2025 ESG Report

NOURISHING PEOPLE, PROTECTING THE PLANET

CONTENTS

CHAIRMAN MESSAGE

As the Chairman of NADEC, it is with immense pride that I present our third Sustainability Report for the year 2025. This year marked another significant step in our journey towards building a more sustainable and responsible future for agriculture in Saudi Arabia and beyond.

The Board of Directors views ESG matters as intrinsic to our strategic direction and governance is the bedrock upon which sustainable business is built, and that it is our duty to adopt an environment of transparency, accountability, and ethical conduct across all levels of NADEC.

We dedicate significant time and resources to reviewing and approving our ESG strategies, policies, and performance, ensuring alignment with our corporate objectives and international best practices.

In the past year, we have focused on enhancing our governance mechanisms to further embed ESG considerations into our decision-making processes. This has included refining our risk assessment methodologies to proactively identify and mitigate ESG-related risks, ensuring we are well-prepared for potential challenges and opportunities. We are proud of the progress made in enhancing our corporate governance practices, which are crucial for maintaining investor confidence and providing a culture of integrity.

We understand that our success is intrinsically linked to the well-being of our stakeholders, the Board ensures that the interests of all groups are considered and protected in our strategic and operational decisions. We believe that through strong relationships built on trust and mutual respect, we can achieve shared prosperity and sustainable growth.

Our journey towards sustainability is ongoing, and we are dedicated to adapting, innovating, and leading by example. We will continue to evolve to meet the challenges and opportunities of the future, ensuring that NADEC remains a responsible and resilient leader in the food and beverage sector.

Mr. Abdulaziz bin Saleh Al-Rebdi
Chairman

CEO'S MESSAGE

At NADEC, our purpose extends far beyond producing high-quality food and beverages. ESG principles are not merely a reporting requirement; it is an integral part of our corporate DNA, guiding every decision we make and every action we take.

This past year has been marked by notable achievements and dedicated initiatives across all pillars of our ESG strategy. We have made significant steps in environmental stewardship, investing in water-efficient irrigation technologies and actively exploring and integrating renewable energy solutions, with a pilot project for solar-powered greenhouses showing promising results in reducing our carbon footprint.

On the social front, we have enhanced our employee well-being programs, with a particular emphasis on training and development opportunities for our agricultural workforce, improved safety protocols resulting in a reduction in workplace incidents. NADEC is proud to create great amount of direct and indirect job opportunities and support local suppliers, thereby contributing to the economic vitality of the region. Our dedication to food security and accessibility is reflected in our ongoing efforts to expand our produce availability to underserved areas. Our governance framework ensures that we operate with integrity, manage risks effectively, and engage constructively with all our stakeholders. We have strengthened our board oversight on ESG matters, ensuring that sustainability is integrated into our strategic decision-making processes at the highest level.

We recognize that the path to true sustainability is an ongoing journey, and we are candid about the challenges that lie ahead. Climate change presents evolving risks to our agricultural operations, and we are continuously adapting our strategies to build greater resilience. Ensuring equitable access to resources and opportunities across all our stakeholders requires constant vigilance and innovation. We are learning from our experiences, embracing new technologies, and collaborating with partners to overcome these hurdles. We understand that you, our stakeholders – our employees, customers, investors, partners, and the communities we serve – have growing expectations for us to operate responsibly and sustainably. This report is a testament to our dedication to meeting and exceeding those expectations.

Dr. Solaiman bin Abdulaziz Al-Twaijri
CEO

2025 SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT

40%
water reduction in the Plantae olive pilot

53%
waste recycling rate

150,000 tonnes/year
of manure, sludge, and organic residues processed into organic fertilizers

10,000 m³/day
wastewater treatment capacity achieved through the operation and expansion of the photobiological wastewater treatment facility in Haradh

11%
reduction in total GHG emissions compared to 2024

SOCIAL

Zero
non-compliance incidents related to health and safety

32%
increase in female workforce representation

94%
of female employees are Saudis

100%
production coverage under internationally recognized food-safety certifications (FSSC 22000, ISO 9001)

100%
workforce coverage under health and safety management systems

SAR 3.474 million
invested in community programs (1% of profit)

GOVERNANCE

4
Board members with ESG/sustainability expertise

ESG Committee
to be established to coordinate implementation across functions

Zero
confirmed corruption cases, dismissals, and legal actions related to corruption or anti-competitive behavior

100%
traceability for raw materials and verified sustainable sourcing for beef and dairy

Zero
privacy complaints and data breaches

ABOUT THIS REPORT

The National Agricultural Development Company (NADEC) is pleased to welcome you to its third annual Sustainability Report, which reflects our ongoing commitment to meeting the highest standards of environmental, social, and governance (ESG) performance. This report provides a comprehensive overview of NADEC's notable achievements and continued efforts in addressing the key sustainability issues most material to our business and stakeholders.

Reporting scope

The reporting boundary is limited to NADEC's operations within the Kingdom of Saudi Arabia (KSA) and follows the operational control approach. Accordingly, the reported information covers only NADEC's own operations in KSA and excludes its subsidiaries, The National Seeds Agricultural Production Company and Nadec Management Company, as well as its joint venture, AlRai, from the reporting boundary. All monetary figures are presented in Saudi Riyals (SAR) unless otherwise specified.

Reporting period

The scope of this report covers the financial year 1 January 2025 to 31 December 2025.

Data sources

The data for this report were collected through a collaborative approach across NADEC's internal systems and processes, including inputs from operational departments, HR systems, procurement records, and environmental monitoring programs. The report underwent an internal review by NADEC's Board of Directors, senior management and relevant subject-matter experts to ensure the accuracy, completeness, and reliability of the reported information.

National and international frameworks and standards

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, including GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022, and the Sustainability Accounting Standards Board (SASB) Standards issued by the IFRS Foundation. The report also aligns with the GCC ESG Disclosure Metrics, the ESG Disclosure Guidelines for Listed Companies issued by the Saudi Exchange (Tadawul), and the National Sustainability Standards issued by the Ministry of Commerce to encourage large companies to adopt national sustainability practices, as well as the national objectives set out in Saudi Vision 2030. Furthermore, the report is aligned with the United Nations Sustainable Development Goals (UN SDGs) and the ISO 26000 Social Responsibility Guidance Standard.

External Assurance

KPMG Professional Services Company carried out limited assurance for the following selected quantitative indicators:

1. GHG Scope 1 emissions
2. GHG Scope 2 emissions
3. GHG scope 3 emissions (category 3 and 6)
4. Energy consumption
5. PV solar consumption
6. Number and rate of new hires and turnover
7. Gender diversity number (permanent employees)
8. Average hours of training (permanent employees gender wise)
9. Percentage spend on the local suppliers
10. Customer complaints raised and resolved
11. Community investment amount / donations

For more detailed information, please refer to the complete assurance report on Appendix (F). Furthermore, indicators that have undergone limited assurance are marked with * on their related pages.

Feedback

NADEC understands that being a sustainable business means continually evolving to meet stakeholder needs socially, environmentally and economically. To help us with 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:

+966 11 202 7777

Forward-Looking Statements

This report contains "forward-looking statements" that reflect NADEC's approach to conducting its operations and activities. These statements can be identified by terms such as "we plan," "we aim," "we aspire," "we assume," "we continue," and "we believe," as well as expressions indicating the potential or possibility of events or outcomes, such as "may" or "could." These statements are intended to provide a comprehensive view of NADEC's plans and future aspirations. NADEC has made every effort to ensure the accuracy of this report to the greatest extent possible. However, forward-looking statements are subject to change due to unforeseen developments and may vary as a result of internal or external factors and conditions. NADEC emphasizes that such statements should not be regarded as guarantees of future performance. Accordingly, NADEC disclaims any liability for decisions made based on these statements or for any discrepancies between anticipated and actual results.

Disclaimer

NADEC assumes no responsibility for any decisions or actions taken based on the contents 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 any investment or strategic decisions. The commitments and targets set out in this report reflect NADEC's aspirations and do not constitute legally binding obligations. These initiatives remain subject to change in response to evolving circumstances, including regulatory developments and requirements issued by supervisory and regulatory authorities. The environmental and social initiatives described in this report are based on current assessments and information available at the time of preparation. Actual results and impacts may vary due to multiple factors, including operational changes and external conditions. NADEC makes no representations or warranties regarding the achievement of specific outcomes from these initiatives or from the future plans referenced in this report. professional advice before making investment or strategic decisions.

NADEC: NOURISH YOUR LIFE EVERYDAY

Established by Royal Decree in 1981, NADEC is one of Saudi Arabia's largest vertically integrated agricultural and food production companies. Headquartered in Riyadh, with a growing regional presence in Dubai and Bahrain. As the first agricultural company to be listed on Tadawul (6010), NADEC set an example for transparency, growth, and corporate leadership.

For over four decades, NADEC has played a pivotal role in strengthening Saudi Arabia's food self-sufficiency and contributing to its economic diversification under Vision 2030. Its integrated operations span dairy farming, crop and livestock production, high-tech greenhouses, and advanced processing and distribution networks. The company's diverse product range including dairy, cheese, juices, olive oil, produce, and red meat meets the highest standards of safety, nutrition, and sustainability.

Vision

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 Saudi Vision 2030.

Mission

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

Core values

Care

We deliver products of exceptional quality where excellence is embedded in every stage of our value chain from farm to table ensuring consumer and employees trust and satisfaction.

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.

Social Responsibility

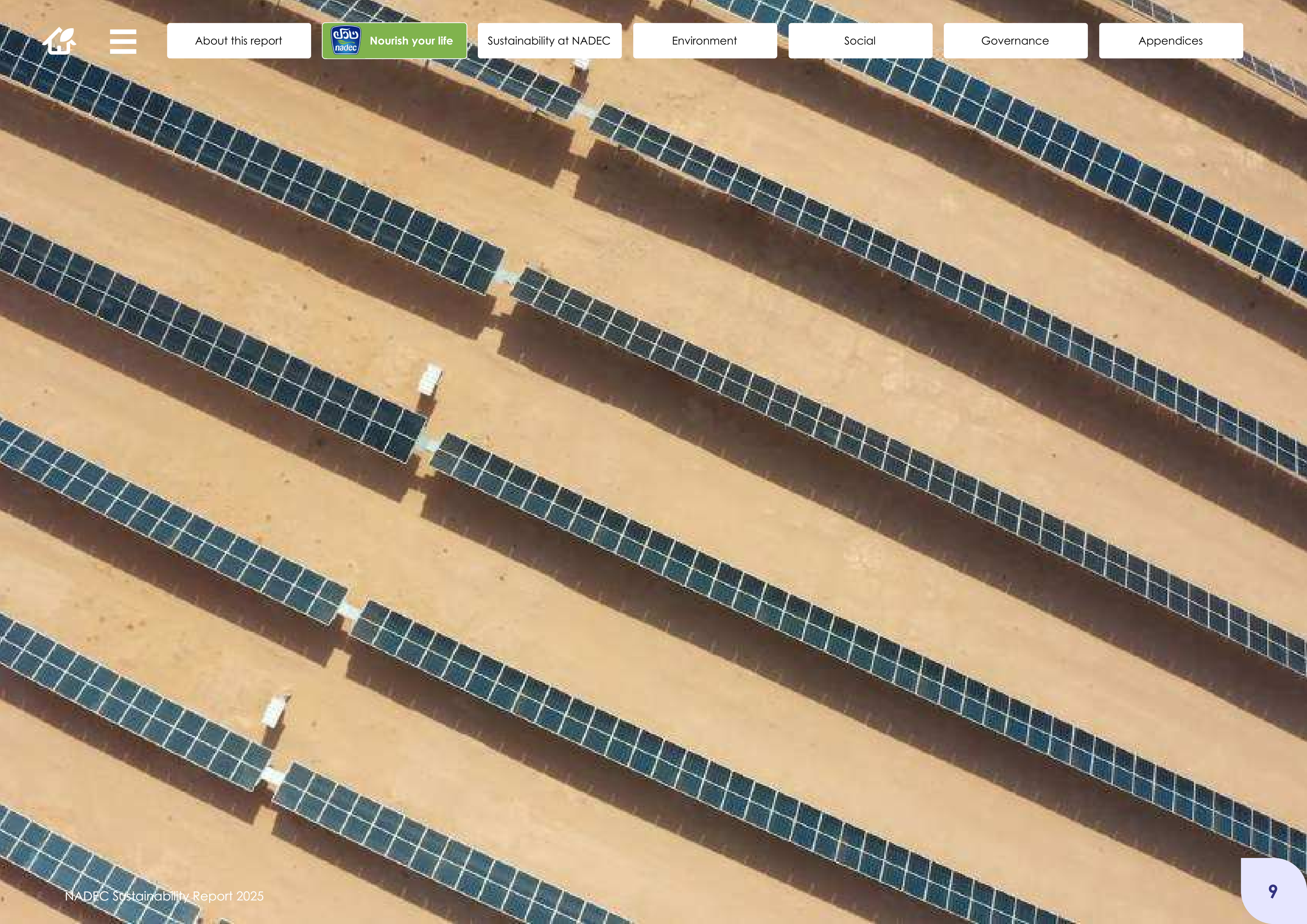
We are conscious of our environmental and social impact. Through sustainable practices and active community engagement, we aim to create long-term value for all stakeholders while preserving natural resources for future generations.

Motivation

We are passionate about 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.

Collaboration

We provide 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.



