-party certifications such as SEDEX and FSSC to ensure compliance with best practices.

As a next step towards further strengthening our sustainable sourcing practices, we are in the process of developing a robust Sustainable Sourcing Framework which will include risk-based ESG screening criteria, supplier self-assessments, and an internal roadmap for identifying and engaging high-impact suppliers. This framework will also support the tracking of Scope 3 emissions across the value chain, a crucial step towards better understanding and mitigating upstream environmental risks.



Supply Chain

NADEC continues to strengthen our procurement governance and supplier engagement mechanisms with the aim of ensuring ethical, sustainable, and traceable sourcing across its value chain. Our Procurement Policy and our Supplier Code of Conduct are published and available on our website. As a standard practice, all new suppliers are required to review and accept the Code as a condition for onboarding.

To enhance transparency and social compliance, we have also started incorporating SEDEX registration requirements into our supplier management roadmap. While no current contracts include this clause, the requirement is being programmed into NADEC's Ariba contract management system for future implementation. The company has already verified that there are no instances of child labor or forced labor within its own operations or across its active supplier base. This is further supported by certifications held by suppliers—such as FSSC 22000—which verify compliance with global standards on food safety, labor rights, and traceability.

As part of our due diligence, in 2024 NADEC started to gather and verify detailed data from its critical suppliers. Out of 40 priority supplier enquiries, registration details were confirmed for 10. Building on this progress, we aim to expand this verification process to our top 100 suppliers by 2025 to reinforce our commitment to traceability, supplier accountability, and risk mitigation across the sourcing lifecycle.

Material specifications, including packaging guidelines, to help reduce food loss during storage and transport also integrated into procurement documentation and quality control processes, helping to align sourcing decisions with both operational efficiency and sustainability performance.

In parallel, NADEC has strengthened our use of contract farming as a vehicle for inclusive growth and domestic supply chain resilience. In 2024, contract farming operations were fully integrated into NADEC's SAP system, digitizing contract management, monitoring, payment processing, and crop tracking. This transformation has enhanced financial transparency and helped improve cash flow predictability for local farmers.

In alignment with Saudi Vision 2030, our inclusive sourcing model empowers small and medium-sized farmers to participate in national food security efforts while contributing to economic inclusion in rural communities. These efforts also support the company's goal to diversify its supplier base and reduce transport-related emissions.

SUPPLY CHAIN	UNIT	2022	2023	2024
Total number of suppliers	Number	5,250	5,276	6,188
Total number of local suppliers	Number	NA	3,798	4,562
Percentage of local suppliers	Percentage	NA	72%	73%
Total spending on suppliers and contractors	SAR million	1,483	2,013	2,235
Spending on locally based suppliers and contractors	SAR million	NA	1,039	1,264
Percentage of spending on local suppliers	Percentage	NA	52%	56%

Enhancing Supplier Efficiency

In 2024, NADEC enhanced supply chain operations with the adoption of an automated inventory replenishment system across 38 distribution centers. Integrated with SAP and analytics tools, the system applies predefined business rules and demand patterns to trigger real-time stock refills, reducing manual planning, stock-outs, and excess inventory. Introduced to supply chain teams through a dedicated training program to ensure smooth implementation and transition, the system has already improved forecasting accuracy, ensured better product availability, and delivered notable time and cost savings.

Regenerative Agriculture & Husbandry

Regenerative agriculture is central to NADEC's vision of building a nature-positive food system. By actively restoring degraded land, enhancing soil fertility, and promoting ecosystem balance we are proactively addressing soil regeneration, water conservation, biodiversity enhancement, and climate resilience for the long term.

We also support farming through open-field and greenhouse systems, provide high-quality seeds and irrigation technologies, and collaborate with global experts and local institutions to promote innovation and knowledge-sharing. These efforts lay the groundwork for a comprehensive, scalable model of regenerative farming in the Kingdom.



Using Innovation to Nurture Regeneration

In 2024, to help NADEC's agriculture division tackle increasing challenges of monitoring crop health and optimizing irrigation – pressures compounded by the impact of climate change and water scarcity – we launched a pilot Smart Farming initiative in Al Jouf aimed at modernizing olive production.

The initiative uses digital technologies, including the deployment of IoT-enabled sensors across our olive farms to collect real time data on soil moisture, humidity, temperature, and crop health indicators. These sensors feed into a centralized analytics platform, enabling field teams to make more precise, data driven decisions related to irrigation and crop management.

Although still in the early phases of implementation, the project has already demonstrated the potential to improve water use efficiency through precision irrigation and to detect early signs of crop stress, enabling timely interventions that enhance yield quality and reduce input waste.



More broadly, the initiative lays the groundwork for future scalability, with plans to expand Smart Farming capabilities to other agricultural sites and integrate AI powered predictive models and drone based aerial monitoring to further enhance decision-making and productivity.

Spot Light

NADEC is investing in technology-driven preventive systems as part of its long-term animal health and productivity strategy:



Automated Lameness Detection (ALD) systems using camera-based motion analysis to identify early signs of distress or illness in dairy cows, allowing for immediate intervention.



Data-driven decision-making through digital monitoring tools to reduce health-related production losses and improve overall herd wellbeing.



Integration of smart monitoring technologies to proactively manage animal behavior, feeding, and health outcomes, enhancing productivity while reducing veterinary interventions.

Advancing Regenerative Agriculture through External Engagement

In 2024, NADEC actively promoted regenerative agriculture and sustainable farming practices by participating in several national and international platforms.

In partnership with the Agricultural Cooperative Association in Qaryat Al-Ulya, NADEC hosted a workshop aimed at promoting sustainable wheat farming practices. The event focused on empowering local farmers with practical knowledge on improving crop productivity while reducing environmental impact—emphasizing the importance of regenerative techniques in building agricultural resilience.

Promoting Animal Health & Welfare

The health and welfare of animals involved in NADEC's agricultural and food production processes are of paramount importance and are integral to our values and ethical standards.

We proactively collaborate with qualified veterinarians to develop Animal Health Plans tailored to each species. These plans include preventive healthcare, disease monitoring, and treatment protocols to ensure animals are managed ethically and responsibly throughout their lifecycle.

In addition, NADEC complies fully with all applicable animal health and welfare regulations across its production and procurement activities, including:



- **GSO 815:1997** – Code of hygienic practice for the preparation, transportation, and storage of fresh meat.
- **GSO 993:2015** – Animal slaughtering requirements according to Islamic rules.
- **GSO 2055-1:2015** – Halal food general requirements.



We also participated in the Saudi Agriculture Exhibition, where we demonstrated how technology can support regenerative agricultural transformation by showcasing the innovative sustainability techniques in use across NADEC's agricultural operations, including precision irrigation, climate-smart greenhouse technologies, and digital farming tools that improve yields while conserving resources.

At the COP 16 International Exhibition and Forum for Afforestation Technologies, NADEC's dedicated pavilion featured its agricultural soil restoration projects, cutting-edge water recycling systems, and organic waste management practices. We also presented our sustainable potato farming technologies in Hail, further emphasizing its focus on eco-friendly manufacturing.

NADEC has implemented a comprehensive biosecurity system to prevent and manage animal health risks, which includes:

- **Daily monitoring** of disease threats in coordination with the Ministry of Environment, Water and Agriculture (MEWA).
- **Strict access control protocols** with designated farm entrances and exit disinfection stations.
- **Vaccination protocols** based on a structured immunization calendar, using multiple administration routes (subcutaneous, intramuscular, and intranasal).
- **Visitor screening and recordkeeping**, including documentation of health status and travel history.
- **Employee hygiene practices**, reinforced through training and mandatory use of protective equipment.
- **Dedicated quarantine and isolation zones** to contain any potential health threat rapidly.

These measures are aimed at early detection, rapid response, and effective containment of any potential health risks.

In 2025, NADEC will commission its first dedicated animal protein manufacturing facility, designed to process up to 150 head of beef cattle per day. Operations are scheduled to begin in Q3 2025, with audits by regulatory ministries and customer stakeholders to follow in Q4 2025. The facility is expected to produce approximately 10 metric tonnes of manure per shift, presenting new opportunities for sustainable waste management and agricultural reuse.

Our current animal protein portfolio includes:



There were no reported outbreaks or infections in NADEC's dairy farms during the reporting period.

Continuous monitoring and proactive biosecurity measures ensured a clean health record across livestock operations.



