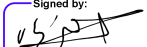




The National Agricultural Development Company

Environmental Position Statement

STG-ENPS-252-1-ST-3

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Applicability	The Company including all stakeholders connected with the environmental management activities.
Owner	ESG Department – Strategy Sector
Approver	Chief Executive Officer 

Signed by:

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1 Applicability and Scope

This Environmental Position Statement applies to the National Agricultural Development Company (“NADEC”) and its subsidiaries, NADEC is a listed joint stock company incorporated and existing under the laws of the Kingdom of Saudi Arabia.

It covers all NADEC operations, facilities, and value chain activities that may create environmental impacts, including farming and agricultural operations, dairy and protein production, manufacturing, logistics and fleet operations, procurement, packaging, distribution, technology infrastructure, and waste management. This Statement also applies to all contractors, suppliers, and third-party entities acting on behalf of NADEC or operating on NADEC premises, who are required to comply with NADEC’s environmental standards.

This Statement supports NADEC’s alignment with Saudi Vision 2030, the Saudi Green Initiative, the UN Sustainable Development Goals, and relevant global sustainability and disclosure frameworks, including IFRS S1 and S2, GRI, SASB, and TCFD (where applicable).

2 Statement of Commitment

NADEC integrates environmental stewardship into its core business strategy as part of its “New Dawn” transformation. We uphold our responsibility to protect and preserve natural ecosystems, minimize our environmental footprint, and contribute to national and global climate resilience by establishing measurable efficiency and performance targets across all operations.

Our environmental responsibility is aligned with Saudi Arabia’s national priorities and global frameworks, and it focuses on:

- Sustainable use of natural resources, including water, energy, and raw materials
- Reducing greenhouse gas emissions (Scope 1 and Scope 2, and where relevant, Scope 3)
- Preventing pollution and environmental harm
- Promoting waste reduction and circular economy practices
- Protecting and enhancing biodiversity
- Implementing sustainable agriculture practices
- Ensuring compliance with all applicable environmental laws, regulations, and standards

We are committed to continuously improving our environmental performance by setting and tracking science-aligned targets, strengthening our Environmental Management System (EMS), and progressing toward an ISO 14001-aligned, and ultimately ISO 14001-certified, EMS across all sites. Accountability for environmental performance is embedded at every level of the organization.



3 Our Position

NADEC views environmental protection as a shared responsibility across its workforce and value chain. Environmental objectives are embedded within our Environmental Management System (EMS) and supported by clear ownership, operational controls, and performance indicators. These commitments are informed by environmental risk assessments, materiality mapping, and stakeholder input, and are monitored through both quantitative and qualitative performance measures.

NADEC's environmental commitments are organized around four strategic pillars:

A. Climate Change Mitigation and Energy

- Reduce Scope 1 and Scope 2 greenhouse gas emissions through operational improvements and investments in clean energy.
- Explore the integration of Scope 3 emissions mapping and a long-term reduction strategy.
- Deploy solar power, smart metering, and energy-efficiency retrofits in high-consumption areas.

B. Water Stewardship

- Implement advanced water-saving technologies such as smart irrigation and recycling systems.
- Conduct regular water audits and maintain strict leak-detection and repair protocols.
- Use treated wastewater for operational reuse wherever feasible.

C. Waste and Pollution Reduction

- Minimize waste generation by improving resource efficiency.
- Promote recycling, reuse, and responsible disposal practices.
- Prevent pollution through enhanced process controls, hazard management, and compliance with environmental standards.

D. Biodiversity and Ecosystem Health

- Preserve and protect native ecosystems surrounding operational sites.
- Implement sustainable agricultural practices that support soil health, pollinators, and local fauna.
- Limit land degradation and contribute to reforestation, restoration, and broader conservation initiatives.



