



The National Agricultural Development Company

ESG Position Statement

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Applicability	The Company, including all stakeholders connected with the ESG related activities.
Owner	ESG department (Strategy Sector)
Approver	Chief Executive Officer

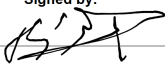
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1 Applicability and scope

This ESG Position Statement applies to the National Agricultural Development Company ("NADEC") and reflects the Company's overarching approach to environmental, social and governance (ESG) matters.

It applies across NADEC to relevant sectors, departments and employees, as well as relevant suppliers and other business partners across the Company's value chain, whose activities may affect NADEC's ESG impacts, risks, opportunities, performance, targets and disclosures.

This Statement supports NADEC's broader business objectives and its contribution to Saudi Vision 2030 and resilient local food systems. It should be read alongside NADEC's relevant policies, strategies, plans and other approved governance documents addressing specific environmental, social and governance matters.

2 Our approach to ESG

NADEC integrates ESG considerations into its strategy, operations and decision-making processes to support responsible business practices, manage material ESG impacts, risks and opportunities, and contribute to long-term value creation.

Our approach is supported by defined governance and accountability, the ESG Strategy and Decarbonization Plan, measurable objectives and performance indicators, stakeholder engagement, reliable ESG information, transparent reporting and continuous improvement.

NADEC periodically reviews its ESG priorities to reflect relevant business developments, stakeholder perspectives, regulatory requirements, sustainability-related risks and opportunities, and evolving sustainability expectations.

3 Our position

NADEC's approach to ESG is guided by the following principles:

- **Strategic integration**

NADEC integrates material ESG considerations into relevant strategic and operational planning processes. ESG priorities are reflected through the ESG Strategy, Decarbonization Plan and annual implementation planning.

Relevant objectives, KPIs and targets are established and monitored to assess performance and progress. Performance against established ESG KPIs and targets is periodically reviewed against relevant baselines, targets and implementation milestones, with material gaps addressed through appropriate corrective or improvement actions.

- **Environmental responsibility and climate action**

NADEC manages material environmental and climate-related matters associated with its activities through its environmental management framework and broader ESG approach.

Relevant priorities include greenhouse gas emissions and decarbonization, energy and resource efficiency, water management, waste and circularity, biodiversity and other material environmental impacts associated with NADEC's activities.

Climate-related risks and opportunities are considered within relevant risk management, strategic and decarbonization planning processes. Detailed environmental requirements and controls are governed



through NADEC's Environmental Management Policy, Environmental Procedures Manual and other applicable operational requirements.

- **People and communities**

NADEC considers relevant social matters affecting its employees, workers, communities and other stakeholders as part of its ESG approach.

Relevant areas include occupational health and safety, employee development, diversity and inclusion, human rights, community impact and other material social matters. These areas are managed through applicable functional policies, programmes and initiatives and monitored, where relevant, as part of NADEC's broader ESG performance framework.

- **Responsible value chain**

NADEC recognises that material ESG impacts, risks and opportunities may extend beyond its direct operations to its supply chain and other relevant business relationships.

Where relevant, ESG considerations are incorporated into procurement, supplier management and value-chain activities in accordance with NADEC's applicable Procurement Policy, Supply Chain Position Statement and other relevant requirements.

NADEC seeks to promote responsible business practices and relevant environmental, social and governance expectations across its supply chain and to progressively strengthen the integration of ESG considerations into its procurement and supplier management practices.

- **Business ethics and integrity**

NADEC promotes ethical and responsible business conduct across its operations and business relationships. Governance, compliance and internal control arrangements support adherence to applicable laws, regulations and internal requirements and help prevent and address unethical conduct, including bribery and corruption.

The Company's approach addresses relevant anti-bribery and anti-corruption matters, including facilitation payments, gifts and entertainment, political contributions and other potential conflicts or improper practices. Confidential and anonymous channels are available for reporting concerns, with protections against retaliation. Suspected violations are subject to appropriate investigation and enforcement measures in accordance with applicable Company policies and procedures.

- **ESG risks and opportunities**

NADEC identifies, assesses and monitors material ESG risks and opportunities and considers them within relevant strategic, operational and risk management processes.