Operational Excellence & Resource Optimization

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Material Topics:

- Climate change
- Water and effluents
- Waste, pollution and packaging
- Human capital
- Diversity, inclusion and equal opportunity
- Occupational health and safety
- Nationalization

Alignment with UN SDGs:



Operational Excellence & Resource Optimization

Our best-in-class operational practices enable us to deliver value efficiently, responsibly, and sustainability while minimizing our environmental footprint and creating a workplace culture that supports health, inclusion, and continuous improvement.

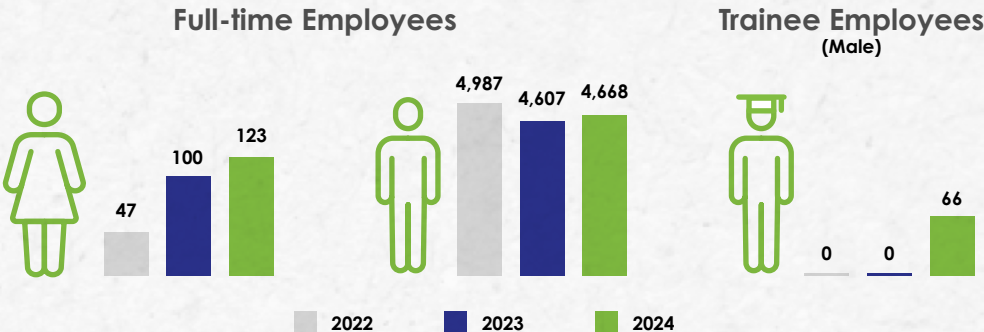
A core pillar of our sustainability strategy, this commitment to operational excellence focuses on creating a safe, equitable, and empowering environment for our workforce—one where employees are supported, engaged, and enabled to grow. It also drives our pursuit of resource optimization by improving how we use water, energy, and materials, reducing emissions, and integrating circular economy principles into our operations.

Workforce Empowerment & Inclusion

We are proud to foster a performance-based culture that empowers employees through continuous learning, leadership development, and inclusive talent practices. Aimed at building and enabling a skilled, diverse workforce capable of driving our long-term sustainability vision, this approach includes structured training and career development programs, nationalisation and youth engagement pathways, and transparent performance evaluation systems that support fair advancement and succession planning. We actively promote gender diversity, internal mobility, and employee wellbeing, ensuring that every individual has the opportunity to participate meaningfully in our success.

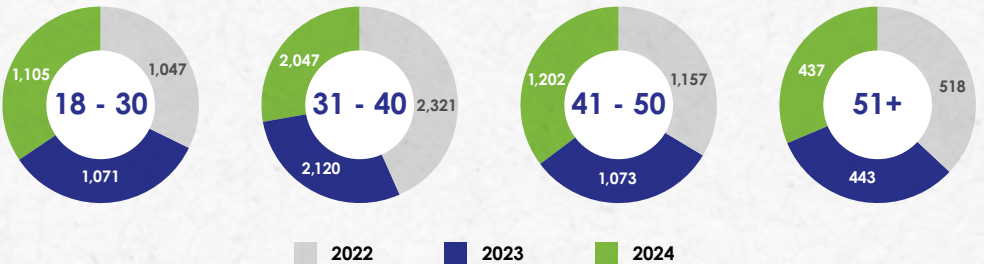


Workforce Composition



BREAK DOWN BY CATEGORY OF EMPLOYMENT	UNIT	2022	2023	2024
Senior management	Number	12*	17*	21
Middle management	Number	27*	28*	66
*Values were restated due to recalculation.				

Breakdown by Age Group



Diversity & Inclusion

Knowing a diverse workforce enhances innovation, strengthens our business, and reflects the communities we serve, we actively encourage a workplace culture that embraces diversity, equity, and inclusion throughout our organization. Our hiring and people management practices are grounded in non-discrimination and equal opportunity, as outlined in our Code of Conduct and HR policies.

In 2024, we were proud to achieve a significant milestone when we **doubled female representation** across our organization. Female participation increased from 100 to 123 employees, including a rise in female middle management positions from 17 to 23. We are continuing to build on this momentum through a range of strategic recruitment and career development programs focused on further increasing gender diversity and supporting youth employment in accordance with the ambitions of Saudi Vision 2030 and other national objectives.

Grievance Mechanisms

NADEC takes pride in maintaining a workplace in which every person is treated fairly, and this includes ensuring that every employee has the right to raise complaints about actions, behaviours, or decisions taken by the company or another employee without fear of retribution or reprisal. To this end, we have an established grievance management policy in place to address concerns or complaints raised by employees via email.

DAAM Committee

The Daam Committee holds responsibility for reviewing employment disputes and complaints, including deciding upon grievances submitted by employees against penalties issued to them, grievances against their performance evaluations, and complaints or grievances related to improving the work environment. The committee also considers any issues referred by the company's management. Grievances or complaints can be submitted via the dedicated email (DaamCommittee@Nadec.com.sa) or through direct contact with any committee member. Upon receiving a complaint, the committee completes the necessary procedures and notifies the applicant of its decision by email.



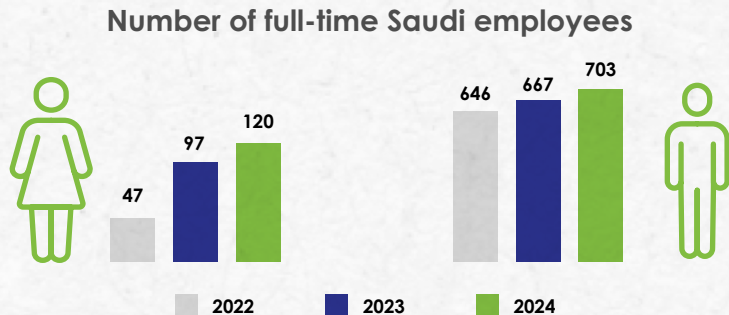
Nationalization

As part of our commitment to supporting the ambitions of Saudi Vision 2030, we continued our focus on workforce nationalization throughout 2024. A total of 823 Saudi nationals were employed full-time across the organization, supported by targeted hiring efforts and structured training programs to enable long-term development. These initiatives were applied across all business units to build a capable, future-ready national workforce.

One key area of progress within our nationalization initiative was the integration of Saudi women, who represented 97.6% of NADEC's total female workforce – an indicator of the success of our ongoing efforts to support gender inclusion and empower women in the agri-food sector.

In parallel, NADEC also enhanced our international recruitment processes through partnerships with Saudi-based agencies to streamline the hiring of specialized global professional and ensure a balanced and high-performing workforce that supports operational excellence and strategic growth.

Breakdown of the Workforce by Nationality



WORKFORCE IN SENIOR MANAGEMENT	UNIT	2022	2023	2024
Saudi full-time employees in senior management	Number	7*	8*	6
Full-time employees of other nationalities in senior management	Number	5	9	15
*Values were restated due to recalculation.				

Talent Management & Development

Attracting and retaining top talent is critical to our capacity to grow, innovate and build long-term organizational resilience. Our **Talent Management Strategy** is designed to support this long-term growth by enabling us to recruit, develop, and engage skilled professionals at every career stage.

To help all employees build rewarding, successful careers at NADEC, we also have integrated systems in place for performance evaluation, training, and career progression. In 2024, we delivered **32,960 hours of training** through 820 specialized programs, with over 2,270 employees participating. These programs ranged from leadership and technical development to digital upskilling and safety awareness.

We also expanded our investment in emerging talent through programs such as **Tamheer** (with 13 participants offered full-time roles) and **cooperative training for 64 students**, bridging the gap between academic learning and real-world experience.

TRAINING & DEVELOPMENT (HOURS)	2023	2024
Total number of training hours for females	2,161	2,966
Total number of training hours for males	15,359	29,994
Total number of training hours for total workforce	17,520	32,960
Total number of training hours for senior management	1,126	3,293
Total number of training hours for middle management	6,328	7,580
Total number of training hours for non-managerial management	10,066	22,087
Average hours of training per year per female employee	21.61	24.11
Average hours of training per year per male employee	3.33	6.43
Average hours of training per year per employee	3.72	6.88
Average hours of training per year for senior management	66.24*	156.81
Average hours of training per year for middle management	226.00*	114.85
Average hours of training per year for non-managerial level	2.16*	4.70
*Values were restated due to recalculation		

Learning and Development

Our approach to learning and development combines internal capability building with broader social impact—contributing not only to NADEC's long-term success but also to the advancement of national workforce readiness and community development.

We offer a diverse range of training and development programs tailored to the evolving needs of our business and our industry. Our learning framework combines leadership development, technical upskilling, and digital learning to support continuous professional growth across the organization.