Market presence

Branches Within the Kingdom

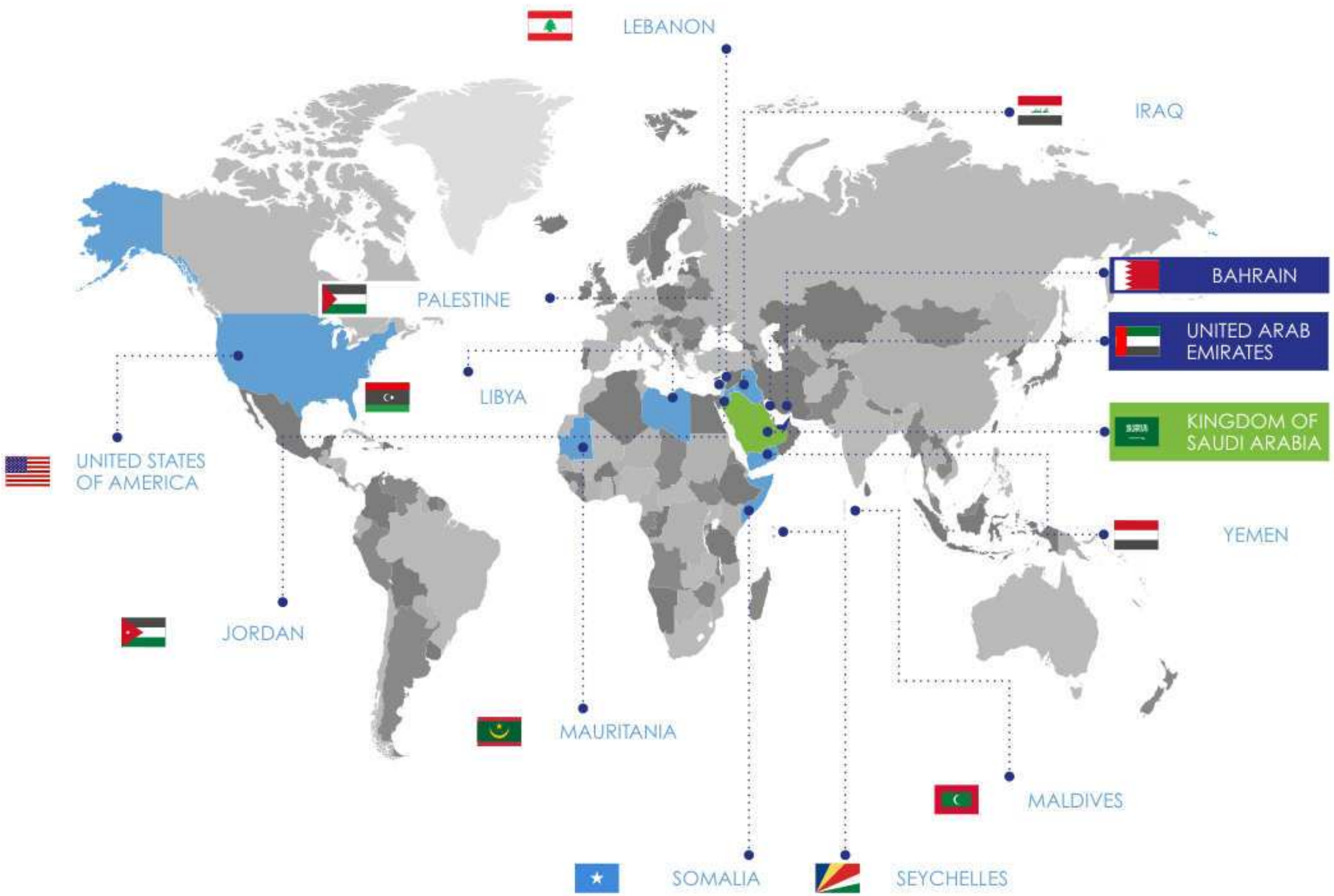
NADEC maintains a strong presence across Saudi Arabia through an extensive network of branches, production facilities, and retail outlets. This nationwide coverage ensures efficient distribution, accessibility, and responsiveness to customer needs in every region.

Regional Branches

Beyond the Kingdom, NADEC's footprint extends across the GCC, the Middle East, and North Africa. The company currently operates two regional branches in the United Arab Emirates and Bahrain.

International Markets

NADEC's products reach consumers around the world through its growing international distribution network. The company exports to Jordan, Lebanon, Palestine, Iraq, Yemen, Libya, Mauritania, Somalia, the Maldives, Seychelles, and the United States of America.



44 years of excellence

1981
- NADEC was established by Royal Decree with an initial capital of SAR 400 million.

1982
- Wadi Al-Dawasir agricultural project was inaugurated.

1984
- NADEC became the Kingdom's main dairy supplier by opening its first fresh milk and dairy products factory.

1985
- Hail agricultural project was launched.

1986
- NADEC started packaging milk and dairy derivatives on its production lines.

1987
- Al-Jouf agricultural project for olive production was inaugurated.

1993
- NADEC became a publicly listed company, listing its shares on Tadawul (6010).

1995
- The company opened its second factory for fresh milk and dairy products.

2006
- NADEC initiated an intensive olive production project.

2007
- NADEC expanded its cheese factory and began producing fresh juices in the newly expanded facility.

2009
- Expansion of the second dairy plant to produce fresh juices.

2014
- NADEC's scope of activity expanded with the Sudan Agricultural Project, adding a new canvas to the map of agriculture.

2015
- NADEC inaugurated Al-Hazm model farm for cows.
- Establishment of the company's largest dairy farm at the Haradh Agricultural Project.

2016
- NADEC established a plastic packaging factory.

2019
- NADEC signed a strategic solar power purchase agreement with ENGIE Company. This initiative saved 124,000 barrels of fuel annually.

2020
- NADEC signed a MoU with Pure Harvest for smart farming. This partnership merged traditional agricultural expertise with modern technology to create an innovative agricultural environment.
- Issuance of a Royal Decree granting NADEC ownership of the land plots it had been utilizing in Wadi Al-Dawasir and Hail.

2021
- Commercial operations began for the solar energy project in collaboration with ENGIE Company in the Haradh industrial area.

2022:
- Began producing high-quality tomatoes using smart greenhouse technology.
- Opened the olive oil factory in Al-Jouf.
- Transitioned to full automation of all operational and marketing processes.

2023
- Launched NADEC's new 2023 - 2027 strategy. Increased the company's capital by SAR 2 billion through a rights issue.

2024
- Signed a partnership agreement with United Feed Company to establish a livestock company specializing in red meat production.
- NADEC expanded its protein footprint in the market of Saudi Arabia with SAR 180.3 million revenue in its first year of operation.

2025
- Advanced smart manufacturing through automation of production lines using digital systems.
- Strengthened risk governance with a comprehensive framework and enhanced risk management processes.
- Expanded digital capabilities, enabling real-time monitoring of water and energy consumption.
- Implemented smart agriculture technologies, including smart irrigation and remote sensing.
- Expanded into new regional and international markets and diversified sales channels.
- Completed GHG emissions monitoring across Scopes 1, 2, and 3 and assessed solar energy opportunities.

Awards and certifications

- **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

CERES

Halal Certificate

SASO – Quality Mark

AIB International (2017G – 2018G)

Saudi GAP (Dairy) Saudi GAP (Wheat & Dates)

Great Place to Work Certificate

Saudi Organic Certificate

SAUDI MADE Certificate

GLOBAL G.A.P

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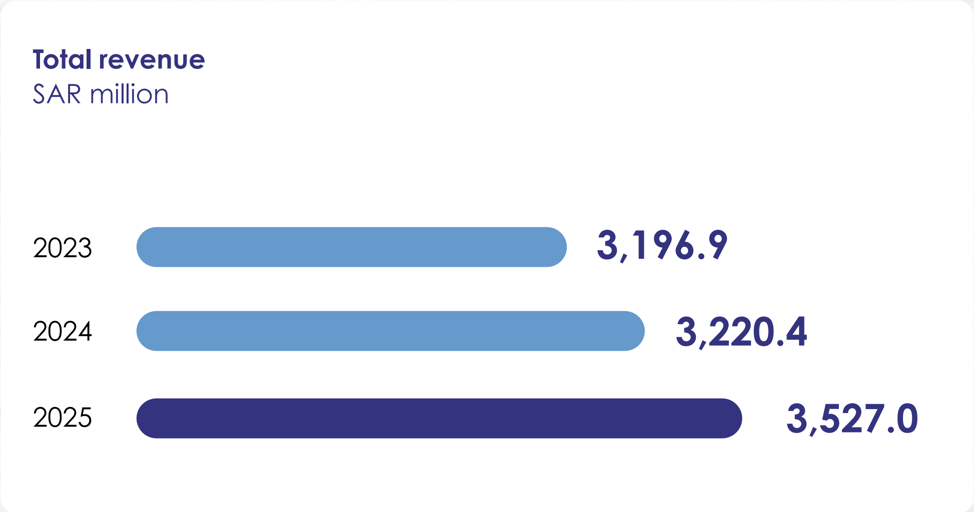
Financial performance

In 2025, NADEC sustained its positive growth momentum, highlighting its position as one of Saudi Arabia's leading food and agricultural companies. Total revenues reached SAR 3,527 million. Operational excellence remained central to NADEC's financial resilience. Despite inflationary pressures and higher labor-related expenses across the industry, the company maintained cost discipline, achieving further efficiency gains and optimized resource utilization through digitalization, smart procurement, and energy management initiatives. Domestic operations continued to underpin overall performance, with Saudi Arabia contributing over 90% of total revenues, while export activities stabilized amid evolving international market dynamics.



Financial performance	Unit	2023	2024	2025
Revenue from KSA	SAR million	2,829.3	2,915.8	3,058.4
Revenue from other countries	SAR million	367.6	304.6	468.6
Operating cost	SAR million	2,852.4	2,831	3,150
Employee wages and benefits	SAR million	502.3	522.7	578.1
Payments to the government	SAR million	344.4	296.4	331.3
Total tax paid	SAR million	258.7	210.3	255.9

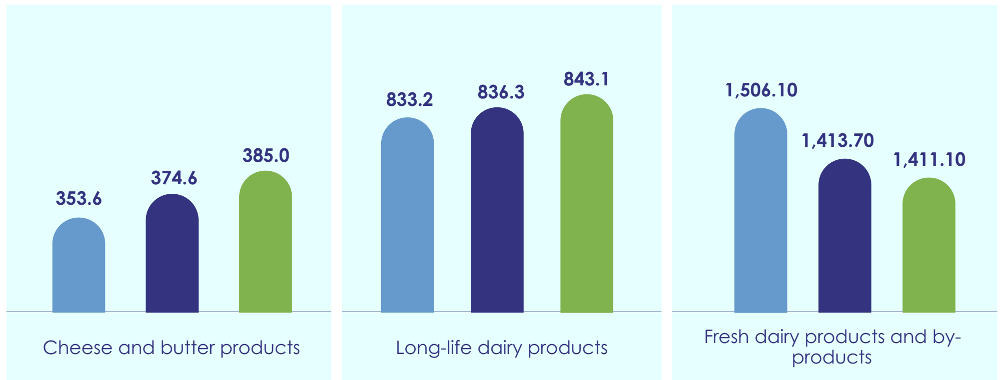
Dairy

NADEC's strength is rooted in its dairy operations, which continue to lead its portfolio in scale and impact.

- **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 and cream products
- **7** types of high-protein dairy products

Dairy revenue (SAR million)

● 2023 ● 2024 ● 2025



Juice

Delivering freshness and nutrition in every bottle, NADEC's juice segment utilizes advanced processing technologies to preserve the natural vitamins and antioxidants of high-quality fruits.

36 varieties of fresh juices and nectars

Food products revenue (SAR million)

Food products

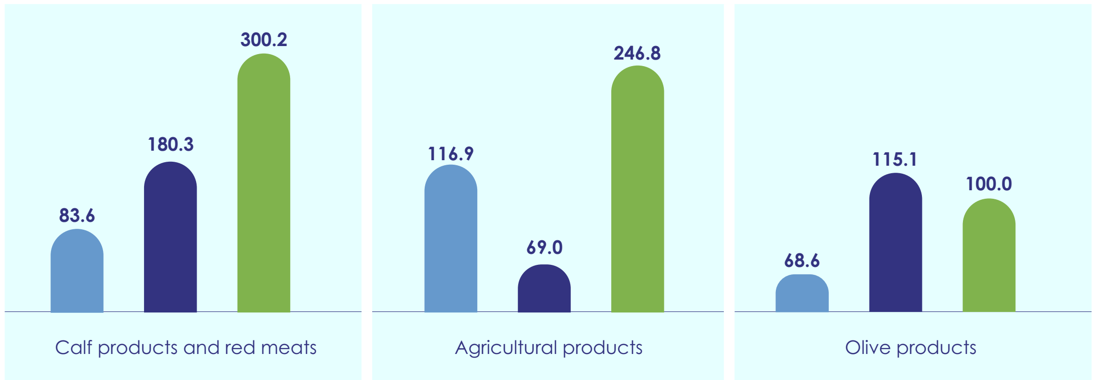
NADEC's food segment applies advanced agricultural methods, including the use of organic fertilizers and smart irrigation, to produce a diverse range of products

5 types of organic olive oil

21 types of agricultural crop products

29 types of calf products and red meats

Food products revenue (SAR million)



Tax Governance and Compliance

NADEC ensures full compliance with tax laws in Saudi Arabia, Bahrain, and the United Arab Emirates. Tax governance is led by the Senior Manager of Treasury & Tax, with day-to-day oversight by the Tax Manager. Tax considerations are incorporated into business decisions through established policies, system controls, and regular internal reviews.

A structured control framework ensures accurate and timely filing of zakat, VAT, withholding tax, and corporate tax returns. Automated system checks, manual reviews, and periodic reconciliations help identify and correct any errors or risks. Issues are escalated immediately and resolved through adjustment filings or voluntary disclosures when necessary.

NADEC maintains open communication with authorities such as the Zakat, Tax and Customs Authority (ZATCA) to confirm interpretations and stay aligned with regulatory updates. Any concerns raised by regulators or stakeholders are assessed promptly, with corrective actions documented and reported to senior management.

Tax filings and jurisdiction-specific records are reported to the relevant authorities in line with local requirements, while publicly disclosed financial and tax information is available through NADEC's audited financial statements on the Tadawul website.

Related-party transactions are reviewed by the Audit Committee and approved by the Board in accordance with Capital Market Authority (CMA) regulations and NADEC's Related Party Transaction Policy. The 2025 Audit Committee includes experienced financial and accounting professionals, ensuring strong oversight of financial reporting and compliance controls.

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Corporate governance

NADEC's governance framework aligns with the Corporate Governance Regulations issued by CMA and is built on the principles of transparency, accountability, and ethical leadership, ensuring that sound governance practices are embedded at every organizational level. The framework includes Board-level oversight, clear policy enforcement mechanisms, and operational accountability, complemented by governance indicators that measure performance and ensure continuous improvement.

The Board of Directors, elected by the General Assembly of Shareholders, provides strategic direction and supervises NADEC's overall governance and performance. The current Board term runs from 2024 to 2028 (for a four year term), with members appointed through a transparent process that complies with company bylaws and CMA regulations.

The Board is composed entirely of non-executive directors, maintaining a clear separation between oversight and management. The Chairman serves as a non-executive but not independent member Although no Lead Independent Director has been appointed, independent directors constitute three of the seven Board members, providing sufficient balance and independent judgment in all key decisions. The Board continues to strengthen its diversity in experience, age, and professional background, with members spanning multiple industries, including agriculture, finance, and technology. Nomination and selection are governed by the Board-approved policy and Nomination and Remuneration Committee (NRC) Charter, ensuring compliance with Company Law, Bylaws, and Corporate Governance Regulations. Criteria include independence, integrity, relevant expertise, time commitment, and absence of conflicts of interest. The process is transparent, documented, and endorsed by the General Assembly.

In 2025, the Board continued its oversight through specialized committees, each playing a critical role in maintaining governance effectiveness:

Audit Committee
Oversees financial reporting, internal controls, compliance, and risk management.

Nomination and Remuneration Committee
Oversees Board composition, succession planning, and compensation frameworks. The committee regularly reviews reward programs and submits recommendations to the Board for approval.

Executive Committee
Provides strategic guidance and monitors company performance. Starting from FY 2026, ESG-related matters will also be included in the Executive Committee's agenda.

