




The National Agricultural Development Company

# Product Quality and Safety Position Statement

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Owner	Quality Control / Assurance department (Manufacturing Sector)
Approver	Chief Executive Officer  <small>Signed by: 8DDC2B8D94BC451...</small>



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## 1 Applicability and scope

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This Product Quality and Safety Position Statement applies to the National Agricultural Development Company (“NADEC”) and its subsidiaries. NADEC is a listed joint stock company incorporated under the laws of the Kingdom of Saudi Arabia, and applies across all divisions including dairy plants, dairy farms, agriculture, and protein operations.

It covers the entire product lifecycle from sourcing of raw materials to processing, packaging, storage, and distribution, ensuring that all food and agricultural products meet the highest standards of quality, safety, regulatory compliance, and consumer expectations.

The statement is aligned with NADEC’s “New Dawn” ESG Strategy, Saudi Vision 2030 food security goals, and international quality and food safety benchmarks such as ISO 9001:2015, FSSC 22000 V6

## 2 Statement of commitment

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NADEC recognizes that quality and food safety are critical to its brand reputation, operational excellence, and the health and trust of consumers. We are fully committed to implementing and continually improving an integrated **Quality and Food Safety Management System (QFSMS)** that ensures all products are safe, legally compliant, and consistently meet or exceed customer and regulatory expectations.

Our commitment includes:

- Preventing contamination and product defects through Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP), and rigorous sanitation programs
- Identifying, evaluating, and controlling physical, chemical, biological, and allergenic hazards across the supply chain
- Ensuring full compliance with Saudi Food and Drug Authority (SFDA), Gulf Standards Organization (GSO), and Ministry of Environment, Water and Agriculture (MEWA) regulations
- Maintaining internationally recognized to ensure credibility, third-party validation, and access to global markets
- Promoting a food safety culture rooted in leadership accountability, employee awareness, and continual system enhancement

We aim to deliver safe, high-quality products that contribute to public health, sustainability, and the long-term success of NADEC and its stakeholders.

## 3 Our position

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NADEC’s approach to product quality and safety in accordance with documented specifications approved by regulatory authorities and internal governance is structured across four key areas:

Quality Management System (QMS)	Food Safety Management System (FSMS)	Supplier and outsourced process control	Customer and regulatory alignment
Ensures all products meet defined standards for sensory, microbiological,	Based on globally recognized frameworks, incorporating Hazard	Enforces stringent qualification, performance monitoring, and re-	Aligns product development and quality controls with evolving market expectations and



Quality Management System (QMS)	Food Safety Management System (FSMS)	Supplier and outsourced process control	Customer and regulatory alignment
physical, and chemical attributes. Rigorous in-process monitoring, shelf-life validation, and product testing protocols are applied. Structured processes for handling consumer complaints are in place, supported by Corrective and Preventive Action (CAPA) procedures to ensure timely resolution and system improvements.	Analysis and Critical Control Points (HACCP), Operational Prerequisite Programs (OPRPs), and food safety risk assessments. Food fraud and food defense strategies are maintained to address intentional and unintentional threats. In the event of safety incidents, NADEC follows a documented Recall and Crisis Management Procedure to ensure rapid containment, traceability, and stakeholder communication.	evaluation of all critical and non-critical partners. All suppliers and co-manufacturers must adhere to NADEC's Supplier Code of Conduct, which includes expectations related to food safety, ethical practices, and environmental compliance. Non-conformities are addressed via CAPAs, with suspension or blacklisting procedures for persistent violations.	regulatory requirements. Customer feedback, inspections, and third-party audits are systematically used to improve processes, enhance product quality, and strengthen trust in our brand.

## 4 Governance and accountability

Product quality and safety at NADEC are managed through a well-defined governance structure:

- **Director – Quality:** Oversees QFSMS implementation, approves critical documents, and leads governance integration
- **Quality Assurance/Control Teams:** Manage day-to-day operations, audits, risk assessments, and regulatory compliance
- **Team Leaders – Quality Systems / Control:** Develop QMS and FSMS documentation and lead performance monitoring
- **Operations Departments:** Execute controls across production, storage, and logistics under FSMS and QMS standards
- **GRC and Legal Departments:** Escalate non-compliance incidents, monitor regulatory risks, and support food law compliance

Governance is strengthened through formal management reviews, internal audits, performance dashboards, and direct reporting to executive leadership and the Board.

## 5 Reporting

NADEC monitors and reports quality and food safety performance through:



- Internal **Key Performance Indicators (KPIs)** including product defect rates, audit scores, recall incidents, and customer complaint trends
- **Quarterly performance reviews** with executive leadership and cross-functional departments that evaluate compliance, risk, and improvement opportunities
- Routine reporting of food safety and quality metrics to senior leadership and applicable regulatory bodies
- Annual internal and external **FSMS and QMS audits** against ISO and FSSC standards

Future reporting may include public disclosure of food safety certifications, audit outcomes, and product traceability metrics. In addition to inclusion of product-related ESG performance indicators in sustainability reporting, aligned with GRI, SASB, and IFRS S1 and S2 frameworks.

## 6 Training and capacity building

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NADEC focuses on a strong quality and food safety culture by ensuring that **all employees** receive role-specific training in hygiene, food safety, and regulatory compliance. **Training programs** are regularly updated to reflect changes in international standards, local regulations, and technological advancements. To maintain competency, **post-training evaluations** are conducted and tracked through NADEC's Learning Management System (LMS), ensuring that employees remain up to date and qualified in their respective roles. **Suppliers and contractors**, particularly those involved in critical control processes, are also provided with targeted training to uphold NADEC's food safety standards. In parallel, company-wide **communication campaigns** help reinforce food safety awareness through signage, digital messaging platforms, and integration into onboarding processes.

## 7 Review and continuous improvement

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This position statement is supported by senior management and is 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. NADEC's Quality and Food Safety Management System is subject to continuous improvement to ensure its relevance, effectiveness, and alignment with evolving industry expectations. This includes conducting regular internal and external audits, structured management reviews, and corrective and preventive action (CAPA) cycles. Customer complaints, consumer feedback, and outcomes from regulatory inspections are systematically analyzed to identify root causes and inform enhancements. Policies and procedures are reviewed annually to incorporate emerging risks, scientific developments, and operational opportunities. Sustainability is also embedded into continuous improvement efforts through initiatives such as energy-efficient processing, waste reduction, and packaging innovation. Dashboards are used to monitor key performance trends, allowing for data-driven decision-making and real-time risk management. Additionally, NADEC explores new technologies and process optimization strategies to elevate food safety performance and operational efficiency. This position statement is reviewed annually or earlier when prompted by regulatory changes, audit findings, or material risk developments.

## 8 Disclaimer

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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.