Key components of the learning framework include:

- Management and Technical Training** to strengthen leadership capabilities and ensure alignment with evolving industry standards
- Safety Training Programs** that reinforce global best practices and support our health and safety strategy
- E-learning platforms** such as LinkedIn Learning and a dedicated **Learning Management System (LMS)** to enable flexible, self-paced development
- Co-op and Project Training Programs** that offer practical exposure for students and employees across operational sites including Haradh, Al Jouf, and Hail
- A dedicated **English Language Academy**, supporting business communication and technical writing skills for employees at all levels

To bridge the gap between academia and industry, in 2024 NADEC provided cooperative training opportunities to 64 students, and participated in the Tamheer on-the-job training program in collaboration with HRDF. This initiative offered practical experience to 32 young Saudi professionals, of which 13 were offered permanent roles within the company.

In addition to structured programs, we organized 18 company-wide training events, including mentorship workshops and knowledge exchange sessions throughout the year. These were attended by 80% of the targeted audience and played a key role in providing a collaborative learning environment.



Training Program Quality

The effectiveness of NADEC's learning initiatives is evident in our 92% employee satisfaction rate, which affirms the relevance, quality, and impact of our training content and delivery methods. This high satisfaction also reflects the close alignment between our programs, our employee development needs and our organizational goals.

Retaining Top Talent

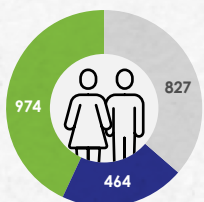
NADEC's **succession planning program** continues to evolve as we advance our processes for identifying and developing internal leadership potential with the aim of ensuring business continuity and future-readiness. As part of our strategic roadmap, we are exploring our participation in the **Great Place to Work** framework and formalizing an **Employee Empowerment Action Plan** to further enhance satisfaction and retention.

New Hires & Turnover

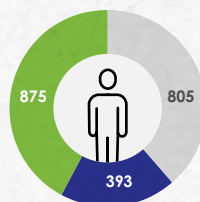
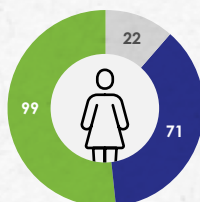
2022 2023 2024

Employees who **JOINED** the organization

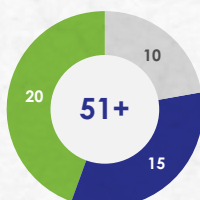
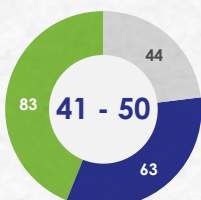
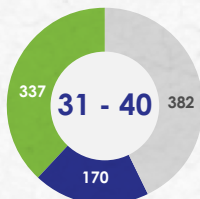
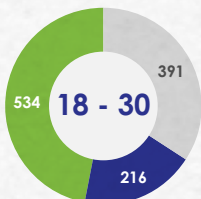
Total Joiners



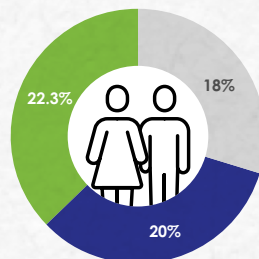
Breakdown by Gender



Breakdown by Age Group

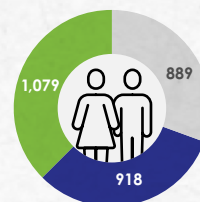


Turnover Rate (%)

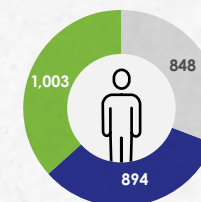
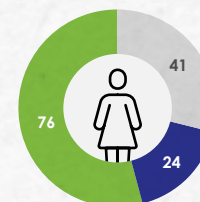


Employees who **LEFT** the organization

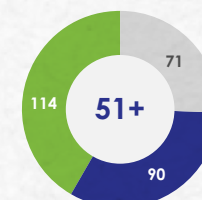
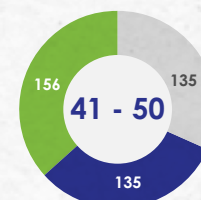
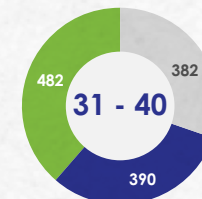
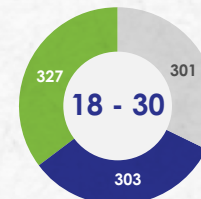
Total Leavers



Breakdown by Gender



Breakdown by Age Group





Performance Management

NADEC maintains a structured performance management system designed to align individual objectives with organizational goals, support employee development, and drive a high-performance culture. The framework includes **goal setting, mid-year reviews, and year-end evaluations**, enabling employees and managers to track progress and provide structured feedback throughout the performance cycle.

Performance outcomes are directly linked to decisions on **promotions, rewards, training opportunities, and succession planning**, ensuring transparency and fairness in career progression. The system plays a vital role in identifying high-potential talent and fostering accountability across all levels of the organization.

PERFORMANCE REVIEW (%)	2022	2023	2024
Percentage of total employee who received a regular performance and career development review during the reporting period.	93%	91%	92%
Percentage of female employees	70%	49%	87%
Percentage of male employees	91%	94%	92%
Percentage of senior management employees	77%	65%	95%
Percentage of middle management employees	86%	76%	84%

EMPLOYEE WAGES AND BENEFITS (RATIO)	2023	2024
Ratio of male entry level wage to minimum wage	1.00	1.10
Ratio of female entry level wage to minimum wage	1.00	1.00
Ratio of basic salary/remuneration of women to men	2.65	2.40
Ratio of basic salary/remuneration of women to men in senior management	0.74	0.70
Ratio of basic salary/remuneration of women to men in middle management	1.01	1.00

Health, Safety & Wellbeing

NADEC strives to provide a workplace where every employee feels safe, supported, and valued. Our comprehensive approach to health, safety, and wellbeing is designed to promote a culture of care throughout our organization.

Aligned with international best practices, our health, safety, and wellbeing programs extend beyond physical safety to encompass mental wellbeing, emergency preparedness, and workplace ergonomics. We continuously review our risk management systems, training programs, and employee engagement mechanisms to strengthen our overall safety performance and maintain a healthy working environment.

In 2024 we initiated a multi-year roadmap to strengthen our Occupational Health and Safety Management System (OH&SMS) with the aim of aligning with ISO 45001 certification by 2027. As part of this transition, foundational systems and policies are currently being introduced to further embed consistent health and safety guidelines, standards and operating practices across all business units and operational sites.

To support a proactive safety culture, we are also rolling out a structured risk assessment and training program beginning with key sites such as Al Jouf and Haradh. Training has focused on core topics including hazard identification, lockout/tagout procedures, and COSHH awareness. A broader Health, Safety, and Sustainability (HSS) training framework is currently being developed, informed by a training needs analysis conducted in collaboration with operational teams.

We are also enhancing our incident and hazard reporting capabilities, including the pilot of a digital reporting platform that enables faster, more accessible communication of health-related concerns. Full deployment is expected in 2025 following training and internal rollout.

On-site medical services are available at several of NADEC's key facilities, including Haradh, ensuring immediate access to care. Emergency procedures are in place for escalated medical needs, and all personal health data is handled confidentially in accordance with local regulations and GOSI requirements.

Health and safety governance is overseen by NADEC's Health and Safety Committee, which currently includes five members representing a cross-section of departments, including senior leadership. The number of committee members is expected to increase as part of our broader H&S integration plan. The committee meets monthly to review performance, resolve issues, and guide the continuous improvement of safety management practices.

As part of our leadership development program, NADEC will introduce IOSH Managing Safely certification training for senior managers, enhancing their understanding of occupational safety responsibilities and supporting deeper integration of Health and Safety into decision-making processes.



Environmental Management & Resource Efficiency

NADEC's environmental management approach is guided by internationally recognized standards and is structured around proactive monitoring, performance improvement, and alignment with national environmental regulations. Through a formal Environmental Management System, the integration of circular economy principles, the progressive implementation of emissions tracking tools for Scope 1, 2, and 3 GHG emissions, we aim to optimize the use of energy, water and raw materials across our operations plus reduce waste generation and emissions at our production facilities. These initiatives are designed to reduce operational risks, enhance cost efficiency, and support broader environmental stewardship across the value chain.