Please refer to the Annual Report for additional information on the Board committees, including their composition and member classifications.

During 2025, NADEC's Governance Department continued to advance its digital transformation and policy automation initiatives to improve transparency and decision-making efficiency. Key developments included:

- Expanding the Governance, Risk & Compliance (GRC) ticketing system for governance-related inquiries.
- Automating policy access through a chatbot interface to enhance accessibility.
- Implementing automated declarations for conflict of interest, code of conduct, and gift disclosures.
- Refining the Delegation of Authorities (DOA) and governance matrices to streamline accountability.
- Enhancing the Board and Committee Action Tracker to improve oversight and follow-up.

Shareholder Rights

Shareholders elect Board members through cumulative voting for a four-year term, with re-election permitted. Proxy voting is allowed in line with CMA regulations, and all shares carry equal voting rights with no residency restrictions. The controlling shareholder is disclosed annually in accordance with regulatory requirements through our annual report. Executive compensation is set by the Board and the NRC, while shareholders approve only Board remuneration at the General Assembly.

NADEC has a Board Performance Evaluation Policy under which the NRC is responsible for developing and overseeing the evaluation mechanism. In 2024, the Board completed a self-evaluation survey and self-assessment exercise, and for the 2025–2027 cycle the company is in the process of engaging an external independent party to conduct the evaluations over the next three years. Performance evaluations for the Board, its committees, and individual members are conducted annually to assess effectiveness and adherence to regulatory expectations. Evaluations include oversight of economic, environmental, and social performance.

NADEC's compensation framework is designed to attract, retain, and reward high-performing talent in line with market benchmarks, company performance, and long-term value creation. Compensation structures include short-term incentive plans (STIPs) tied to performance and long-term incentive plans (LTIPs) such as stock options. The LTIP policy has been approved and is currently active; however, no grants have been issued to date. ESG and sustainability KPIs represent 10% of the performance metrics under the plan. Treasury shares have been acquired but have not yet been distributed under the LTIP. Clawback provisions apply to LTIP equity awards in cases of misconduct or financial misstatement. Currently, there are no ownership or retention requirements for the CEO's equity holdings. There are no stock ownership guidelines for non-executive directors. Any shareholding is voluntary and disclosed annually in the Annual Report as per CMA requirements.

In 2025, the ratio of total annual compensation for the highest-paid individual to the median annual employee compensation was 55.16, with a 5% increase in median compensation across the broader workforce.

SUSTAINABILITY AT NADEC

Material Topics

- ESG governance and transparency

ESG STRATEGY

Our approach is structured to embed ESG considerations into every aspect of our operations, from strategic decision-making to day-to-day activities, recognizing its importance in mitigating risks, capitalizing on opportunities, and ensuring long-term growth.

NADEC sets sustainability goals aligned with its strategic priorities and regularly reviews them to ensure continued relevance and progress. We focus on achieving tangible improvements in reducing our environmental footprint, enhancing social impact, and strengthening governance. ESG performance is systematically monitored through defined KPIs for each material topic, supported by regular data collection and analysis. This data-driven approach enables us to track progress, identify improvement areas, and ensure accountability, supported by data management systems that maintain the accuracy and reliability of our reporting.

As a core pillar of our "New Dawn" transformation, it reflects our belief that sustainability is both a responsibility and a business opportunity. The strategy addresses material issues through three strategic pillars focused on the "People" and "Planet" dimensions of our value chain. We continuously refine our approach by incorporating stakeholder feedback, emerging science, and evolving global best practices, ensuring we progress toward becoming the most environmentally responsible and socially impactful food company in Saudi Arabia.

NADEC the leading food business, nourishing people and the planet

	Regenerative Agriculture & Sustainable Sourcing	Operational Excellence & Resource Optimisation	Health, Wellbeing & Access to Nutrition
PEOPLE	Nurture resilient economies by partnering with suppliers	Create a safe, inclusive, nurturing culture that inspires excellence and enables all to excel	Empower healthy lifestyle choices in KSA producing nourishing products people need
PLANET	Grow agriculture productivity and food security in KSA through regenerative agriculture	Transform food production and distribution in KSA through resource optimization	Achieve ecosystem health by operating within local and global environmental limits

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

ESG GOVERNANCE AND TRANSPARENCY

ESG considerations are embedded into decision-making at all levels through formal governance processes, cross-functional coordination, and an integrated risk-management approach.

The Board of Directors represents all shareholders and is required to exercise duties of care and loyalty in managing the company in a manner that safeguards its interests, supports its growth, and maximizes its value. Accordingly, the Board holds ultimate responsibility for NADEC's sustainability performance and provides strategic direction on long-term ESG priorities. The Board oversees the sustainability strategy with support from three key committees: The Audit Committee, which provides oversight of internal controls to ensure the reliability of ESG-related data, processes, and reporting, the Executive Committee, which reviews and approves the detailed sustainability strategy, monitors performance, and ensures alignment with business objectives, and the NRC, which oversees organizational structure, key roles, and leadership capabilities required to support effective ESG management.

The Board and senior executives work collaboratively to shape NADEC's sustainability-related strategies, policies, and purpose statements. Management translates these into operational plans that are reviewed and endorsed at Board and committee levels. A dedicated ESG Department, positioned under the Strategy Sector, leads the development and execution of NADEC's sustainability agenda. The team ensures the organization has the necessary skills and competencies to manage ESG topics effectively, coordinates cross-functional initiatives, and embeds ESG criteria into policies, planning frameworks, and operational performance systems.

4 BOARD MEMBERS

with sustainability/ESG-related expertise

During the reporting year, the Board's understanding of sustainability issues was strengthened through regular management updates and ESG performance reports, ensuring awareness of emerging risks and regulatory developments. Employees receive ongoing training to integrate ESG principles into daily operations. Sustainability performance is monitored through periodic reports to the Board, with progress against targets and KPIs reviewed across governance levels and incorporated into the company's performance-management and compensation systems.

ESG Committee

NADEC is establishing a dedicated ESG Committee, to be formalized in 2026, which will serve as the company's central coordinating body for ESG implementation and report to executive management and the Board. It will bring together senior leaders from Operations, Strategy, Risk and Governance, Supply Chain, Finance, and other key functions to ensure an integrated and enterprise-wide approach to sustainability.

The ESG Committee will be responsible for developing and recommending ESG policies, setting goals and performance metrics, reviewing ESG-related budgets, and overseeing awareness and engagement initiatives across the organization. It will monitor progress against ESG targets, evaluates emerging regulatory requirements, and ensures the effectiveness of sustainability programs throughout the value chain. The Committee will also review the company's ESG ratings, benchmark performance, identifies opportunities for continuous improvement, and oversee the sustainability reporting and assurance process.

The ESG Committee collaborates closely with the Risk and Audit functions to integrate sustainability considerations into broader risk management and internal control systems. This includes conducting regular risk assessments, developing mitigation and contingency plans, and monitoring emerging risks such as climate-related pressures, biodiversity impacts, evolving regulatory requirements, and global supply-chain shifts.

STAKEHOLDER ENGAGEMENT

Engaging with our diverse stakeholders is a core component of NADEC's ESG approach and supports our alignment with Vision 2030. We aim to build transparent, continuous, and mutually beneficial relationships with those who influence or are influenced by our activities. Our approach is guided by the AA1000 Stakeholder Engagement Standard (AA1000SES), which ensures our engagement is structured, inclusive, and accountable.

- **Inclusivity:** We actively involve stakeholders in shaping our sustainability priorities, recognizing our accountability to those we impact and those who impact us.
- **Materiality:** We assess and prioritize issues that are most significant to NADEC and its stakeholders, ensuring they meaningfully influence our strategy and performance.
- **Responsiveness:** We address stakeholder concerns through clear decisions, actions, and communication.

We maintain open and ongoing dialogue with employees, customers, suppliers, investors, government entities, and local communities through surveys, feedback channels, town halls, industry forums, and direct communication. These interactions help us understand stakeholder expectations and inform our ESG strategy and decision-making, ensuring our initiatives remain relevant, timely, and impactful.

Internal Stakeholder	Engagement method	Objective of engagement
Board of directors	Board meetings and strategic reviews	Provide direction on sustainability priorities, ensure ESG integration into corporate strategy, and oversee governance and performance.
Higher management	Executive meetings, sustainability dashboard, and management reviews	Translate Board direction into actionable strategies, align operations with ESG targets, and drive accountability across divisions.
Employees	HR policies, training and development programs, employee engagement surveys, grievance mechanisms, whistleblowing policy and leadership Q&A sessions. Regular communication through internal platforms and awareness campaigns on safety, ethics, and sustainability.	Employees are central to NADEC's success where engagement ensures commitment, alignment with company purpose, professional growth, innovation in sustainable practices and help us achieve our strategic goals.

External Stakeholder	Engagement method	Objective of engagement
Ministry of environment, water and agriculture (MEWA)	Regular stakeholder meetings, compliance reporting, joint initiatives on sustainable agriculture and food security, participation in national forums.	Align NADEC's operations with national agricultural and environmental policies; support Vision 2030 goals for food security and sustainability.
Consumers/Customers	Direct communication via social media, customer service channels, feedback platforms, market research, consumer surveys, and joint business planning with key customers.	Understand consumer expectations, improve product quality and innovation, strengthen customer loyalty, and ensure transparency in communication.
Suppliers and business partners	Regular communication via procurement teams, supplier assessments, audits, supply chain policy, sustainability requirements that our suppliers and suppliers must confirm they can meet.	Promote responsible sourcing, ethical conduct, and innovation in supply chain sustainability; strengthen long-term partnerships that support NADEC's quality and ESG goals.
Local communities and NGOs	CSR initiatives, community programs, food donation drives, educational partnerships, environmental projects, and social responsibility policy.	Build trust and create shared value by supporting local communities through inclusive, impact-driven initiatives that promote development and ensure access to healthy, affordable food.
Shareholders/Investors	Investor relations meetings, quarterly and annual reports, sustainability disclosures, conference presentations, investor relation policy, and direct dialogues on ESG performance	Attract and retain investment domestically and internationally by providing transparent, consistent information on performance, governance, and sustainable value creation.
Governmental and regulatory bodies	Compliance audits, public reporting, maintain open dialogue with regulatory agencies, and collaborate to develop and enhance industry standards.	Ensure full compliance with legal and regulatory frameworks while maintaining operational excellence and contributing to national sustainability standards. We value our strong relationships with regulators and government stakeholders, who play a vital role in managing business risks and ensuring the production of safe, high-quality products.
Rating agencies	Regular disclosures, ESG performance reports, sustainability ratings, and investor communication.	Maintain transparency, demonstrate progress on ESG metrics, and strengthen NADEC's credibility with external evaluators and financial markets.

MATERIALITY ASSESSMENT

We conducted our first materiality assessment in 2024 to identify and prioritize its most significant sustainability-related topics. In 2025, NADEC enhanced its approach by following a structured eight-step process to determine NADEC's most material ESG topics, applying a double materiality lens for the first time and aligning with GRI, IFRS, and CSRD standards. The process began with value chain mapping to identify where the most significant environmental and social impacts occur, followed by a landscape review of global benchmarks, academic research, and government priorities to capture emerging risks and opportunities. These findings were then tailored to NADEC's context, considering its Vision 2030 alignment, operational realities, and stakeholder expectations.

Topics were next grouped, defined, and validated through internal stakeholder surveys to ensure relevance and alignment with business priorities. Each topic was assessed for both an impact materiality perspective, examining NADEC's impacts on people, the environment, and the economy across its operations and value chain, and a financial materiality perspective, evaluating potential effects on the business, including revenues, costs, regulatory exposure, and reputation. The topics were then ranked by significance and validated with leadership to ensure ownership and alignment with business strategy.

Outward Impact (Impact on Society, Environmental and Economy)

Sustainable and regenerative agriculture (Environmental) ESG governance and transparency (Governance) Business ethics and risk management (Governance) Community engagement and socio-economic development (Social)	Climate change and GHG emissions (Environmental) Circular economy, waste management and packaging (Environmental) Food safety and quality assurance (Social) Water stress and responsible use (Environmental) Biodiversity and land use (Environmental)
Pollution control and ecosystem protection (Environmental) Energy efficiciency and clean energy transition (Environmental) Smallholder inclusion and empowerment (Social) Innovation (Governance)	Sustainable procurement and supply chain (Governance) Nutrition and consumer health (Social) Human capital (Social)

Inward Impact (Financial and Business Impact on NADEC)

Environmental | Social | Governance

Please refer to the appendix for the material topics definitions.

ALIGNMENT WITH UN SDGS

UN SDGs	Targets	NADEC's contribution to the UN SDGs
2 ZERO HUNGER	TARGET 2·1 UNIVERSAL ACCESS TO SAFE AND NUTRITIOUS FOOD	NADEC strengthens national food security through large-scale dairy and agricultural production, a reliable domestic supply, and inclusive contract farming partnerships. By leveraging advanced technologies to maintain low production costs, the Company is able to uphold a fair pricing policy while delivering high-quality products.
	TARGET 2·2 END ALL FORMS OF MALNUTRITION	Product reformulation, fortified dairy, high-protein and nutrient-rich products, and nutrition awareness programs improve dietary quality and consumer health.
	TARGET 2·3 DOUBLE THE PRODUCTIVITY AND INCOMES OF SMALL-SCALE FOOD PRODUCERS	Contract farming with SMEs, SAP-enabled digital payments, training programs, and income-stability mechanisms support farmer productivity and livelihoods.
	TARGET 2·4 SUSTAINABLE FOOD PRODUCTION AND RESILIENT AGRICULTURAL PRACTICES	Regenerative agriculture, smart farming, soil-health programs, water-efficient irrigation, and integrated pest management improve resilience and sustainability.

UN SDGs	Targets	NADEC's contribution to the UN SDGs
3 GOOD HEALTH AND WELL-BEING	TARGET 3·9 REDUCE ILLNESSES AND DEATH FROM HAZARDOUS CHEMICALS AND POLLUTION	Reduced sugar, sodium, fat, and artificial ingredients in products; expanded healthier food options. FSSC 22000 food-safety systems, HACCP, external lab testing, chemical-use controls, and organic product lines.
4 QUALITY EDUCATION	TARGET 4·4 INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS	Training programs for farmers, employees, and suppliers on sustainable agriculture, safety, digital tools, and operational excellence.
5 GENDER EQUALITY	TARGET 5·1 END DISCRIMINATION AGAINST WOMEN AND GIRLS	Non-discrimination embedded in HR policies and Code of Conduct.
	TARGET 5·5 ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING	Gender inclusion initiatives and planned diversity KPIs to increase female representation across management levels.