4 Governance and Accountability

NADEC's environmental performance is governed through an integrated ESG governance framework that defines clear roles and responsibilities across the organization:

- **Board of Directors:** Holds ultimate oversight of NADEC's environmental and climate strategy, the integration of environmental risks into governance processes, and the performance of the Environmental Management System (EMS).
 - **Executive Management:** Oversees implementation of environmental action plans, monitors performance, allocates resources, and ensures cross-departmental coordination to meet environmental objectives.
 - **ESG Department (Strategy Sector):** Leads and maintains the EMS; coordinates climate and energy planning; manages environmental KPIs, reporting, and training; and monitors regulatory developments.
 - **Functional Departments:** Responsible for achieving operational environmental targets and implementing controls related to energy, water, greenhouse gas emissions, waste, pollution prevention, and procurement practices.
 - **GRC and Legal Departments:** Ensure compliance with all applicable environmental regulations, conduct legislative monitoring, and support enforcement of environmental requirements across operations.
 - **Finance Department:** Ensures compliance with IFRS S1 and S2 by accurately disclosing sustainability-related financial information and integrating environmental performance into financial reporting processes.
- Environmental risks and opportunities are evaluated as part of NADEC's corporate risk management framework, and environmental performance is periodically reviewed at both the Executive Management and Board levels to enable informed strategic oversight.

5 Reporting

NADEC maintains robust internal and external environmental reporting systems that:

- Support annual ESG and sustainability reporting aligned with GRI, SASB, and Saudi Green Initiative metrics
- Feed into regulatory disclosures, governmental reporting requirements, and internal strategic decision-making
- Include performance data submitted by operational departments on energy, water, emissions, waste, and related indicators
- Integrate environmental KPIs into enterprise dashboards and sustainability performance targets

All environmental data undergoes internal quality review, validation, and consistency checks. Material disclosures are aligned with IFRS S2 requirements, and climate-related financial risks are tracked with the aim of progressing toward full alignment with frameworks such as TCFD and CSRD.

NADEC engages with internal and external stakeholders on environmental matters through surveys, consultations, and community forums. As part of its ESG reporting roadmap, NADEC may adopt limited assurance for key environmental metrics in future phases to further enhance transparency and reliability.

6 Training And Capacity Building

Environmental awareness and competence are essential to effective implementation of NADEC's environmental commitments. All employees receive environmental awareness training during onboarding, followed by annual refresher training for operational teams whose activities have direct environmental impacts. Specialized training sessions are delivered on topics such as EMS compliance, greenhouse gas tracking, waste segregation, water stewardship, and emergency environmental response.

Department heads are responsible for integrating relevant environmental targets and responsibilities into employee performance evaluations where appropriate. Contractors and suppliers are also informed of NADEC's environmental



standards and are required to participate in compliance briefings, training, and audits to ensure alignment with NADEC's environmental expectations.

7 Review and Continuous Improvement

This position statement is supported by senior management and approved by NADEC's Executive Management and Board of Directors. and is reviewed every three years to ensure continued relevance and alignment with regulatory requirements, by regularly reviewing the Environmental Management System (EMS) to ensure alignment with evolving regulations, industry best practices, and organizational needs.

Environmental KPIs are periodically updated based on stakeholder feedback, operational insights, and risk assessments. Audits and scenario-planning exercises—such as climate resilience evaluations—are conducted to strengthen preparedness and enhance response capabilities. Lessons learned from incidents, non-compliance events, or performance gaps are systematically analyzed and used to inform corrective and preventive actions.

Environmental priorities, risks, and performance updates are consistently communicated to the Board and Executive Management to support effective oversight and strategic decision-making.

8 Disclaimer

This statement is provided for informational purposes only and does not create any legally binding obligations. It sets out NADEC's priorities, which are intended to be incorporated into its governance framework and implemented through its established processes. All initiatives remain subject to change in response to evolving circumstances, including regulatory developments and supervisory requirements. Actual outcomes and impacts may vary due to operational changes and external factors.