Nadec is committed to complying with the environmental laws and regulations in force in the Kingdom, including the Environmental Law, the Agricultural Law, and the directives and controls issued by regulatory and supervisory bodies such as the Ministry of Environment, Water and Agriculture, and the National Center for Environmental Compliance. This commitment affirms the company's dedication to adopting best environmental practices and ensuring compliance with legal and regulatory requirements, reflecting its environmental responsibility and the sustainability of its operations.

In 2024, NADEC sponsored the Environmental Commitment Forum 2024, organized by the National Center for Environmental Compliance, reflecting NADEC's active role in aligning with the Kingdom's sustainability agenda, especially in agriculture and environmental conservation.



Climate Action & Emissions Reduction

We have launched a range of initiatives to reduce greenhouse gas emissions and mitigate the impacts of climate change across our operations. These efforts reflect a strategic focus on transitioning toward a **low-carbon, resource-efficient food system**.

Among these initiatives is a collaboration with **Pure Harvest**, focused on advancing sustainable agricultural practices and reducing the carbon intensity of food production.

To further reduce operational emissions, in 2024 we continued the process of upgrading our vehicle fleet with a focus on improving fuel efficiency and lowering environmental impact. In parallel, **innovative cooling technologies** have been introduced at dairy farms to reduce electricity demand and enhance energy efficiency—particularly in climate-controlled operations where energy use is highest.

ENERGY	UNIT	2022	2023	2024
Diesel consumption from vehicles	Liter	17,074,567	18,281,895	15,884,752
Petrol consumption from vehicles	Liter	1,657,487	1,981,091	1,647,553
Energy from mobile combustion (direct energy)	GJ	712,927	763,804	661,076
Energy from electricity (indirect energy)	GJ	71,507	52,056	108,281
TOTAL ENERGY CONSUMPTION (DIRECT AND INDIRECT)	GJ	784,433.95	815,859.63	769,356.98

EMISSIONS	UNIT	2022	2023	2024
Scope 1 Emissions				
Mobile combustion	CO ₂ e (metric tonnes)	49,959	53,264	46,156
Refrigerant gases & others	CO ₂ e (metric tonnes)	13,082	13,868	16,625
Total Scope 1 emissions	CO₂e (metric tonnes)	63,040.42	67,132.24	62,781.30
Scope 2 Emissions				
Purchased & consumed electricity	CO ₂ e (metric tonnes)	11,282	8,213	16,543
Total Scope 2 emissions	CO₂e (metric tonnes)	11,282.28	8,213.29	16,542.92
TOTAL EMISSION (SCOPE 1 + SCOPE 2)	CO₂e (metric tonnes)	74,322.70	75,345.53	79,324.22

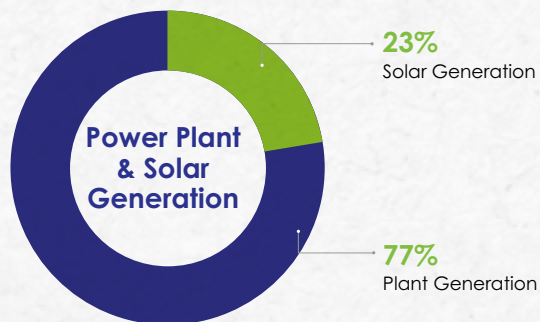
Scope 1 emissions were calculated in accordance with the GHG Protocol, applying the UK Department for Environment, Food & Rural Affairs (DEFRA) emission factors. Scope 2 emissions were calculated using the Saudi Electricity Company (SEC) location-based emission factor.

Clean Energy and Solar Operations

As part of our decarbonization effort, NADEC operates one of the largest privately owned solar photovoltaic (PV) installations in the Middle East, and the plant remained a cornerstone of our clean energy strategy throughout 2024. Developed in partnership with ENGIE, the Haradh-based NADEC PV Solar Plant has a total installed capacity of 30 megawatts peak (MWp) and plays a critical role in reducing our reliance on fossil fuels for operational energy needs. In 2024, the PV plant supplied approximately 20% of NADEC's total electricity consumption, underscoring its significant contribution to clean energy transition.

In 2024, the NADEC captive power plant generated 238,632,168 kWh of electricity, complemented by 69,948,722 kWh from the PV solar plant. Together, these contributed to a total combined generation of 308,580,890 kWh for the year. By offsetting the use of heavy fuel oil in energy-intensive operations, the PV plant contributed to measurable reductions in carbon emissions in 2024, avoiding 58,092 tonnes of CO₂ emissions and advancing progress towards our internal sustainability goals as well as the broader Vision 2030 energy transition targets.

The site operates under strict health, safety, and environmental (HSE) protocols, with no major incidents reported during the year. Preventive maintenance and routine housekeeping were carried out consistently to ensure safe and uninterrupted operations, supported by a dedicated on-site team.



Water & Wastewater Management

As a leading agri-food producer operating in a water-scarce region, NADEC has a firsthand understanding of the need to achieve national goals on water conservation, and we are committed to maximizing our contributions to those goals through efficient water use and responsible wastewater treatment.

In 2024 we took further steps towards reducing our water footprint by completing a company-wide study on **water reuse opportunities**. Based on results from this study, we accelerated the planning and implementation of our flagship **wastewater upcycling initiative**. Located in Haradh, this **photobiological wastewater treatment facility** is designed to treat up to **5,000 cubic meters per day** through an innovative, catalyst-based process that biologically converts high-bioloading wastewater into irrigation-grade water.

By the end of 2024, NADEC had expanded its capacity to treat 10,000 cubic meters per day of water sourced from four farms and one dairy factory.

This treated water is primarily used for irrigation, with a significant portion supporting desert nurseries and district greening projects in line with the Saudi Green Initiative and efforts to restore ecosystems to their natural state.

Initial results from Phase 1 of The Circle are highly promising. The system achieved:

>98%

odor reduction,
verified through
olfactory and gas
ppm analysis

72.7%

reduction in COD
and **40% reduction**
in BOD within 14 days
of treatment

Compliance with Saudi
Arabia's standards
for **unrestricted**
irrigation in categories
such as TDS and
intestinal parasites

Microbial testing also confirmed **>98% reduction in total coliforms and Salmonella**, supporting safe reuse of treated water for agricultural applications. A full SGS audit at Day 30 reinforced these findings, confirming water quality improvements across all benchmark indicators.

NADEC's converts nutrient-rich effluents, animal waste, and organic residues into **bio-based products** such as Humisoil and XLR8 Bio. These outputs contribute to desert reclamation, greening initiatives, and sustainable agriculture both within NADEC and through partnerships across the region.

Operational Resilience & Value for Stakeholders

In a rapidly evolving business landscape, embedding sustainability into the heart of NADEC's operational model is a critical enabler of long-term organizational resilience. As a result, our efficient use of resources, proactive risk management, and a commitment to continuous improvement enables us to maintain high standards of reliability, quality, and regulatory compliance.

Our operational excellence framework offers further assurance for our stakeholders — including investors, business partners, regulators, and customers — that NADEC is a responsible, agile, and future-focused enterprise capable of creating shared value.

Resource Optimisation and Circular Economy

Resource optimisation and circular economy are central to NADEC's approach to sustainable operations. In alignment with our sustainability strategy framework and international best practice, we are embedding principles of efficiency, circularity, and value realisation across our operations. This means not only reducing the consumption of energy, water, and raw materials, but also rethinking how resources are managed across their lifecycle — from input to end-of-life — to minimise waste, cut emissions, and create regenerative value. By adopting a systems-based approach that mirrors the practices of global food and agriculture leaders, NADEC seeks to progressively decouple business growth from resource intensity, positioning circularity as a driver of operational resilience and long-term competitiveness.

In 2024, we advanced several initiatives that lay the foundation for increased circularity in our business model, including wastewater upcycling at The Circle facility and partnerships to recycle organic by-products into agricultural inputs. These projects demonstrate the tangible benefits of circular solutions, from reducing environmental risks to generating alternative revenue streams. Looking ahead, NADEC will conduct an environmental review in 2025 to baseline material and resource flows across our operations. This will enable us to identify hotspots, quantify our waste footprint, and prioritise value realisation opportunities through targeted pilots and ISO 14001-aligned management systems. Through this phased and structured approach, NADEC is building the transparency, accountability, and innovation required to embed resource efficiency and circular economy principles at scale.



Health, Wellbeing & Access to Nutrition

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Material Topics:

- -Food security, health and access to nutrition
- -Impact of products and services
- -Community / social impact
- -Food quality and safety
- -Human rights

Alignment with UN SDGs:



Health, Wellbeing & Access to Nutrition

NADEC believes that the food we produce should not only nourish individuals but also contribute to the health and wellbeing of entire communities, and as one of the Kingdom's largest food producers, we recognise our responsibility in shaping consumption habits and supporting national food security.