UN SDGs	Targets	NADEC's contribution to the UN SDGs
6 CLEAN WATER AND SANITATION	TARGET 6.3 IMPROVE WATER QUALITY, WASTEWATER TREATMENT AND SAFE REUSE	Wastewater treatment, reuse for irrigation and greening, and strict discharge controls
	TARGET 6.4 INCREASE WATER-USE EFFICIENCY AND ENSURE FRESHWATER SUPPLIES	Smart irrigation, soil-moisture sensors, digital flow meters, and precision irrigation systems
	TARGET 6.6 PROTECT AND RESTORE WATER-RELATED ECOSYSTEMS	Reduced groundwater stress, desert rehabilitation, and treated-water reuse supporting ecosystem recovery
7 AFFORDABLE CLEAN ENERG	TARGET 7.3 DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY	30 MW Haradh solar PV plant, with planned expansion to additional sites including Hail, alongside operational efficiency improvements, digital automation, and energy-monitoring systems across farms and factories
8 DECENT WORK AND ECONOMIC GROWTH	TARGET 8.2 DIVERSIFY, INNOVATE AND UPGRADE FOR ECONOMIC PRODUCTIVITY	Digital transformation, automation, analytics, and smart agriculture

UN SDGs	Targets	NADEC's contribution to the UN SDGs
8 DECENT WORK AND ECONOMIC GROWTH	TARGET 8.5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	Inclusive HR policies, diversity initiatives, and workforce planning.
	TARGET 8.7 END MODERN SLAVERY, TRAFFICKING AND CHILD LABOUR	Supplier Code of Conduct, SEDEX screening, audits, and zero confirmed violations.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	TARGET 9.4 UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY	SAP S/4HANA upgrades, SCADA modernization, OT cybersecurity
	TARGET 9.5 ENHANCE RESEARCH AND UPGRADE INDUSTRIAL TECHNOLOGIES	Smart farming pilots, IoT, AI-enabled analytics, predictive models, and digital agriculture.
10 REDUCED INEQUALITIES	TARGET 10.2 PROMOTE UNIVERSAL SOCIAL, ECONOMIC AND POLITICAL INCLUSION	Employment of people with disabilities, inclusive sourcing, SME farmer integration, and fair-labour standards

UN SDGs	Targets	NADEC's contribution to the UN SDGs
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	TARGET 12.2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES	Resource efficiency, water reuse, waste minimization, and circular agriculture.
	TARGET 12.3 HALVE GLOBAL PER CAPITA FOOD WASTE	Cold-chain optimization, inventory management, redistribution to food banks
	TARGET 12.6 ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING	ESG governance, supplier sustainability requirements, and public sustainability reporting
13 CLIMATE ACTION	TARGET 13.1 STRENGTHEN RESILIENCE AND ADAPTIVE CAPACITY TO CLIMATE RELATED DISASTERS	Climate risks integrated into ERM, water-scarcity mitigation, resilient farming practices.
	TARGET 13.2 INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING	Emissions tracking, climate-related investments, and climate considerations in financial planning.

UN SDGs	Targets	NADEC's contribution to the UN SDGs
15 LIFE ON LAND	TARGET 15.1 CONSERVE AND RESTORE TERRESTRIAL AND FRESHWATER ECOSYSTEMS	Sustainable land use, no operations in protected areas, biodiversity-friendly farming practices
	TARGET 15.3 END DESERTIFICATION AND RESTORE DEGRADED LAND	Soil regeneration, compost use, organic matter enhancement, desert greening initiatives.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	TARGET 16.5 SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY	ISO 37301-certified Compliance Management System, Code of Conduct, zero confirmed corruption cases.
	TARGET 16.6 DEVELOP EFFECTIVE, ACCOUNTABLE AND TRANSPARENT INSTITUTIONS	Strong Board oversight, Audit Committee, risk governance, transparent disclosures
	TARGET 16.7 ENSURE RESPONSIVE, INCLUSIVE AND REPRESENTATIVE DECISION-MAKING	Formal governance structures, stakeholder engagement, grievance and whistleblowing mechanisms.

ENVIRONMENT

Material Topics

- Climate change and GHG emissions
- Energy efficiency and clean energy transition
- Circular economy, waste management and packaging
- Water stress and responsible use
- Pollution control and ecosystem protection
- Sustainable and regenerative agriculture
- Biodiversity and land use

NADEC's Net Zero Decarbonization Plan

TARGET

To establish an accurate Scope 1, 2 and 3 baseline footprint and commit to set SBTi Net Zero targets

Aspire to have approved SBTi targets aligned with 1.5°C and to achieve Net Zero by 2050

Aim to track performance against targets as well as recalculate and validate target every 5 years

IMPLEMENTATION

- Implemented processes, systems and data collection structures to enable performance tracking on an annual basis.
- Identified and prioritise efficiency and reduction opportunities linked to Scope 1, 2 and 3 emissions.
- Established Scope 1, 2 and 3 emissions reporting in line with GHG protocol

- Develop processes to continuously monitor target feasibility, implement reduction activities and establish offsetting plan to achieve targets
- Engage with suppliers to encourage them to set SBTs and reduce their own emissions
- Develop report in line with IFRS S2/ TCFD recommendations as well as become signatories of key Climate related initiatives

- Continue to Implement reduction initiatives and to identified further reduction potentials across value chain while offsetting residual emissions
- Continuously improve emissions calculations accuracy aligned with international standard and for identifying and investing in emission reductions initiatives
- Ensure further transparency by reporting on climate transition plan and performance against targets

To achieve Net Zero emissions by 2050

RESULTS

Emissions CO₂e metric tonnes	2025
Scope 1	517,782*
Scope 2 (location based)	14,877*
Scope (3) - Fuel & Energy Related Activities (Cat. 3)	80,938*
Scope (3) - Busniess Travel (Cat. 6)	215*

*Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

2025

2030
Reduce emissions by **42%**

2035
Reduce emissions by **77%**

2050
Reduce emissions by **90%**

ENVIRONMENTAL PERFORMANCE

NADEC maintains an internal approved Environmental Policy, which outlines the company's commitments to regulatory compliance applicable in the Kingdom of Saudi Arabia, responsible resource use, and continuous environmental improvement. NADEC's Environmental Management System (EMS) also covers the full scope of operational and environmental aspects, including:

- Products and services offered across the value chain.
- Operational activities such as manufacturing, farming, processing, and logistics.
- Environmental aspects such as waste, water, energy, emissions, and chemical management.
- Physical boundaries, including plants, farms, offices, and distribution centers.

To ensure clear accountability, environmental roles and responsibilities are defined across all levels of the organization at NADEC:

Board of Directors
Gives ultimate oversight of environmental and climate approach, EMS performance, and management of environmental risks.

Executive Management
Oversees implementation of environmental action plans, monitors performance, and ensures coordination across various functions and internal departments.

ESG Department
Leads the EMS, climate and energy planning, regulatory updates, KPI reporting, and capacity building.

Functional Departments
Implement environmental controls and improvement initiatives in energy, water, waste, GHG, and procurement.

GRC and Legal
Ensure ongoing compliance with environmental laws and monitor regulatory changes.

Finance
Will be responsible for ensuring alignment with IFRS S1–S2 through accurate disclosure of sustainability-related financial information.

NADEC maintains compliance with all applicable environmental regulations in the Kingdom including the Environmental Law and the Agricultural Law through its internal environmental governance framework and ongoing monitoring of requirements issued by the MEWA and the National Center for Environmental Compliance. This reaffirms the Company's commitment to adopting the best environmental practices and ensuring compliance with regulatory and legal requirements, reflecting its environmental responsibility and the sustainability of its operations. Environmental impacts are identified through regular assessments of agricultural and industrial operations, covering water and energy use, waste generation, and emissions. These impacts are managed through resource-efficiency initiatives, wastewater treatment and reuse systems, and agricultural waste recycling programs that help reduce the company's footprint.

While NADEC does not yet have a formal environmental training programme, the company plans to introduce structured capacity-building initiatives to strengthen employee awareness of environmental responsibilities.

NADEC did not record any cases or claims filed through dispute resolution mechanisms, nor any penalties or violations related to the Environmental Law.

NADEC did not incur any fines or non-monetary sanctions for non-compliance with the Environmental Law.

IN 2025, CLIMATE TRANSITION AND ADAPTATION EXPENDITURE TOTALED APPROXIMATELY SAR 6.46 MILLION (0.2% OF TOTAL EXPENDITURE), MARKING A FOUNDATION FOR SCALED ENVIRONMENTAL INVESTMENTS IN FUTURE YEARS.

CLIMATE CHANGE AND GHG EMISSIONS

Climate change remains a strategic priority for NADEC as we work to build a low-carbon, resource-efficient food system. Our climate approach is anchored in the "New Dawn" transformation strategy, which integrates energy efficiency, renewable energy across our value chain.

NADEC is committed to implementing GHG emission reduction measures across all its operations and has established a clear pathway toward achieving net-zero emissions by 2050. In line with the Science Based Targets initiative (SBTi) recommendations, NADEC aspires to reduce emissions by more than 42% by 2030 and by 90% by 2050.

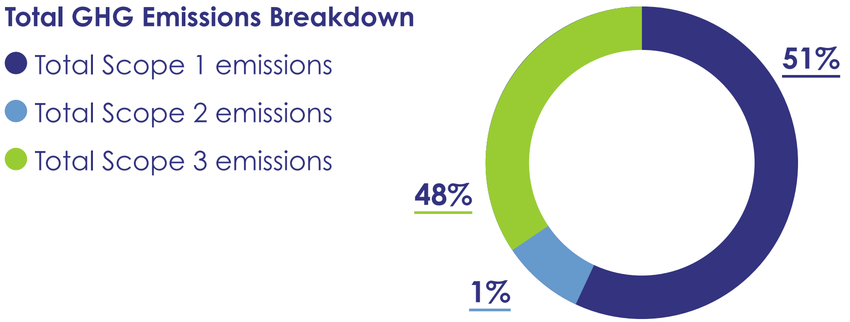
As part of these efforts, NADEC collaborates with Pure Harvest to advance sustainable agricultural practices and reduce the carbon intensity of food production through the development of controlled-environment greenhouse assets on NADEC-owned land. Under this partnership, Pure Harvest designs, builds, and operates high-efficiency, climate-controlled greenhouses using hydroponic systems, advanced cooling technologies, and digital energy-management solutions. The initial facility, a 6-hectare greenhouse at NADEC City in Haradh, produces more than 5 million kilograms of pesticide-free tomatoes annually and is partially powered by NADEC's captive solar plant, supporting food security and reducing emissions associated with conventional open-field cultivation. The collaboration also includes plans to expand production capacity to more than 27 hectares in the coming years.

In 2025, NADEC completed its second comprehensive GHG inventory, establishing 2024 as the baseline year for future emissions tracking. This inventory defines emission levels per production unit for Scope 1, Scope 2 and Scope 3 sources, providing a robust and consistent foundation for year-over-year performance comparisons.

GHG emissions have been calculated in alignment with the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. UK DEFRA 2025 emission factors have been applied for Scope 1 stationary combustion and fugitive emissions. Scope 1 process emissions, including livestock and fertilizer-related emissions, have been calculated using the Tier 1 approach prescribed in the IPCC Guidelines for National Greenhouse Gas Inventories. Scope 2 emissions have been calculated using the location-based emission factor published by Saudi Energy.Scope 3 (Category 6) emissions were calculated using the UK DEFRA 2025 emission factors. Whereas, for Scope 3 (Category 3) emissions were calculated using UK DEFRA 2025 and IEA 2025 emission factors.

The emissions inventory is limited to NADEC's operations within the Kingdom of Saudi Arabia (KSA) and follows the operational control approach. Accordingly, the reported information covers only NADEC's own operations in KSA and excludes its subsidiaries, The National Seeds Agricultural Production Company and Nadec Management Company, as well as its joint venture, AlRai, from the reporting boundary. Consequently, emissions related to investments outside the defined reporting boundary are not included, and Scope 3 – Category 15 (Investments) is considered non-material at this stage.

Total GHG Emissions Breakdown



NADEC is also pursuing several emission-reduction measures, including:

- **Cost-reduction strategies** tied to fossil fuel substitution
- Wastewater circular projects such as **"The Circle,"** which **achieved ~98% odor reduction** and COD/BOD improvements

At present, Scope 1 GHG removal activities have a limited impact on workers, surrounding communities, and local biodiversity, as NADEC's current progress remains in the early stages of measurement and is recorded in metric tons of carbon dioxide equivalent. Over the longer term, NADEC aims to reduce and inset Scope 1 emissions across its farming operations to support its ambition of achieving net-zero emissions at the farm level.

Addressing Scope 3 emissions presents a broader challenge, given the complexity of agricultural supply chains and the need for wider national infrastructure to enable low-carbon alternatives at scale. NADEC does not currently retire carbon credits or participate in external carbon credit programs. However, potential future options under assessment include solar-based mitigation projects, long-term tree-planting initiatives, and compost-driven insetting approaches, all of which would require independent verification prior to implementation.

From 2026 onward, performance improvements will be measured based on the company's emission reduction roadmap and ongoing efficiency projects in farms and factories.

Climate-related risks

Climate risks are integrated into consolidated risk registers and assessed using impact/likelihood matrices, escalation protocols and control assessments. Priority climate risks include water scarcity and soil degradation at key agricultural locations (Haradh, Al-Jouf, Hail), evolving regulation, supply-chain dependencies, animal health and biosecurity, labour and safety, and cyber/data security.

Currently, there are no climate-related risks or opportunities expected to cause a material adjustment to the carrying amounts of assets or liabilities. The main potential exposure lies in future compliance costs associated with environmental regulations or potential carbon pricing, which are presently assessed as low and non-material. NADEC continuously monitors regulatory and market developments to update its financial estimates as necessary.

In 2025, climate-related risks did not have a material impact on NADEC's financial position. However, we incurred moderate operating costs related to carbon data collection and energy/water efficiency initiatives. Over the medium to long term, these investments are expected to lower operating costs, improve production efficiency and support more stable cash flows, and they are factored into our financial planning, including earmarked allocations for renewable energy, water reuse and other climate

ENERGY EFFICIENCY AND CLEAN ENERGY TRANSITION

A central pillar of our clean energy approach is the Haradh-based NADEC PV Solar Plant, developed with ENGIE, with a total installed capacity of 30 MWp.

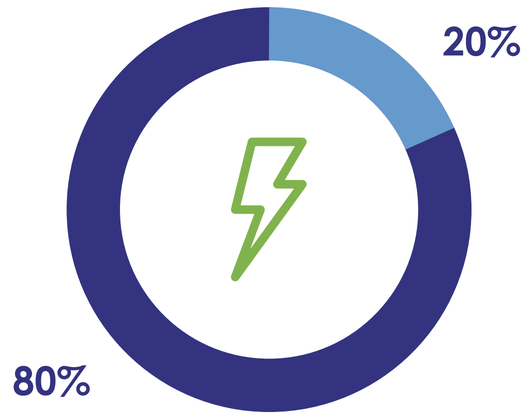
The 30 MW solar project at Haradh is dramatically reducing emissions, cutting approximately 160,000 kg of carbon emissions per day. The utilization of this solar capacity offsets approximately 5 million liters of fuel annually, significantly reducing reliance on heavy fuel oil in energy-intensive operations.