Material ESG risks are considered, where appropriate, within NADEC's enterprise risk management and internal control frameworks. Climate-related risks and opportunities also inform relevant climate and decarbonization planning. The assessment process considers applicable regulatory requirements and relevant sustainability standards and frameworks.

- **Stakeholder engagement and materiality**

NADEC periodically engages with relevant internal and external stakeholders to understand their perspectives on material ESG matters, including relevant impacts, risks, opportunities and expectations. Stakeholder perspectives, together with relevant business priorities, ESG risks and opportunities and applicable sustainability requirements, inform the periodic review of NADEC's material ESG topics. Relevant outcomes are considered in the Company's ESG priorities, strategy, risk and opportunity assessments and reporting.

4 Governance and accountability

NADEC maintains an ESG governance framework that supports oversight, accountability and cross-functional coordination of material ESG matters.

- **Board of Directors:** Provides oversight of material ESG matters within its corporate governance responsibilities and applicable approval authorities, including review and approval of the annual Sustainability Report.
- **Health, Safety and ESG Committee:** Provides management-level oversight and guidance for NADEC's ESG agenda, including ESG priorities, objectives, targets, material risks, performance and implementation of the ESG Strategy, Decarbonization Plan and related initiatives.
- **ESG Department (Strategy Sector):** Leads and coordinates ESG planning, implementation, performance monitoring, ESG data management, reporting, external assessments, assurance support and continuous improvement.
- **Relevant sectors and departments:** Are responsible for implementing applicable ESG initiatives, programs and controls within their respective areas and supporting ESG performance monitoring and reporting.
- **ESG Data Owners:** Are accountable for coordinating, reviewing, validating and submitting ESG information relating to their respective areas.

Material ESG matters, performance gaps and implementation issues are escalated through the applicable ESG governance arrangements where required.

5 ESG information, reporting and transparency

NADEC maintains clear ownership and accountability for ESG information across relevant sectors and departments. ESG information is subject to appropriate review and supported by relevant records and evidence to promote accuracy, completeness, consistency and traceability.

NADEC reports annually on its material ESG performance through its Sustainability Report and other relevant corporate disclosures. Reporting addresses material ESG matters, performance, targets, initiatives, risks and opportunities and considers applicable regulatory requirements and relevant recognised sustainability reporting and disclosure standards and frameworks.

NADEC seeks to provide stakeholders with clear, consistent and accessible ESG information. Relevant approved ESG reports, policies, position statements and other sustainability-related disclosures are communicated through appropriate Company channels, including NADEC's website, where applicable and subject to relevant approval requirements.

6 Assurance and external assessment

NADEC supports the reliability of its ESG information through appropriate internal controls and reviews and, where applicable, independent verification or external assurance.

The scope and level of external assurance are determined based on relevant reporting requirements, materiality and business needs. Material findings arising from internal review, audit, verification or assurance are addressed through appropriate corrective or improvement actions.

NADEC periodically monitors relevant ESG ratings and external assessments to identify gaps and opportunities for improvement in ESG performance, management practices, governance and disclosures.



Relevant methodology developments and peer practices may also be considered to support continuous improvement and alignment with evolving market expectations.

7 Awareness and capacity building

NADEC promotes ESG awareness and role-specific capacity building to support effective implementation of its ESG priorities.

Training and awareness activities are tailored, as appropriate, to relevant roles and responsibilities and may address ESG governance, strategy implementation, performance and data management, reporting requirements, climate-related matters and other relevant ESG topics.

Training and capacity-building needs are periodically reviewed to reflect changes in NADEC's ESG priorities, applicable requirements and emerging sustainability matters.

8 Review and continuous improvement

This Position Statement is supported by senior management and approved by NADEC's chief Executive Officer.

NADEC continually strengthens its ESG approach by periodically reviewing its ESG priorities, performance, risks and opportunities, policies, targets and management practices. Performance gaps and improvement opportunities identified through performance monitoring, stakeholder engagement, risk management, external assessments, peer benchmarking, audits and assurance are considered and addressed through appropriate corrective or improvement actions.

Material findings and lessons learned are considered, where relevant, in the ongoing review of NADEC's ESG Strategy, Decarbonization Plan, policies, objectives, targets and initiatives. Material ESG matters and performance are reviewed through NADEC's established ESG governance arrangements to support appropriate oversight and continuous improvement.

9 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.