The Health, Wellbeing and Access to Nutrition pillar of our sustainability strategy represents our deep commitment to developing products that support balanced diets, promote healthier lifestyles, and respond to the evolving nutritional needs of society.

Our approach is anchored in a dual focus on People and Planet. On the people side, we are committed to delivering nutritious, affordable, and accessible food options while empowering consumers with transparent information to make healthier choices. This includes reformulating products for better nutritional profiles, developing new healthy offerings, and launching public awareness campaigns to encourage conscious consumption. On the planet side, we work to minimise the environmental impact of our product portfolio—conducting footprint assessments, improving packaging sustainability, and reducing waste across the product lifecycle. By integrating health, sustainability, and innovation, we aim to deliver long-term value to our customers, contribute to national health goals, and lead by example in advancing sustainable nutrition in the region.

Nutrition-Centred Product Innovation

The ambition to transform from a dairy-focused company into a fully integrated food enterprise is at the core of our New Dawn corporate strategy. This strategic shift towards offering a diverse portfolio aligned with evolving consumer needs is both a continuation of NADEC's four-decade legacy and a forward-looking response to Saudi Arabia's Vision 2030, in which food security and nutritional wellbeing are national priorities. Realizing this transformation with speed and agility is critical to meeting the demands of a dynamic, future-focused market.

To drive this shift, we are committed to applying global best practices in agricultural innovation, food production, and operational efficiency. Our strategy places a strong emphasis on product quality, accessibility, and nutritional value, ensuring that our offerings meet the expectations of consumers and partners across all segments.

Nutrition is a central pillar of NADEC's product development approach. We continuously reformulate and innovate to deliver options that are high in protein, low in fat and sugar, and responsive to dietary sensitivities. This work is guided by a structured internal framework that draws on consumer insights, public health data, and international benchmarks to enhance the nutritional profile of our products.

Through our "Nutrition for Life" program, NADEC embeds health and wellness into its portfolio strategy—ensuring our food offerings contribute to improved diets, public health outcomes, and national food security goals.

Our Research & Development (R&D) function enables this innovation, using the Project Stage Gate process to accelerate time to market. We collaborate closely with global suppliers and leverage trend analysis and consumer feedback to guide new product concepts, optimize formulations, and refine recipes for cost-efficiency and impact.

RESEARCH & DEVELOPMENT	UNIT	2023	2024
The company's annual investment in R&D	SAR million	20	15
Number of dedicated R&D staff members does the company have	Number	7	6
Percentage of the company's product portfolio has been developed or improved as a result of its R&D efforts	Percentage	1.7%	8.9%

To stay at the forefront of food innovation, we actively participate in regional and international events such as Arab Beverage, Gulf Food, and Saudi Food Conventions, which serve as platforms for knowledge exchange, trend analysis, and collaboration. These engagements help reinforce a culture of continuous improvement across our teams.



NADEC’s R&D efforts are anchored in consumer insights and real-time market feedback, enabling us to design offerings that are not only nutritionally relevant but also aligned with modern preferences. Key product innovations include:

- Banana Laban, rich in potassium to support fluid balance and health
- High-Protein, High-Fat Greek Yoghurt for indulgent yet functional nutrition
- Value-Added Drinkable Milk targeting widely needed health benefits
- Ready-to-drink Iced Coffee, developed for convenience and energy
- Potato Chips, catering to consumer snacking trends

To drive innovation further, we continuously optimize line capacities, recipes, and packaging to enhance efficiency and reduce production costs. We also work closely with external stakeholders to extend our capabilities and remain agile in a competitive market. Key collaborators include:

- **Saudi Food and Drug Authority (SFDA):** Ensuring our products meet regulatory standards for safety and quality
- **Tetra Pak:** Partnering on sustainable and shelf-life-enhancing packaging solutions
- **DSM Nutritional Products:** Supporting the development of fortified foods that address regional nutritional gaps

NADEC maintains full compliance with national and international food safety regulations, including those established by the Saudi Standards, Metrology, and Quality Organization (SASO), the Gulf Standard Organization (GSO), and the Codex Alimentarius Commission (CAC).

Responsible Labelling & Consumer Empowerment

NADEC is committed to helping consumers make informed and responsible dietary choices through clear communication, nutritional transparency, and high product standards. Our labelling practices are governed by strict internal protocols aligned with both regional and international regulatory frameworks. Each label is designed to ensure clarity, accuracy, and completeness—clearly listing ingredients, disclosing allergenic substances, and reflecting validated nutritional content. We are also exploring front-of-pack innovations to make key health attributes—such as protein content, sugar levels, and added vitamins—more accessible and easier to interpret.

Product development and reformulation at NADEC are driven by market insights and consumer feedback, with a focus on delivering health-enhancing options such as high-protein, low-sugar, and nutrient-fortified products. To uphold our quality and safety standards, all products undergo rigorous physicochemical and microbiological testing, both in-house and through external accredited laboratories that validate nutritional claims and ensure food safety.

Consumer Satisfaction

Consumer satisfaction is one of the key factors behind our drive to deliver top product quality, innovation, and long-term brand loyalty. We regularly evaluate consumer feedback to identify areas for improvement, strengthen customer trust, and enhance our value proposition in the highly competitive food and beverage market, and we are committed to understanding and meeting the evolving needs of our customers. Centered around continuous feedback collection, service excellence, and product refinement, our approach includes monitoring consumer sentiment, tracking satisfaction indicators, and responding promptly to inquiries and complaints to ensure a seamless experience across all touchpoints.

During 2024, customer requests were received exclusively through phone calls, emails, and social media channels. In November 2024, the new Genesys system was introduced, while requests continued to be received via email and social media.

CUSTOMER SATISFACTION	UNIT	2022	2023	2024
Net Promotor Score (NPS)	Number	26%	28%	29%
Customer complaints received through communication channels	Number	25,108*	1,920	2,415
Resolved issues that were raised through the complaint channels	Percentage	60%	90%	93%
*The number shown is total number of calls not complaints.				

Key advantages of the Genesys system:

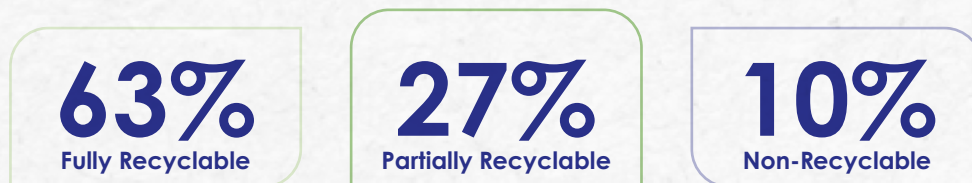
- Full automation of the call-handling process.
- Accurate logging of all incoming calls.
- Prevention of missed call losses.
- Ability to reconnect with customers whose calls were not answered promptly.
- Enhanced customer experience and increased satisfaction.
- Secure and well-organized storage of call data.
- Easier tracking, follow-up, and analysis of requests and complaints to improve service quality.

These improvements have contributed to providing services more quickly and efficiently.

Sustainable Packaging & Product Footprint

Our environmental responsibility extends beyond the way that food is produced to how it is packaged, delivered, and consumed. To reduce the environmental impact of our packaging and product footprint, we apply eco-design principles and clean technologies across our product lines by optimizing materials, increasing recyclability, and reducing waste across the lifecycle. As a result, a growing share of our packaging is now recyclable, and we are conducting product-level footprint assessments to identify energy, water, and material efficiency improvements. These efforts support the broader goal of reducing waste to landfill while delivering products that meet both environmental and consumer expectations.

As of 2024, our packaging portfolio is categorized as follows:



Building on this progress, in 2024 we transitioned from a Z-shape to a U-shape straw for 185ml and 200ml UHT products. The U-shape straw is significantly lighter, with a weight reduction from 0.5g to 0.33g—representing a 34% decrease in plastic use. With annual usage exceeding 44 million straws, this change led to a material saving of approximately 74,800 kg of polypropylene (PP).

We continue to collaborate closely with suppliers to explore next-generation materials and solutions that will increase the recyclability of our entire portfolio. This includes ongoing research into mono-material packaging and alternative barrier solutions that maintain product integrity while reducing environmental impact.

NADEC's Organic Extra Virgin Olive Oil reflects the company's commitment to sustainable and high-quality production.