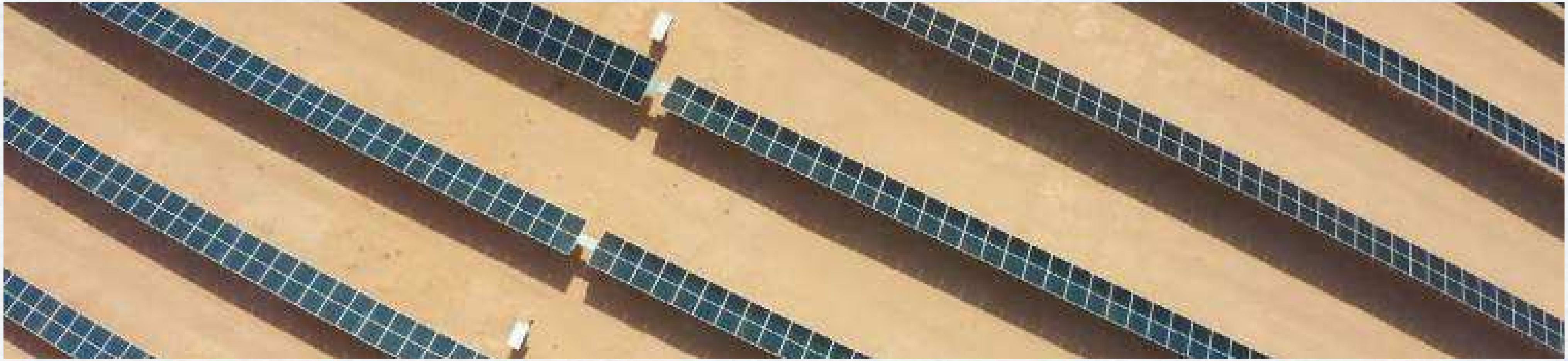
The PV plant alone avoided significant CO_2 emissions in 2025 by displacing conventional fuel-based generation. These substantial fuel savings reinforce NADEC's strategy to lower energy consumption, decarbonize operations, and minimize environmental impact.

Additional measures include solar PV systems at selected sites, LED lighting upgrades, and equipment optimization under our ISO-aligned energy management practices.

Energy use

- Energy used that is generated from renewable sources.
- Energy used that is generated from fuels.





CIRCULAR ECONOMY, WASTE MANAGEMENT AND PACKAGING

As part of efforts to enhance waste management practices, NADEC continues to advance circular resource management by reducing raw material use, optimizing resource consumption, and expanding the use of recycled and renewable materials. Efficiency measures including improved production planning, waste reduction, and continuous process enhancements help lower material intensity across operations and the supply chain, where NADEC engages suppliers to support responsible, traceable sourcing.

To strengthen this approach, NADEC launched an environmental review to map resource flows, identify operational hotspots, and highlight value-recovery opportunities. The findings will inform targeted pilots and ISO 14001–aligned improvements to enhance circularity.

Waste management is driven by NADEC's Environmental Position Statement, which prioritizes waste minimization, recycling, and reuse (Environmental Position Statement is available in our website). Circularity initiatives are overseen through NADEC's governance framework. The Board evaluates related investments such as the biowaste recycling agreement with SIRC/Yadoum and biomass program through structured reviews of risks, costs, integration needs, and regulatory considerations to ensure responsible and strategic implementation.

Several large-scale circularity programs are already in place. Organic and agricultural residues are converted into bio-based soil products, supporting soil health and desert-rehabilitation efforts. Packaging is being redesigned using compostable and recyclable materials to reduce environmental leakage. The wood pallet recycling initiative repairs or recycles damaged pallets, reducing the need for new wood. Industrial waste segregation stations across farms and plants covering plastics, metals, cardboard, glass, organics, and hazardous waste support higher recycling rates, supported by monthly monitoring and staff training.

NADEC also works to reduce food loss and waste through stronger cold-chain logistics, inventory optimization, and shelf-life management. Losses are monitored across production and distribution, with continuous improvement programs implemented to reduce spoilage. Surplus products are redistributed through food banks and social partners, supporting national goals on responsible consumption and the protection of community and environmental well-being.

Partnership with Yadoum

Through partnership with Yadoum, a wholly owned subsidiary of SIRC, NADEC processes 150,000 tons of manure, sludge, and other organic residues each year, converting them into high-quality organic fertilizers. This large-scale waste-to-value system sharply reduces landfill disposal and GHG emissions while enhancing soil health and supporting greening initiatives across the Kingdom. The program demonstrates how circularity can turn operational by-products into valuable resources.

Sustainable Packaging and Circular Design

NADEC applies eco-design principles and clean technologies across its production lines as part of a comprehensive approach to sustainable packaging and circular design. The company has implemented packaging design improvements and set long-term circularity targets to reduce environmental impact. These efforts include reducing the weight of PET bottles and begun transitioning from non-recyclable PS cups to recyclable PET and PP formats. It is also working with suppliers to substitute multilayer and non-recyclable laminates with more sustainable alternatives.

Packaging targets reflect both material content and recyclability ambitions. NADEC aims to achieve at least 15% recycled content across all packaging by 2026, progressing toward its broader goal to reach 30% recycled or renewable content by 2030, aligned with Vision 2030. In parallel, the company is enhancing packaging design to reach 70% fully recyclable and circular packaging by 2026, in addition to a broader objective of achieving 80% recyclable packaging by 2026 and reducing landfill-bound packaging waste compared to previous years.

WATER STRESS AND RESPONSIBLE USE

As a leading agri-food producer operating in one of the world's most water-scarce regions, NADEC views responsible water stewardship as a strategic priority. The company's environmental policy outlines requirements for water consumption, conservation, recycling, and effluent management, all supported by strong governance oversight. The Board monitors water performance and related risks, ensuring that efficiency initiatives and investments remain aligned with regulatory expectations and national sustainability objectives.

Roles and responsibilities for water management are clearly defined. The ESG Department leads environmental planning, KPI development, and regulatory updates; operational departments implement site-level measures; and each farm has a dedicated water engineer overseeing water administration.

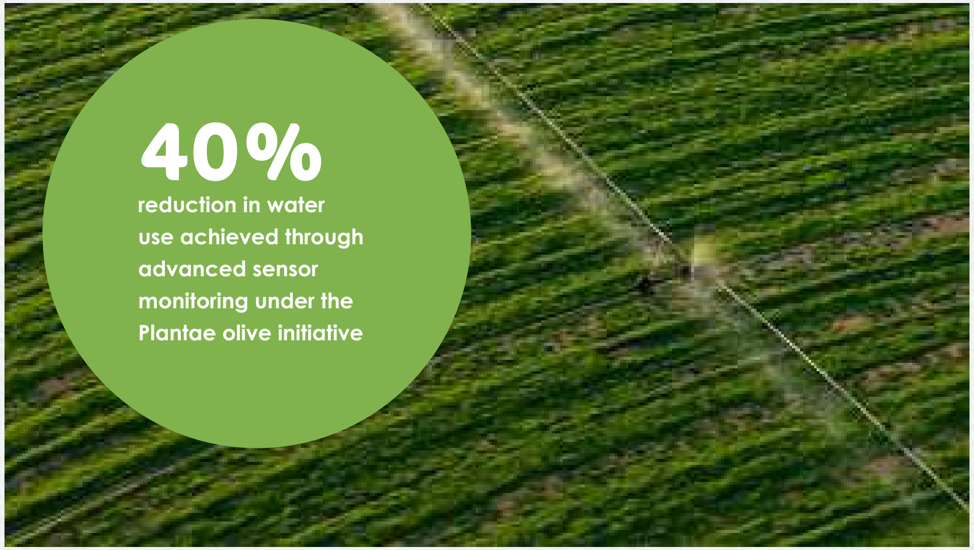
The company's primary freshwater source remains well water, making recycled-water streams essential for long-term resilience. NADEC's wastewater treatment program represents a key pillar of its sustainability strategy, designed to efficiently treat and repurpose all wastewater for restricted irrigation and greening initiatives. The completion of the Water Reclamation and Reuse Study further strengthened this approach, supported by plans to expand treatment capacity using dissolved-air-flotation (DAF) systems, biological ponds, reed beds, and filtration technologies.

A flagship component is the photobiological wastewater-treatment facility in Haradh, expanded from 5,000 m^3/day to 10,000 m^3/day. The facility treats high-bioload wastewater from four farms and one dairy factory, converting effluent and sludge into irrigation-grade water through biological processes. Strict monitoring of odor, microbial content, and chemical oxygen demand (COD) ensures safe and compliant reuse. Treated water supports irrigation and greening programs, conserving freshwater resources, enhancing biodiversity, combating desertification, and contributing to the objectives of the Saudi Green Initiative.

Beyond infrastructure, the wastewater treatment program supports knowledge sharing and capacity building in sustainable water management practices, while also creating job opportunities through the operation and maintenance of treatment systems.

Smart agriculture technologies improve water efficiency across NADEC's farms. In Al-Jouf, digital flow meters, weather stations, and soil-moisture sensors at multiple depths provide real-time data to guide irrigation. In addition to using IoT sensors, climate monitoring, and real-time analytics to optimize irrigation and detect early crop stress. The pilot has already improved water-use efficiency and will expand to include AI-based forecasting and drone monitoring to further strengthen productivity and climate adaptation. In Haradh, electronic flow meters and pressure gauges on each pivot enable remote monitoring and precise water control. These systems enhance oversight and support data-driven irrigation management.

Targeted initiatives such as the Plantae olive pilot achieved a 40% reduction in water use through advanced 50cm-60cm sensor monitoring. Looking ahead, NADEC aims to strengthen automation of water-performance tracking and introduce structured training programs to improve employee awareness of responsible water use, conservation, and environmental stewardship.



POLLUTION CONTROL AND ECOSYSTEM PROTECTION

We aim to minimize waste generation, promote recycling and reuse, and prevent pollution through strengthened process controls and hazard-management practices. These principles are embedded across operations to ensure that environmental impacts are avoided, mitigated, or effectively managed.

NADEC minimizes pollution risks through advanced wastewater and sludge treatment systems that control odor, microbial levels, and chemical oxygen demand to meet safe handling and reuse standards in accordance with the requirements issued by MEWA and the relevant authorities. Treated water used for irrigation and greening projects is carefully managed to prevent harmful discharge, nutrient run-off, and effluent impacts on soil, water bodies, and surrounding ecosystems. These measures ensure that all reused water is safely processed and do not pose environmental or community risks.

Air-quality protection is also an area of focus, with efforts aimed at reducing local emissions including NOx, SOx, and particulate matter from boilers, vehicles, and cold-chain refrigerants. These initiatives support compliance with applicable discharge limits while improving air quality around NADEC's operational sites. Leak-prevention measures and regular maintenance protocols further strengthen environmental safeguards and protect receiving ecosystems from accidental releases.

Packaging-related pollution is addressed through the adoption of compostable materials and circular-design improvements, reducing the likelihood of environmental leakage from material use and disposal. These actions complement NADEC's broader waste-management programs, which prioritize recycling, resource recovery, and responsible end-of-life management of materials.

SUSTAINABLE AND REGENERATIVE AGRICULTURE

Across our farms, we work to protect soil health, conserve water, enhance biodiversity, and reduce dependence on synthetic inputs supporting both national food-security objectives and long-term land productivity. In addition to combating agricultural diseases and epidemics and implementing the necessary measures to limit their spread.

Soil Management

NADEC applies a structured soil-management plan focused on maintaining fertility and minimizing degradation. After each harvest, soils are plowed to aerate the land and reduce soil-borne pests and diseases. Crop rotation is consistently practiced to improve soil structure, limit pest spread, increase organic matter, and strengthen microbial activity.

Organic residues including plant materials and grass clippings are reincorporated into the soil, while compost is applied before planting to enhance nutrient content. These practices complement NADEC's waste-to-value initiative, which converts agricultural residues into soil-enriching products that support long-term fertility and desert-rehabilitation efforts.

Pest Management

Pest control at NADEC is guided by an Integrated Pest Management (IPM) approach that prioritizes prevention and reduces reliance on chemical pesticides. IPM begins with accurate identification of pests and beneficial organisms, followed by continuous monitoring of population changes, crop conditions, and environmental factors.

Interventions are based on defined thresholds, and preference is given to preventive and non-chemical methods including crop planning, habitat management for beneficial insects, biological controls, and cultural and mechanical techniques. Chemical treatments are used only when necessary and are applied in a targeted manner.

NADEC actively reduces the use of highly hazardous pesticides through early detection, monitoring tools, and digital weather-based alerts. Less hazardous alternatives such as pheromone traps, mineral oils, and organic-copper formulations are used where possible. Workers handling pesticides receive mandatory training on safe application, personal protective equipment, and IPM decision-making.

Animal Welfare

NADEC maintains an Animal Welfare Position Statement that guides the ethical care of livestock across its operations (Animal welafre Position Statement is available in our website). Working closely with qualified veterinarians, the company implements species-specific Animal Health Plans covering preventive healthcare, disease surveillance, and treatment protocols throughout the livestock lifecycle. NADEC complies fully with applicable animal welfare regulations, including GSO 815:1997 (hygienic meat practices), GSO 993:2015 (Islamic slaughtering requirements), and GSO 2055-1:2015 (Halal food standards).

Animal-health risks are managed through a comprehensive biosecurity framework that includes daily disease monitoring in coordination with MEWA, controlled site access, disinfection stations, structured vaccination programs, visitor screening, and strict hygiene measures. Dedicated quarantine and isolation zones enable rapid containment where necessary. On-site veterinary teams oversee continuous monitoring and prompt medical intervention to maintain high welfare standards and support productivity.

In 2025, NADEC expanded its protein operations to 108,375 cattle and commissioned its first dedicated animal-protein manufacturing facility, designed to process up to 150 head of beef cattle per day. The facility began operations in Q3 2025, with regulatory and customer audits conducted in Q4 2025. Once fully operational, it is expected to generate approximately 10 metric tonnes of manure per shift.

Aligned with its circular economy strategy, NADEC implements a biowaste and cow-manure upcycling program that converts organic residues into compost. This humus-rich soil enhancer improves soil structure, supports nutrient management, and strengthens long-term agricultural productivity while reducing environmental impacts associated with organic waste.

NADEC's current animal-protein portfolio comprises 45% dairy cows and 55% beef cattle, supporting production diversification while maintaining high standards of animal care and operational efficiency.

NADEC also promotes inclusive participation in agricultural operations, including dairy farm activities such as milking. Female employees receive structured training, safe working conditions, and equal access to career progression, with opportunities to advance into supervisory and technical roles based on performance and experience. This approach strengthens workforce inclusion, skills development, and equal opportunity across operations.

No outbreaks or infections were reported across NADEC's dairy farms.