Grown on certified organic farms without synthetic fertilizers or chemical pesticides, the olives meet the standards of the International Federation of Organic Agriculture Movements (IFOAM), resulting in a product with higher antioxidant content. In parallel, NADEC integrates renewable energy and agricultural waste recycling into its manufacturing processes, earning the EU Organic Certification and reinforcing its alignment with global environmental standards such as those promoted by the United Nations Environment Programme (UNEP).

Community Awareness & Health Impact

We are committed to making meaningful contributions to the health and well-being of the communities we serve by ensuring that the products we offer support safe, nutritious, and balanced diets, and by encouraging sustainable consumption behaviors across society.

We follow a formal process for identifying and managing the nutritional and health considerations of all food products and ingredients. This includes:

- **Screening and Evaluation:** Every ingredient is subject to strict evaluation to assess its technical specifications, ensuring a clear understanding of its health and nutritional implications before use.
- **Dosage Confirmation:** Ingredient dosages are verified against regulatory standards to safeguard consumer health and ensure nutritional adequacy.

Beyond product development, NADEC actively promotes **health-conscious and sustainable consumption habits** within the broader community. We conduct public awareness campaigns, collaborate with educational institutions, and engage in targeted outreach to encourage responsible dietary behaviors and reduce food waste. Our customer service team further supports consumers with guidance on **proper storage practices**, including temperature and humidity control, to extend product shelf life and minimize spoilage.

In 2024, NADEC expanded its outreach to the education sector by partnering with over **40 schools** to raise awareness on healthy eating and lifestyle habits. As part of these efforts, NADEC proudly sponsored **World Food Day** in collaboration with the **Riyadh Education Directorate**, highlighting the positive impact of nutritious diets on student health and development.

To further promote community wellbeing, NADEC sponsored a series of initiatives that encourage **physical activity and active lifestyles**. These included support for the **Mahra Formula Team**, the **Diriyah Season Cup in Qassim**, and the **R7 Running Team** during the Riyadh Marathon. Additionally, NADEC organized the **NADEC Open Paddle Championship**, underscoring our dedication to promoting wellness through sport.

NADEC also contributes to community empowerment through longer-term investments in education. The company fully funds two **sustainably designed primary schools** in Haradh—one for boys and one for girls—ensuring access to quality education and integrating elements of agricultural and environmental awareness into the curriculum.

COMMUNITY INVESTMENT	UNIT	2022	2023	2024
Annual spending on schools	SAR	4,086,293	3,882,647	3,395,009



Enablers of Change

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Material Topics:

- Governance and business ethics

Alignment with UN SDGs:



Corporate Governance

Our governance framework is designed to uphold the highest standards of transparency, accountability, and ethical leadership across all levels of our organization. It is based on a set of policies and procedures adopted by NADEC and aligned with the Corporate Governance Regulations issued by the Capital Market Authority. The framework encompasses board-level oversight, policy enforcement, and operational accountability, ensuring we deliver on our strategic objectives while managing risk and meeting stakeholder expectations. The framework also incorporates governance indicators to measure the effectiveness of this oversight, including the monitoring of sustainability performance by the Board of Directors, the Executive Committee, and the Strategy Department, reflecting NADEC's commitment to integrating governance with sustainability objectives.

The Board of Directors, elected by the General Assembly of Shareholders, is responsible for supervising NADEC's strategy and governance. In 2024, the Board began its new four-year term and continued its oversight through three specialized committees: the Audit Committee, Executive Committee, and Nominations and Remuneration Committee. Each committee includes at least one independent board member, as well as the CEO, who serves as a member. These committees regularly review the effectiveness of management, board composition, and company-wide governance practices.

Performance evaluations for the Board, its members, and committees are conducted annually in line with best practice and regulatory expectations. These evaluations include a review of the Board's oversight of economic, environmental, and social matters.

In 2024, the Governance Department delivered several enhancements to support transparent, efficient, and policy-driven decision-making. Key developments included:

- Streamlining the Delegation of Authorities (DOA) and governance matrices
- Automating policy access via an AI-powered chatbot
- Launching a GRC ticketing system to respond to governance-related queries
- Implementing automated declarations for conflict of interest, code of conduct, and gift disclosures
- Enhancing the Board and Committee Action Tracker to improve follow-up efficiency

For more information regarding Board Level Committees, please refer to the [2024 Annual Report](#).

Board Diversity

The Board of Directors consisted of seven members through 2024, in compliance with the Corporate Governance Regulations. The Board structure was designed to enhance the effectiveness of oversight on the company's strategies, ensure diversity of expertise, and reflect a strong commitment to sound corporate governance principles.

In line with the requirements of the Corporate Governance Regulations, 2024 saw an increase in the number of independent board members from three to four. This change reflects the company's commitment to strengthening neutrality and transparency, minimizing conflicts of interest, and supporting good governance practices that balance the management of corporate interests.

In 2024, the Board had no executive members, while the number of non-executive members stood at three, as part of efforts to restructure the Board to reinforce its independence in its supervisory and oversight role, in accordance with the Corporate Governance Regulations. The age distribution of board members remained diverse, with four male members aged between 30 and 50, and three male members over the age of 50, reflecting a balanced mix of experience and perspectives.

NADEC continues to evaluate its board composition against evolving governance standards and stakeholder expectations, aiming for a more inclusive and balanced leadership structure over time.

Compensation

Our approach to compensation is designed to attract, retain, and reward talent in alignment with company performance, market benchmarks, and long-term value creation. The Nominations and Remuneration Committee periodically reviews executive reward programs, incentive schemes, and compensation structures, and submits recommendations to the Board for approval.

Executive compensation is aligned with both short-term incentive plans (STIPs)—tied to individual and company performance—and long-term incentive plans (LTIPs) such as stock options and other deferred benefits. These structures are intended to ensure performance-based pay, reinforce accountability, and support sustainable business growth.

In 2024, the ratio of the annual total compensation for NADEC's highest-paid individual to the median annual compensation of all other employees was 55.16. The percentage increase in annual total compensation for the highest-paid individual was significantly higher than the overall workforce, compared to a 5% increase in median compensation for all other employees (excluding the highest-paid individual).



Ethics, Compliance, and Transparency

NADEC maintains a comprehensive and structured suite of policies governing ethics, compliance, transparency, and corporate conduct, underpinned by a strong internal control environment. In 2024, we achieved ISO 37301 certification, a milestone that reflects the maturity of our Compliance Management System (CMS) and our alignment with international standards on integrity, accountability, and regulatory adherence.

Key corporate policies include:

- **The Risk Management Policy:**

Built on the principles of flexibility, integration, and continuous improvement, the policy promotes due diligence through proactive risk identification, assessment, treatment, and monitoring. While it incorporates elements of the precautionary principle, the policy does not explicitly reference human rights.

- **The Investigation Policy:**

This policy ensures objectivity, impartiality, confidentiality, and fairness during internal investigations. It outlines structured procedures for evidence collection, assessment, and reporting, while upholding non-retaliation and protecting the rights of individuals involved—demonstrating alignment with key human rights safeguards.

- **The Disclosure and Transparency Policy:**

This policy ensures timely, accurate, and complete reporting of financial, governance, and social responsibility information in line with CMA requirements and Saudi Corporate Governance Regulations. It also promotes ethical conduct, organizational accountability, and indirectly reinforces human rights principles.

- NADEC's policies on **conflict of interest** and **code of conduct** continue to be enforced through mandatory annual disclosures and employee declaration processes across all business units.

These policies are embedded within NADEC's broader **sustainability commitments**, which are integrated into strategy, operations, and business partnerships. To support effective implementation, departments such as **Governance, Risk & Compliance (GRC)** and **Human Resources** regularly conduct awareness sessions with process owners and relevant teams to ensure practical understanding and application of these policies.

Our compliance efforts are monitored through advanced dashboards, on-site audits, and centralized systems such as **Elimad**, which handled over 700 requests in 2024. Self-assessment frameworks and departmental compliance plans have also been institutionalized to ensure regulatory alignment and operational discipline across all sites.

During the reporting period, there were instances of non-compliance with laws and regulations, the majority of which were identified internally through NADEC's compliance monitoring systems. **Corrective actions were promptly implemented** to address and mitigate the associated risks. As part of our operations in the fast-moving consumer goods (FMCG) sector, a limited number of non-compliance cases were related to **license renewals and traffic violations**, for which **appropriate mitigation plans** have been developed.

Additionally, amendments to **Saudi Food and Drug Authority (SFDA) regulations** concerning product specifications resulted in formal notifications to update the labelling of certain products. These updates were addressed in accordance with regulatory requirements.

It is important to note that **no major fines or significant non-compliance issues** were recorded during the reporting period. NADEC also reaffirms its commitment to implementing all mandatory provisions outlined in the Corporate Governance Regulations issued by the Capital Market Authority, in addition to most of the guiding (non-mandatory) provisions, despite the fact that they are not currently required by regulatory and supervisory authorities.

NADEC is working towards adopting the remaining guiding provisions that are not yet implemented, and will naturally comply with them should they become mandatory by the regulatory and supervisory authorities.

For more information on board membership, committee responsibilities, evaluation methodologies, and detailed governance metrics, please refer to [NADEC'S 2024 Annual Report](#).



Risk Management

NADEC takes an integrated and proactive approach to risk management, ensuring that **strategic, operational, financial, and sustainability-related risks** are systematically identified, assessed, and mitigated across all levels of the organization. Risk governance is embedded into decision-making, enabling the company to strengthen its resilience, safeguard stakeholder value, and align with national regulations and long-term ESG commitments.

Risk Governance & Oversight Structure

NADEC's risk management responsibilities are distributed across a structured governance framework:

Board of Directors: The Board sets the overall risk culture, approves the risk policy, and oversees key risks and treatment plans, including those related to ESG. The Board also monitors long-term viability and supports disclosures on material risks.

Executive Committee (ExCom): This Committee oversees all sustainability-related risks and opportunities. The ExCom ensures that risk policies and procedures are fit-for-purpose, regularly reviews the organizational structure for risk management, and engages with the Risk Management Department in bi-annual reviews.

Risk Management Department: The department collaborates with Governance, Risk & Compliance (GRC) and Legal teams to develop risk criteria, maintain registers, and support process owners. The team manages the enterprise-wide risk methodology and scoring systems.

HSSE Committee: Chaired by the CEO, the committee focuses on environmental risks and meets monthly.

Director – ESG: Under the Strategy sector, the Director is responsible for implementing and monitoring ESG-related risks.

To ensure effective oversight, NADEC monitors and reports risk data at multiple organizational levels:

- **Monthly:** Heads of Departments (HODs)
- **Quarterly:** Vice Presidents
- **Bi-annually:** Executive Committee
- **Annually:** Board of Directors

To build ESG governance capacity, NADEC is rolling out **board training programs, external workshops, and expert sessions** to strengthen decision-making related to sustainability and enterprise risks.

Risk Assessment & Methodology

NADEC's **Enterprise Risk Management (ERM) Framework** and **Risk Methodology** guide all risk-related activities across departments and business functions. Sustainability-related risks are integrated into:

- Risk impact and likelihood matrices
- Risk rating and escalation frameworks
- Control assessment tools
- Consolidated risk registers across the organization

Each department and segment maintains a dedicated **risk register**, where sustainability-related risks are flagged and scored. NADEC applies a blend of:

- **Quantitative thresholds** (e.g., financial deviation from revenue targets: $\leq 1\%$ to $>5\%$)
- **Qualitative assessments** (e.g., operational disruption, reputational impact, regulatory breaches)

These scores inform the prioritization of risks and determine mitigation actions.

Key Risk Indicators (KRIs), such as **GHG emissions** and **water consumption**, are monitored routinely to assess progress and inform performance reviews. In 2024, NADEC updated its Risk Management Policy to incorporate **ESG data tools, compliance dashboards**, and board-level awareness on emerging sustainability issues.

ESG Risk Categories & Focus Areas

NADEC proactively identifies and addresses a wide range of **sustainability-related risks** that could reasonably impact its business model, operations, and reputation. In 2024, the following priority areas were monitored and managed:

For more information regarding potential risks identified by NADEC, please refer to the [2024 Annual Report](#).

Geopolitical and Supply Chain Risks:

Supplier diversification, enhanced inventory systems, and resilience planning.

Consumer & Market Shifts:

Ongoing product innovation to meet health, nutrition, and sustainability expectations.

Climate and Environmental Risks:

Investments in sustainable farming, water efficiency, and emissions reduction.

Regulatory & Reputational Risks:

Strengthened ESG reporting, legal alignment, and transparent stakeholder engagement.

Water Scarcity and Soil Degradation:

Localized mitigation plans in high-risk zones such as Haradh, Al Jouf, and Hail.

Cybersecurity & Data Protection:

Enhanced digital safeguards and governance for compliance with data laws.

Food Security Challenges:

Collaborations with farmers, land-use optimization, and productivity improvements.

Workforce & Labor Risks:

Talent development, automation, and workforce planning to address skill shortages.

AI and Digital Transition:

Use of automation, predictive analytics, and precision agriculture for operational agility.

Animal Health & Biosecurity:

Expanded veterinary care, biosecurity protocols, and livestock health monitoring.



Digital Transformation & Workplace Innovation

Digitalization is a critical enabler of NADEC's operational excellence, employee empowerment, and long-term sustainability. In 2024, as part of our transformation journey, we set forth a clear digital roadmap aligned with our New Dawn strategy, with the aim of accelerating innovation and automation across all major business functions—including finance, supply chain, HR, agriculture, and production.

Throughout the year, we successfully executed over 120 digital transformation projects in accordance with the roadmap, with a strong focus on process optimization, automation, and integration. One central achievement was the enhancement of the SAP S/4HANA system, which introduced advanced digital tools to streamline transactions, improve inventory management, and enable real-time data access across departments. Supporting this effort, NADEC adopted Signavio Process Insights, Process Manager, and the Collaboration Hub, building a detailed roadmap for ongoing improvements and strategic enhancements across business operations.



To increase automation and reduce errors, we also expanded the use of predictive analytics, machine learning, and robotic process automation (RPA) across core processes such as procurement, quality control, and HR workflows. In the agriculture division, IoT-enabled smart farming and irrigation systems were deployed to digitize field operations and optimize water use. We also enhanced our SCADA systems for real-time monitoring of water consumption and plant performance.

A significant focus was placed on employee services and compliance, including the implementation of Phase Two of E-invoicing, development of personal data protection systems aligned with PDPL in the Kingdom issued by Royal Decree No. (M/19) dated 09/02/1443H, and the modernization of cybersecurity infrastructure. These efforts were supported by new investments in enterprise resource planning (ERP) and the expansion of the digital and technology function to better integrate compliance, operations, and industrial automation.

The NADEC Paperless Initiative remained a cornerstone of our digital sustainability efforts, reducing physical documentation and improving workflow efficiency. Across all initiatives, we continued to build strong partnerships to drive adoption and ensure effective change management throughout the organization.

In recognition of these efforts, NADEC was honored with the BTOES 2024 Award for Best Operational Management Program, underscoring our leadership in applying digital transformation to achieve measurable improvements in performance, sustainability, and employee experience.



Data Privacy & Information Security

As we expand our reliance on digital systems and data-driven operations, safeguarding information assets becomes increasingly critical to our operational excellence and to maintaining trust with our stakeholders. To this end, NADEC continued to elevate our cybersecurity posture, data governance, and privacy safeguards across our organization throughout 2024.

Our operations are underpinned by a suite of integrated platforms—including SAP S/4HANA, IoT-based smart farming systems, and advanced analytics tools—which manage a wide spectrum of data: from ERP and financial data to supply chain, quality assurance, and sustainability metrics. All data is securely managed in compliance with internal controls, our cloud governance model, and applicable regulations.

In 2024, we formally adopted a comprehensive Data Privacy Policy aligned with the Personal Data Protection Law (PDPL). The policy outlines clear responsibilities around data subject rights, breach notifications, and role-based access controls. These principles are embedded across business functions through mandatory training, quarterly refreshers, and simulated phishing campaigns to ensure awareness and preparedness at all levels.

NADEC's commitment to information security was further recognized in 2024 with the achievement of ISO 27001 certification for our Information Security Management System (ISMS). The ISMS framework governs risk assessments, incident response protocols, and continuous improvement mechanisms across our infrastructure.

Oversight is provided by a centralized IT/OT Security Department under the leadership of the Chief Information Security Officer (CISO), reporting directly to our Governance, Risk & Compliance (GRC) Committee. Cybersecurity is integrated into business continuity and operational resilience through layered defenses and continuous monitoring.

Another major milestone in 2024 was the enhancement of our Security Operations Center (SOC), which now operates 24/7 with AI-powered threat detection and real-time risk analytics. Supported by an upgraded, third party-managed Security Information and Event Management (SIEM) system, the SOC monitors all inbound and outbound traffic and provides early warning on potential vulnerabilities.