BIODIVERSITY AND LAND USE

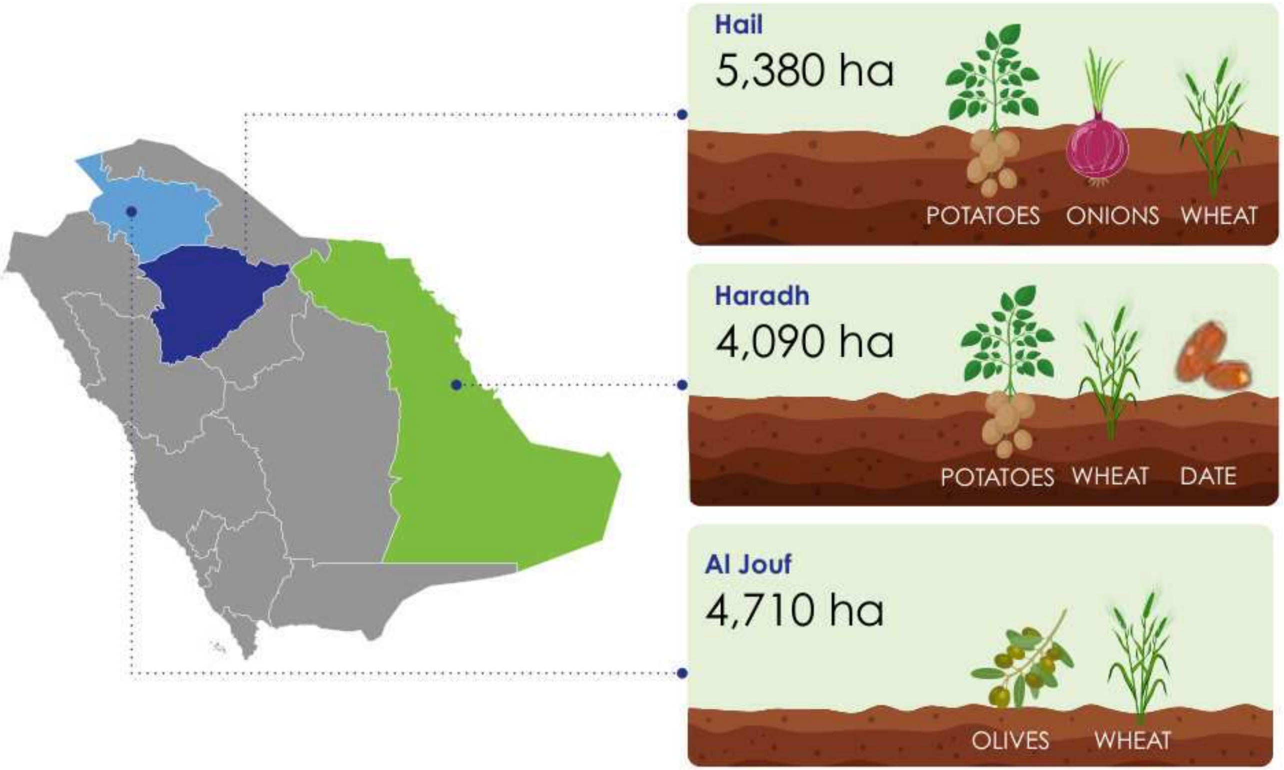
NADEC manages an agricultural footprint of approximately 91,000 hectares, of which around 21,000 hectares are suitable for cultivation. The actively farmed area varies annually based on crop planning and government quotas; in 2025, key cultivated areas included approximately 4,004 hectares in Al Jouf (comprising around 3,000 hectares of olives, 1,000 hectares of wheat, and a 4-hectare olive nursery), in addition to date plantations in Haradh and leased agricultural land in Wadi Al Dawaser.

While none of NADEC's sites are located within protected areas or formally designated biodiversity hotspots, several operations interact closely with surrounding ecosystems. These include organic olive plantations, seasonal cropping areas, and date palm plantations, where biodiversity considerations are increasingly integrated into farm planning to minimize ecological impacts and enhance landscape resilience.

Current cropping systems support on-farm biodiversity by providing habitat structure and promoting natural interactions between pests and beneficial species. Practices such as trap cropping in potato fields further contribute to ecological balance and integrated pest management.

Looking ahead, NADEC plans to strengthen its biodiversity approach by expanding monitoring practices, including tracking indigenous tree planting, assessing flora abundance, and evaluating beneficial species activity across its agricultural operations.

Agriculture is NADEC's most biodiversity-intensive business area, with key sites including:



Across these locations, NADEC implements soil-health and water-efficiency measures such as compost application, organic-matter enhancement, and improved cropping practices. Around 3,000 ha of intensive organic olive production receive targeted soil-improvement inputs to enhance biological activity and pest resilience.

Land conversion at major locations reflects long-standing agricultural development rather than recent ecosystem loss. These sites represent modified agricultural landscapes, with no habitats of IUCN Red List species reported within operational boundaries.

Treated wastewater from farms and factories is reused for irrigation, desert nurseries, and district greening, supporting ecosystem restoration in arid landscapes. Treatment processes include odor control, microbial reduction, and COD monitoring to ensure safe reuse and reduce pressure on groundwater resources.

NADEC's desertification-combat initiatives further strengthen this approach by restoring degraded land, enhancing ecosystem resilience, and promoting sustainable land management in alignment with Saudi Vision 2030, the Saudi Green Initiative, and the UN SDGs. These efforts include the development of desert tree nurseries, forestation programs, green fencing to protect cultivated areas, and the expansion of nursery capacity to support long-term landscape rehabilitation

NADEC applies the core elements of the biodiversity mitigation hierarchy by:

1. Avoiding unnecessary land disturbance through planned land management.
2. Minimizing impacts via efficient irrigation and responsible crop rotation.
3. Restoring degraded areas through soil-regeneration practices.
4. Improving ecosystem conditions by reusing treated water and increasing organic matter.

Key supply-chain drivers of biodiversity pressure include fertilizer, pesticide, and fuel procurement, alongside farm-level water withdrawals. No wild species are harvested at NADEC sites, and the risk of invasive species introduction remains low.

SOCIAL

Material Topics

- Nutrition and consumer health
- Food safety and quality assurance
- Smallholder inclusion and empowerment
- Human capital
- Community engagement and socio economic development

NUTRITION AND CONSUMER HEALTH

NADEC delivers safe, nutritious products through a lifecycle approach that covers formulation, sourcing, production, packaging, and distribution. Guided by the Health, Wellbeing & Access to Nutrition pillar and the "Nutrition for Life" program, the company continues to expand healthier choices while empowering consumers with clear, compliant product information. This approach is further supported by NADEC's Health and Nutrition Position Statement, which focuses on product reformulation, transparent labelling, portfolio monitoring, responsible marketing, and the integration of health and nutrition considerations into governance and risk management frameworks (Health and Nutrition Position Statement is available in our website).

In 2025, NADEC advanced its nutrition portfolio by reformulating products, launching nutrient-rich offerings, and expanding public awareness initiatives. Key improvements included high-protein dairy, potassium-rich beverages, and fortified super milk that align with national nutrition priorities.

Reformulation efforts reduced sugar, sodium, fat, and artificial ingredients across key categories:

Natural ingredients: Continued transition from artificial to natural flavoring.

Fat reduction: Full-fat milk adjusted from 3.2% to 3.0%, with fat-free and lite products under development.

Sugar reduction: Fruit juices now use fruit-blend sweetening; functional dairy reformulated to meet Saudi Food and Drug Authority (SFDA) sugar-tax requirements.

Sodium reduction: Low-sodium Halloumi scheduled for launch next year.

Fortification: Expanded vitamin and mineral enriched formulations for immunity, skin health, and sleep support.

Customer satisfaction remains central to NADEC's consumer-care approach. Feedback received through phone, email, social media, and service channels is monitored and resolved promptly. In 2025, NADEC enhanced complaints management by integrating C4C with SAP QM, enabling more efficient tracking, faster resolution, and improved trend analysis.

NADEC ensures transparency and compliance in product information through full adherence to SFDA, SASO, and Corporate Governance requirements. Regulatory labelling updates were implemented as required, and no major fines or significant non-compliance cases were recorded during the reporting period.

86%
of raised issues were successfully resolved

FOOD SAFETY AND QUALITY ASSURANCE

NADEC ensures product safety through a fully certified food-safety system built on FSSC 22000 V6, ISO 9001:2015, HACCP-based risk assessments, and regular external audits (SFDA, SASO, Halal, and major customer audits). These certifications are supported by internal quality controls, routine laboratory testing, supplier assessments, and full end-to-end traceability.

This approach is supported by NADEC's Product Quality and Safety Position Statement, which emphasizes an integrated management system, hazard prevention and control, regulatory compliance, and a strong food safety culture to ensure products consistently meet customer and regulatory expectations (Product Quality and Safety Position Statementis available in our website). A formal internal Quality & Food Safety Policy guides all processes, and employees receive mandatory safety training. Emergency-response procedures are tested regularly in line with FSSC requirements, and all incidents undergo investigation with corrective actions implemented immediately. Product-safety KPIs and incident data are monitored continuously and reported in annual disclosures, with senior management accountable for overall performance.

NADEC ensures accurate and transparent product information including nutrition, ingredients, allergens, and shelf life in line with SFDA, SASO, and GSO requirements. QR codes are used on selected products to enhance traceability.

No incidents of non-compliance with health and safety regulations or voluntary codes were recorded

All production sites are certified to internationally recognized food-safety standards, and both in-house and accredited external laboratories conduct physicochemical and microbiological testing to verify compliance before products reach consumers.

NADEC also reduces chemical exposure by producing certified organic products such as Organic Extra Virgin Olive Oil produced without synthetic fertilizers or pesticides and certified under IFOAM and EU Organic frameworks. Genetically Modified Organisms (GMO) use is strictly prohibited under these standards. Renewable-energy use, soil-health improvements, and agricultural waste recycling further support alignment with global food-safety and environmental expectations.

100%
of production volume is covered by internationally recognized food-safety certifications

SMALLHOLDER INCLUSION AND EMPOWERMENT

In 2025, NADEC strengthened its inclusive sourcing model by expanding contract farming partnerships with small and medium-sized farmers across the Kingdom. Aligned with Saudi Vision 2030, this approach supports national food-security goals, enhances rural economic inclusion, and diversifies NADEC's supplier base, contributing to reduced transport emissions and greater supply-chain resilience.

All contract-farming activities are now fully digitized through NADEC's SAP system, enabling end-to-end management of contracts, payments, monitoring, and crop tracking. This integration improves transparency, cash-flow predictability for farmers, and coordination across the value chain.

NADEC delivered training and workshops to small and medium farmers to enhance productivity, promote regenerative agriculture techniques, and reduce environmental impacts. Through its partnership with the Agricultural Cooperative Association in Qaryat Al-Ulya, MEWA and SALIC, the company delivered practical workshops on sustainable wheat farming and soil-regeneration practices, expanding access to agricultural knowledge in rural and underserved regions through training on regenerative farming and sustainable land use.

NADEC also works closely with national institutions including the MEWA and Saudi Agricultural & Livestock Investment Company (SALIC) to advance the Kingdom's National Food Security Strategy. This includes contributing to a stable supply of dairy and agricultural products, participating in programs to strengthen self-sufficiency, and collaborating with farmers, research institutions, and technology partners to improve production efficiency and climate resilience.

In 2025, NADEC progressed its sustainable sourcing approach by integrating ESG criteria into contract-farmer evaluations and embedding social and environmental compliance requirements into the Ariba system to ensure alignment with the Supplier Code of Conduct. NADEC also assesses climate, water, and market-related risks to strengthen the resilience of farming communities and support sustainable rural development.

HUMAN CAPITAL

Guided by its Code of Conduct and HR policies, NADEC maintains a workplace culture grounded in fairness, respect, non-discrimination, and equal opportunity. Recruitment and retention efforts in 2025 emphasized workforce stability, ethical recruitment practices, and national workforce development.

NADEC follows a recruitment approach fully aligned with Saudi Labor Law. Employees are never charged recruitment fees, and the company prohibits the withholding of passports or personal identity documents. All employees receive written Arabic and English employment contracts via the Qiwa government platform, ensuring clarity and transparency on employment terms. These requirements also apply to third-party recruitment agencies, which are monitored through interviews, document checks, and supplier reviews to ensure ongoing compliance. Any non-compliance trigger immediate corrective action.

Employee retention is supported through ongoing succession planning, career development pathways, and engagement initiatives under the Employee Empowerment Action Plan.

Entry-level wages remain compliant with national standards and are aligned with or above minimum wage requirements, with compensation equitably applied across genders. The company's compensation model also integrates short-term and long-term incentives to reward performance and support long-term value creation.

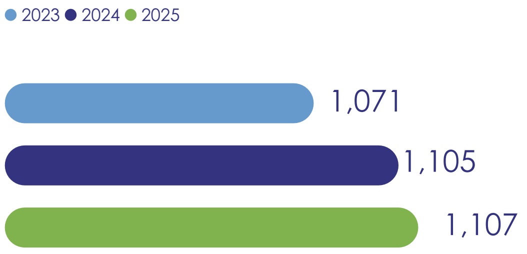
NADEC employed 889 Saudi nationals during the year and continued integrating Saudi women into the workforce, with nationals representing 93% of the company's female employee base. Senior management localization also progressed, with 17 Saudi nationals and 44 expatriates forming the leadership team, supported by structured development programs designed to advance national leadership capabilities over time.