Our assessment strategy has also evolved to reflect today's dynamic threat landscape:

- Bi-annual internal vulnerability assessments and annual external audits conducted by certified cybersecurity firms
- Quarterly penetration testing and red teaming simulations to evaluate system resilience against real-world attack scenarios
- A structured remediation and revalidation process to ensure prompt resolution of any identified weaknesses

In parallel, NADEC remains an active participant in national cybersecurity initiatives, working closely with the National Cybersecurity Authority (NCA) and engaging in industry-wide drills and regulatory roundtables to continuously benchmark and improve our practices.





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Appendix A.

Stakeholder Engagement

NADEC defines our stakeholders as individuals or entities with the greatest potential impact on our operations and our value creation process, as well as those who stand to be most materially impacted by our activities. This range of stakeholders is extensive, including (but not limited to) our customers, employees, local authorities, organizations linked to our food-related operations, the communities in which we operate, and end consumers.

We take a robust approach to engaging with these stakeholders to ensure their interests and needs are actively considered in the strategic and day-to-day direction of our operations and activities. We prioritize timely, transparent, and open communication with our stakeholders, bolstering engagement through a variety of channels, including regular participation in local and international conferences and meetings, periodic reports, social media platforms, newsletters, and board member gatherings. Through these channels we actively encourage two-way communication with stakeholders and invite feedback at any time.

Other stakeholder communications in 2024 included:

- Publicizing NADEC's sustainability issues, material impacts, and objectives
- Transparently reporting on progress made across all NADEC divisions
- Expanding open communications channels to allow stakeholders an even deeper insight into NADEC's activities and approach
- Identifying potential opportunities for product and service enhancements through consumer research and analysis

Continuously Improving the Stakeholder Experience

In 2023, NADEC conducted a competitor service speed assessment to benchmark our performance within our target market. This resulted in a variety of procedural enhancements to ensure NADEC is the fastest in addressing issues, with a target resolution time of no more than two business days. As part of the assessment process, we conducted an analysis of common concerns raised by end-consumers and other stakeholders. Based upon our understanding of stakeholder preferences and an iterative learning approach, we began developing educational materials and content to help enhance stakeholder experiences.



Appendix B.

GCC ESG Metrics

TOPIC	METRIC	DISCLOSURE
ENVIRONMENT (E)		
E1. GHG Emissions	(E1.1) Total amount, in MTCO ₂ e, for Scope 1 (E1.2) Total amount, in MTCO ₂ e, for Scope 2 (if applicable) (E1.3) Total amount, in MTCO ₂ e, for Scope 3 (if applicable)	32
E2. Emissions Intensity	(E2.1) Total GHG emissions per output scaling factor (E2.2) Total non-GHG emissions per output scaling factor	Not disclosed
E3. Energy Usage	(E3.1) Total amount of energy directly consumed (E3.2) Total amount of energy indirectly consumed	32
E4. Energy Intensity	(E4.1) Total direct energy usage per output scaling factor	33
E5. Energy Mix	Percentage: Energy usage by generation type	Not disclosed
E6. Water Usage	(E6.1) Total amount of water consumed (E6.2) Total amount of water reclaimed	33
E7. Environmental Operations	(E7.1) Does your company follow a formal Environmental Policy? Yes/No (E7.2) Does your company follow specific waste, water, energy and/or recycling policies? Yes/No (E7.3) Does your company use a recognized energy management system?	32
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	16
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	16
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	36
SOCIAL (S)		
S1. CEO Pay Ratio	(S1.1) Ratio: CEO total compensation to median FTE total compensation (S1.2) Does your company report this metric in regulatory filings? Yes/No	Not disclosed
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	30
S3. Employee Turnover	(S3.1) Percentage: Year-over-year change for full-time employees (S3.2) Percentage: Year-over-year change for part-time employees (S3.3) Percentage: Year-over-year change for contractors/consultants	29
S4. Gender Diversity	(S4.1) Percentage: Total enterprise headcount held by men and women (S4.2) Percentage: Entry- and mid-level positions held by men and women (S4.3) Percentage: Senior- and executive-level positions held by men and women	26

Appendix B. GCC ESG Metrics (cont.)

TOPIC	METRIC	DISCLOSURE
S5. Temporary Worker Ratio	(S5.1) Percentage: Total enterprise headcount held by part-time employees (S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	26
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	27
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Not disclosed
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	31
S9. Child & Forced Labor	(S9.1) Does your company follow a child and/or forced labor policy? Yes/No (S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	20
S10. Human Rights	(S10.1) Does your company follow a human rights policy? Yes/No (S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	20, 42
GOVERNANCE (G)		
G1. Board Diversity	(G1.1) Percentage: Total board seats occupied by men and women (G1.2) Percentage: Committee chairs occupied by men and women	41
G2. Board Independence	(G2.1) Does your company prohibit the CEO from serving as board chair? Yes/No (G2.2) Percentage: Total board seats occupied by independent board members	41
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Not disclosed
G4. Supplier Code of Conduct	(G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No (G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	20
G5. Ethics & Prevention of Corruption	(G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No (G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	42
G6. Data Privacy	(G6.1) Does your company follow a Data Privacy policy? Yes/No (G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	45
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No	4
G8. Disclosure Practices	(G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No (G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No (G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	4
G9. External Assurance	Are your sustainability disclosures assured or validated by a third-party audit firm? Yes/No	This report did not go through external assurance

Appendix C.

GRI Content Index

STATEMENT OF USE	NADEC has reported the information cited in this GRI content index for the period 1st January 2024 - 31st December 2024 with reference to the GRI Standards.
GRI STANDARD	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	7-11
	2-2 Entities included in the organization's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	4
	2-4 Restatements of information	26, 27, 28
	2-5 External assurance	This report did not go through external assurance
	2-6 Activities, value chain and other business relationships	10
	2-7 Employees	26
	2-8 Workers who are not employees	26
	2-9 Governance structure and composition	41-42
	2-10 Nomination and selection of the highest governance body	41-42
	2-11 Chair of the highest governance body	41-42
	2-12 Role of the highest governance body in overseeing the management of impacts	16, 41
	2-13 Delegation of responsibility for managing impacts	16
	2-14 Role of the highest governance body in sustainability reporting	16, 41
	2-15 Conflicts of interest	41-42

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 (cont)	2-16 Communication of critical concerns	27
	2-17 Collective knowledge of the highest governance body	Please refer to 2024 Annual Report
	2-18 Evaluation of the performance of the highest governance body	41-42
	2-19 Remuneration policies	41
	2-20 Process to determine remuneration	32, 41
	2-21 Annual total compensation ratio	32
	2-22 Statement on sustainable development strategy	5, 6
	2-23 Policy commitments	20, 27, 41, 42, 46
	2-24 Embedding policy commitments	20, 27, 41, 42, 46
	2-25 Processes to remediate negative impacts	30
	2-26 Mechanisms for seeking advice and raising concerns	27
	2-27 Compliance with laws and regulations	42
	2-28 Membership associations	13
	2-29 Approach to stakeholder engagement	48
	2-30 Collective bargaining agreements	Prohibited in the KSA
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	12

Appendix C. GRI Content Index (cont.)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	30
	202-2 Proportion of senior management hired from the local community	27
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	21
GRI 301: Materials 2016	301-1 Materials used by weight or volume	38
	301-2 Recycled input materials used	38
	301-3 Reclaimed products and their packaging materials	38
GRI 302: Energy 2016	302-1 Energy consumption within the organization	32
	302-3 Energy intensity	32
	302-4 Reduction of energy consumption	32-33
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	33
	303-2 Management of water discharge-related impacts	3
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	20-21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	32
	305-2 Energy indirect (Scope 2) GHG emissions	32
	305-4 GHG emissions intensity	32
	305-5 Reduction of GHG emissions	32
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	20
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	29
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	41

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	31
	403-2 Hazard identification, risk assessment, and incident investigation	31
	403-3 Occupational health services	31
	403-4 Worker participation, consultation, and communication on occupational health and safety	31
	403-5 Worker training on occupational health and safety	28
	403-6 Promotion of worker health	31
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	28
	404-2 Programs for upgrading employee skills and transition assistance programs	28
	404-3 Percentage of employees receiving regular performance and career development reviews	30
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	26
	405-2 Ratio of basic salary and remuneration of women to men	30
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	20
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	20
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	38-39
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	20
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	38-39
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	42
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	37-38

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