Saudi women represented

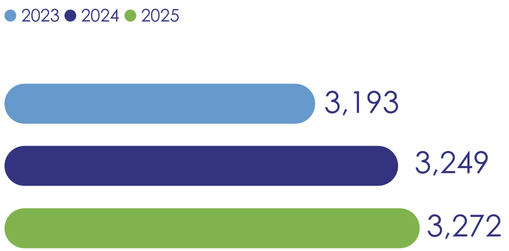
94%

of NADEC's total female workforce

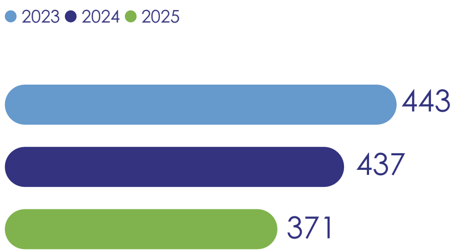
Number of full-time employees aged 18-30



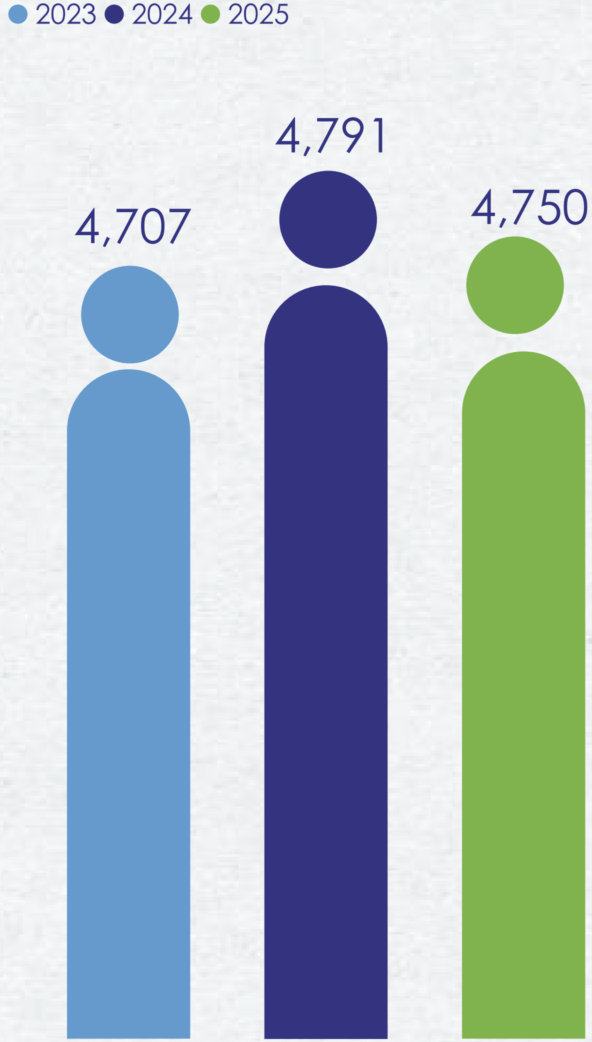
Number of full-time employees aged 31-50



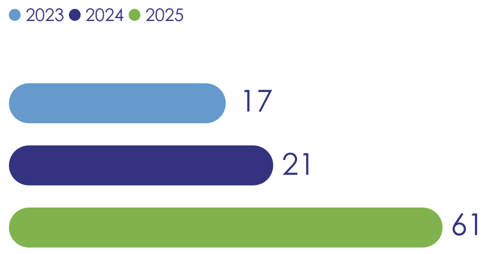
Number of full-time employees aged 51+



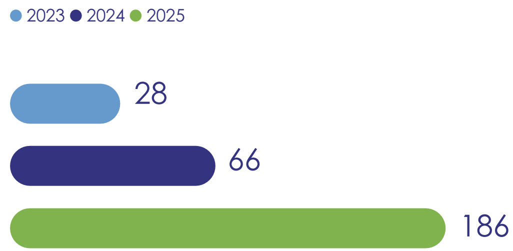
Total number of employees



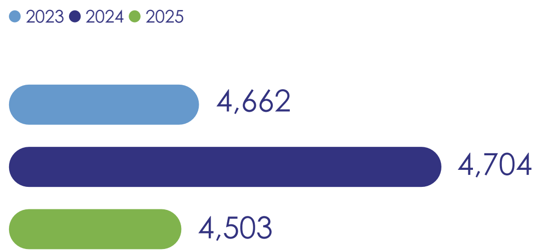
Number of full-time senior managers.



Number of full-time middle managers.



Number of full-time staff employees.



Diversity, Equity, and Inclusion

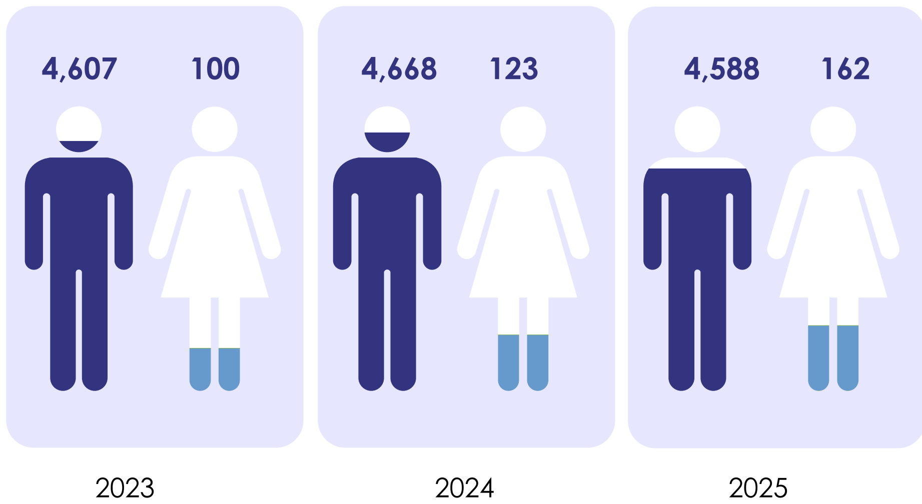
NADEC continued strengthening its diversity, equity, and inclusion foundations in 2025. Workforce diversity is supported through targeted gender inclusion initiatives, and the integration of people with disabilities.

The company's Code of Conduct and HR policies prohibit discrimination and outline equal opportunities in hiring, promotion, and career advancement. These principles are strengthened through the DAAM Committee, which oversees the formal grievance mechanism and ensures employees can raise concerns confidentially and without fear of retaliation. NADEC plans to introduce a dedicated workforce-diversity KPI in 2026, with a focus on increasing female representation across all levels, including senior and middle management.

18
employees with disabilities were employed by NADEC in 2025

32%
increase in female workforce representation compared to 2024

Workforce breakdown by gender



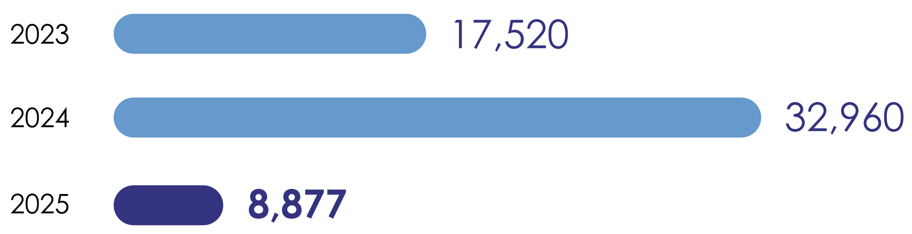
Talent Development and Workforce Growth

NADEC's talent management strategy supports employee development across all career stages through digital tools such as LinkedIn Learning and an internal Learning Management System that enable flexible, self-paced development. These investments equip our workforce with the technical and leadership skills needed in a rapidly evolving sector.

The company expanded leadership development initiatives, technical upskilling, and digital learning programs, complemented by national pathways such as Tamheer and cooperative training, which together provided structured training for 85 students bridging the gap between academic learning and real-world experience. To strengthen internal capability building, NADEC continued integrating performance evaluation, goal setting, mid-year reviews, and annual assessments across the organization.

The company continued evolving its internal processes to identify and prepare high-potential talent for future leadership roles. In parallel, the company advanced efforts toward Great Place to Work certification and formalized components of its Employee Empowerment Action Plan to enhance employee engagement and satisfaction.

Total number of training hours for total workforce



Health, Safety, and Wellbeing

Compliance with national health and safety regulations including the Saudi Labor Law, Saudi Building Code, and National Fire Protection Association (NFPA) remains an integral part of daily operations. We follow a multi-year roadmap toward alignment with ISO 45001, with documentation development underway and risk assessment systems being strengthened across major operational sites to obtain certification by 2027. A standardized risk assessment template has been rolled out across facilities, enabling more consistent identification of hazards and implementation of corrective actions.

NADEC has a formal Health and Safety Committee that includes both management and cross-departmental representation. It meets monthly, with responsibilities for reviewing performance, resolving issues, and guiding continuous improvement of safety management practices.

As of late 2025 the company introduced its SAP EHS platform, which will modernize incident reporting, centralize safety data, and enhance the effectiveness of corrective and preventive actions. NADEC is also developing a company-wide safety communication process to ensure that key health and safety information is shared consistently across all business units.

Training continued to play a significant role in strengthening safety performance.

Employees received instruction on hazard awareness, risk assessment, working at height, manual handling, COSHH awareness, and other safety-critical topics. A comprehensive training needs analysis was completed to guide future programs.

Several NADEC sites maintain on-site medical clinics, and the company is exploring mobile health services to enhance medical access across remote locations. Mental wellbeing support was strengthened through the presence of a trained mental health first aider within the health and safety team.

Unfortunately, in 2025, NADEC reported two fatalities one involving a long-haul driver and one at a farming site along with two contractor fall-from-height incidents and seven significant fire events. Each incident was investigated n line with NADEC's internal procedures, and comprehensive corrective and comprehensive preventive measures to mitigate risks, address damages resulting from incidents, and prevent their recurrence.

100%
of employees are covered by health and safety management system

COMMUNITY ENGAGEMENT AND SOCIO ECONOMIC DEVELOPMENT

The Company's Board of Directors regulates the relationship with stakeholders by establishing clear and written policies and procedures to govern these relationships, with the aim of protecting stakeholders and safeguarding their rights. Accordingly, NADEC has developed a Social Responsibility Policy (SRP) that ensures a balance between the company's objectives and the goals that society seeks to achieve, with the aim of advancing the social and economic conditions of the community.

NADEC supports community wellbeing and socio-economic progress through targeted social investments, active stakeholder engagement, and long-term partnerships across education, health, and local development. The company's CSR strategy provides a structured roadmap focused on building strong community partnerships, promoting positive social values, raising awareness on sustainability and health, supporting creativity and talent, and enhancing NADEC's overall social impact. It also aims to strengthen the visibility of CSR achievements and introduce impact-measurement indicators to reinforce accountability.

CSR oversight is provided by the Head of Strategy, who reports to the Executive Committee and the Board, ensuring responsible and transparent management of community impacts. NADEC maintains ongoing dialogue with local communities, educational institutions, civil-society organizations, and government entities, using meetings, events, and digital channels to incorporate community needs into planning. No negative community impacts were reported during the year.

Community program spending exceeded **SAR 3.474* million in 2025**

* Values went through third party assurance.

In 2025, NADEC invested in social initiatives across the Kingdom, with total school and education related investments reaching SAR 3.474 million, compared with SAR 3.395 million in 2024. Social contributions were delivered through 108 events and activities spanning education, sports, health, and community development. These included:

- University sponsorships
- Padel and marathon participation events
- Blood donation campaigns
- Tree-planting initiatives
- Hospital visits
- Pilgrim service and support activities
- Partnerships with the Development Bank for productive families
- Support to charitable organizations
- Engagement with 62 schools through awareness sessions and educational partnerships

A key achievement was NADEC's sponsorship of the Dental Health Clinic at the College of Applied Medical Sciences at King Saud University, improving access to oral-health services for students and nearby communities. Nutrition and healthy-living education through school partnerships and awareness activities. The company also continued donating food products and in-kind support to charitable organizations, and sponsoring nationwide health, sports, and community events.

We generated broader economic value through our role in national food security, local employment, and rural infrastructure development. Operations in Haradh, Hail, Jouf, and Wadi Dawasir stimulate local business activity, create jobs, and support skill development through technical training and farm-upskilling programs. Investments in irrigation networks, water-reuse systems, roads, and energy infrastructure further benefit surrounding communities.

Refer to Smallholder inclusion and empowerment section for more information on farmers programs.

55
employees volunteered, contributing 200 hours to community initiatives.

GOVERNANCE

Material Topics

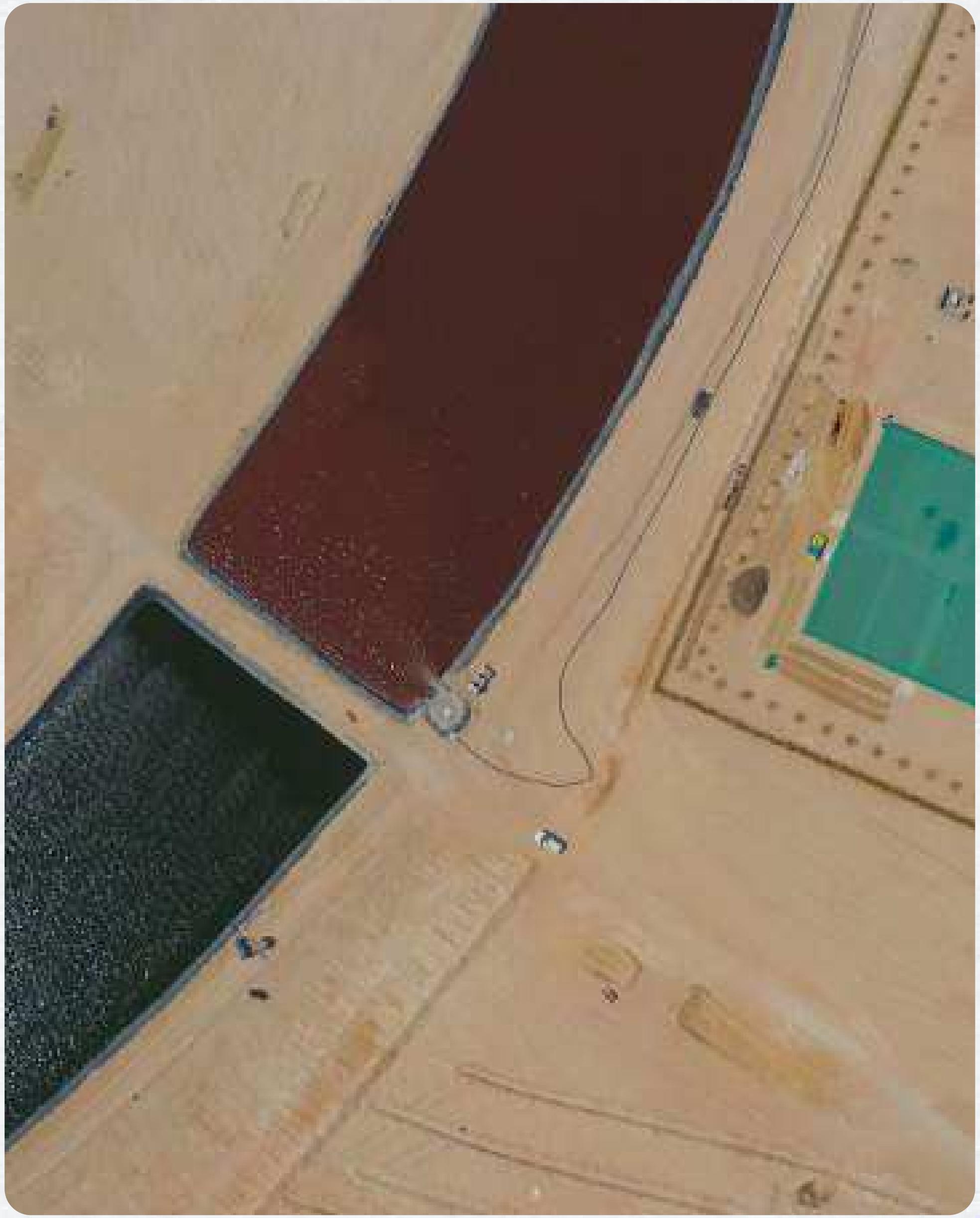
- Sustainable procurement and supply chain standards
- Business ethics and risk management
- Innovation

SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN STANDARDS

NADEC's procurement and supply chain practices are grounded in ethical conduct, environmental stewardship, and responsible sourcing. Sustainability expectations are defined through the Procurement Policy and Supplier Code of Conduct, which outline requirements on human rights, labour standards, environmental protection, and business integrity (Supply chain Position Statement is available in our website). These obligations apply to all suppliers and are enforced through due diligence, contractual controls, and continuous monitoring.

Supplier compliance is verified through internationally recognized certifications and audits, including FSSC 22000, SEDEX, and relevant regulatory inspections. Any non-compliance triggers a structured corrective-action process, with re-verification and potential contract suspension or termination.

Traceability is a core element of our sourcing approach. Supplier data is validated through third-party certification, SEDEX assessments, and adherence to the Supplier Code of Conduct. In 2025, NADEC verified ESG and traceability information for 10 of its 40 priority suppliers and will expand verification to its top 100 suppliers by 2026. Independent third-party providers support ongoing supplier risk assessments covering working hours, wage compliance, non-discrimination, living conditions, and occupational health and safety.



No instances of child labour, forced labour, or other severe violations during the reporting year.

SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN STANDARDS

Supply-chain governance includes Board-level oversight, with supplier audits, risk assessments, and contract workflows managed through the Ariba procurement system. Grievance channels are available to supply-chain workers, and corrective-action plans are implemented where required. NADEC is establishing measurable supply-chain sustainability targets to guide continuous improvement.

Environmental safeguards are embedded into supplier screening and monitoring. NADEC uses geospatial tools such as satellite imagery and GIS mapping to monitor land-use changes and ensure suppliers do not contribute to natural habitat loss. These tools complement supplier ESG screenings and field audits. Environmental data is tracked through Ariba and sustainability dashboards, and non-compliant suppliers are required to implement corrective measures or face potential disengagement. Social risks are managed through ESG screening, supplier self-assessments, and due diligence reviews.

Through its sustainable sourcing framework, NADEC is formalizing ESG risk screening, expanding supplier assessments, and aligning certification requirements with global standards. This framework also supports Scope 3 emissions tracking.

All beef and dairy inputs are verified as sustainably sourced through audits or certification, and 100% of raw materials are traceable to their place of origin.

No negative social impacts or supplier terminations were reported in 2025

BUSINESS ETHICS AND RISK MANAGEMENT

Our approach to business ethics and risk management is grounded in a clear set of governance policies including the Compliance Policy, Code of Conduct, Conflict of Interest Policy, Risk Management Policy, Investigation Policy, and Disclosure and Transparency Policy which define expected behaviour, controls, and reporting obligations across the organization. NADEC's dedication to integrity is highlighted by its ISO 37301–certified Compliance Management System.

Oversight of ethics and compliance is exercised by the Board through the Audit Committee, supported by the Governance, Risk, Compliance & Legal (GRC&L) function and senior management. The Conflict of Interest Policy requires annual and ongoing disclosures from Board members, executives, and employees, with conflicted individuals recusing themselves from related decisions. All related-party transactions and balances are transparently reported in the Annual Report in line with CMA requirements.

Anti-bribery expectations are addressed through the Compliance Policy, Code of Conduct, and Conflict of Interest Policy, which collectively prohibit misuse of position, require disclosure of personal interests, and establish reporting, investigation, and disciplinary mechanisms.

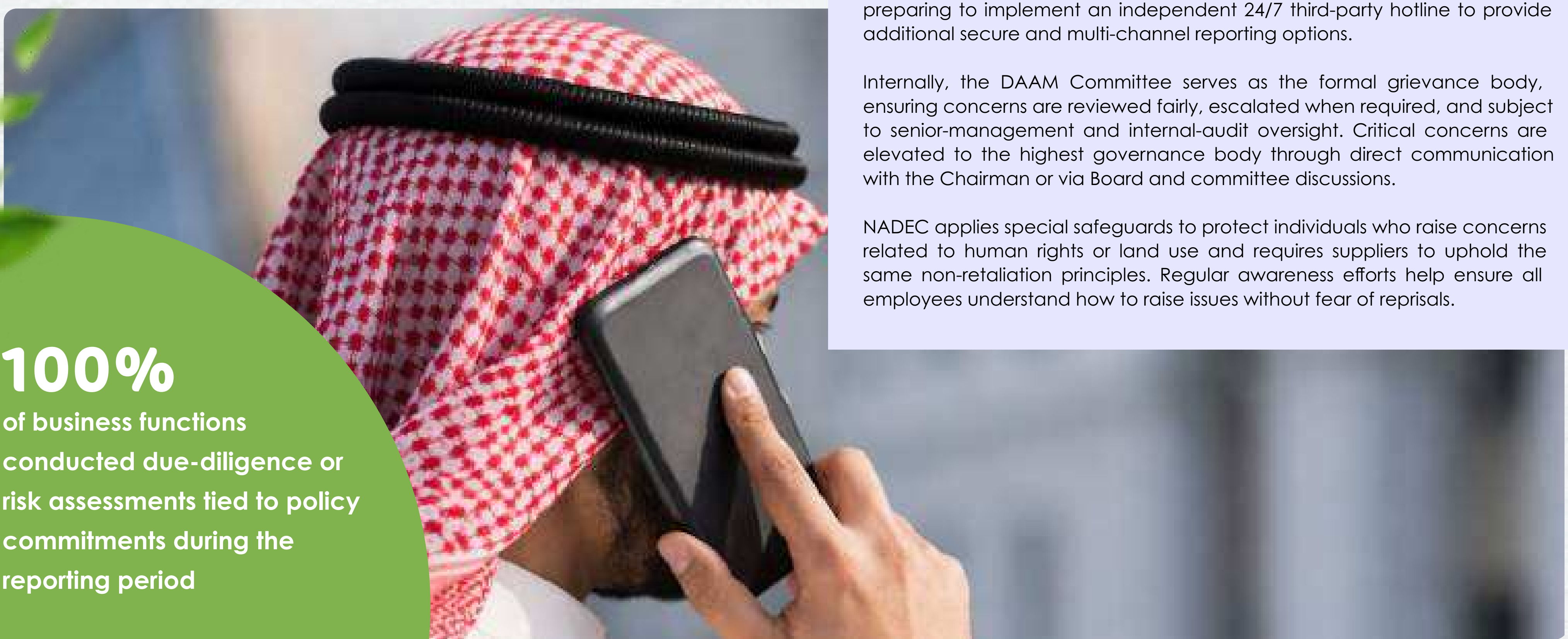
During the reporting period, no incidents of corruption, no related dismissals or contract terminations, and no legal actions concerning

Oversight of ethics is managed at the Board level through the Audit Committee, which oversees internal controls, compliance, and integrity-related matters, supported by the Governance, Risk, Compliance & Legal function. Senior management implements ethics policies and procedures, with escalation to the Board and its committees as required.

Ethical conduct expectations including prohibitions on bribery, misuse of position, and undisclosed personal interests are embedded across the Compliance Policy and Code of Conduct. Employees formally acknowledge these policies, and governance-related training is delivered periodically. A dedicated Fraud Management function strengthens internal controls through scenario analysis, red-flag investigations, and testing of high-risk processes.

Compliance with laws and regulations is monitored through dashboards, internal audits, and systems such as Etimad. Minor non-compliance events in 2025 occurred related mainly to administrative matters such as license renewals, traffic violations, and SFDA requests to update product labelling. All issues were identified internally, addressed promptly, and resulted in no major fines or material penalties.

Employees may seek guidance on policies through the NADEC Home portal, ServiceNow inquiries, the AI policy chatbot, or direct consultation with the GRC team under the open-door practice. In addition to training to ensure our policies are understood and effectively implemented.



100%

of business functions conducted due-diligence or risk assessments tied to policy commitments during the reporting period

Whistle blowing and grievance mechanism

NADEC promotes a strong speak-up culture to safeguard employees, suppliers, customers, and other stakeholders. Whistleblowing channels are available in Arabic and English through the internal portal and company website, enabling confidential and anonymous reporting supported by a strict non-retaliation policy.

All reports are investigated under the Investigation Policy using structured and independent procedures, with corrective or disciplinary actions taken where necessary. During the reporting year, NADEC enhanced its framework by preparing to implement an independent 24/7 third-party hotline to provide additional secure and multi-channel reporting options.

Internally, the DAAM Committee serves as the formal grievance body, ensuring concerns are reviewed fairly, escalated when required, and subject to senior-management and internal-audit oversight. Critical concerns are elevated to the highest governance body through direct communication with the Chairman or via Board and committee discussions.

NADEC applies special safeguards to protect individuals who raise concerns related to human rights or land use and requires suppliers to uphold the same non-retaliation principles. Regular awareness efforts help ensure all employees understand how to raise issues without fear of reprisals.

Risk management

Risk management at NADEC is governed by the ERM Framework, which sets out the tools and processes used to identify, assess, and mitigate risks across all business segments. The Board includes members with strong enterprise and cybersecurity risk management expertise, and governance capabilities are continually strengthened through Board training programs, external workshops, and expert-led sessions to enhance understanding of sustainability and enterprise risks.

NADEC's risk-management responsibilities are distributed across a structured governance framework that ensures clear accountability and consistent oversight:

Board of Directors	Executive Committee (ExCom)	Risk Management Department	Health and Safety Committee	Director – ESG
Holds ultimate accountability for the company's risk culture. The Board approves the risk policy, reviews major risks, including ESG-related risks, and oversees long-term viability and disclosures on material risk matters.	Provides day-to-day strategic oversight of risks and opportunities, evaluates the effectiveness of risk policies and procedures, and reviews updates to the enterprise risk register in coordination with the Risk Management Department.	Leads the development of risk criteria and the ERM methodology, maintains consolidated risk registers, and works with GRC and Legal teams to support process owners across the business	Chaired by the CEO, the Committee monitors environmental and safety risks, reviews monthly performance, and validates corrective actions for priority issues.	Identifies and monitors ESG-related risks and ensures their integration into strategic planning and decision-making within the Strategy Sector.

Risk information flows through the organization at regular intervals:

Monthly
Heads of Departments (HODs)

Quarterly
Vice Presidents

Bi-annually
Executive Committee

Annually
Board of Directors

NADEC's Risk Management Policy incorporates ESG data tools, compliance dashboards, and expanded Board engagement on sustainability-related risks. These risks are embedded in the ERM system and assessed using impact and likelihood scoring matrices, risk-rating and escalation protocols, control evaluations, and consolidated corporate risk registers. The following areas were monitored during the reporting year:

Consumer & Market Shifts	Evolution of the product portfolio to address emerging health, nutrition, and sustainability expectations among consumers.
Regulatory & Reputational Risks	Strengthening of ESG disclosures, alignment with regulatory requirements, and proactive, transparent engagement with stakeholders.
Cybersecurity & Data Protection	Implementation of advanced digital safeguards and governance controls to ensure compliance with data-protection regulations and secure information management.
Workforce & Labor Risks	Focused investment in talent development, automation, and strategic workforce planning to mitigate skill gaps and support future operational needs.
Animal Health & Biosecurity	Enhancement of veterinary care programs, biosecurity protocols, and continuous livestock-health monitoring to safeguard herd wellbeing and production stability.
Geopolitical & Supply Chain Risks	Diversification of supplier networks, optimization of inventory systems, and strengthened resilience planning to manage disruptions and external uncertainties.
Climate & Environmental Risks	Targeted investment in sustainable farming practices, water-efficiency improvements, and emissions-reduction initiatives to mitigate environmental impacts.
Water Scarcity & Soil Degradation	Deployment of localized mitigation and resource-management plans in high-risk agricultural regions including Haradh, Al Jouf, and Hail.
Food Security Challenges	Collaboration with farmers and partners to enhance productivity, optimize land use, and reinforce national food-supply resilience.
AI & Digital Transition	Adoption of automation, predictive analytics, and precision-agriculture technologies to improve operational efficiency and agility.

Each department maintains its own risk register, where exposures including environmental, regulatory, or operational risks are flagged and assessed. Both quantitative triggers (such as revenue-variance thresholds ranging from ±1% to above ±5%) and qualitative factors (such as reputational or regulatory impacts) are considered in the scoring process. These assessments help determine priority actions and allocation of resources.

Performance is monitored through a set of Key Risk Indicators (KRIs), which include sustainability-relevant metrics such as GHG emissions and water consumption. These indicators are reviewed routinely as part of ongoing performance management.

INNOVATION

Guided by the New Dawn strategy, NADEC continued to advance its enterprise-wide digital roadmap in 2025, embedding automation, advanced analytics, and integrated systems across finance, supply chain, agriculture, HR, and production.

Building on the momentum of more than 120 transformation projects completed in 2024, NADEC further strengthened key digital platforms and introduced new technologies to enhance operational efficiency and data-driven decision-making. Enhancements to the SAP S/4HANA ecosystem continued, supported by Signavio Process Insights, Process Manager, and Collaboration Hub, enabling deeper process visibility, real-time data access, and systematic workflow optimization. These improvements were complemented by broader adoption of robotic process automation (RPA), machine learning, and predictive analytics across procurement, quality management, and HR operations.

In agriculture, NADEC expanded its portfolio of IoT-enabled smart farming solutions, integrating digital irrigation controls, soil sensors, and precision-agriculture systems across key farms. These technologies improved water-use efficiency, reduced manual intervention, and strengthened monitoring capabilities for plant performance and soil conditions. Investments in OT network upgrades and SCADA modernization further enhanced the stability, security, and responsiveness of industrial automation systems.

Innovation also supported customer experience and compliance functions. The expansion of the NADEC Paperless Initiative reduced process cycle times and physical documentation, while enhancements to e-invoicing, data governance tools, and automated monitoring systems helped ensure alignment with evolving regulatory requirements. These advancements were supported by targeted digital-upskilling programs and strengthened cross-departmental collaboration.

NADEC aims to minimize its footprint via digitizing its communication efforts and following the kingdom rules for ethical advertising.

Cybersecurity and data privacy

As NADEC expands its digital footprint, ensuring cyber resilience and data protection remains a priority. In 2025, the company broadened the scope of its ISO 27001 Information Security Management System, achieved CMMI Level 3 certification, and began preparing for ISO 20000. NADEC also initiated adoption of ISO 42001:2023 to strengthen responsible AI governance, with all cybersecurity efforts aligned to the National Cybersecurity Authority (NCA) framework.

Cybersecurity is led by the Chief Information Security Officer (CISO) under the GRC Committee, supported by integrated dashboards aligned with the ERM and Balanced Scorecard systems. Key operational enhancements included:

- A 24/7 Security Operations Center (SOC) with AI-enabled monitoring.
- Regular red-team simulations and penetration testing across IT and OT environments.
- Strengthened OT cybersecurity across smart farming sites and processing facilities.
- Updated data-protection controls, including enhanced mapping, retention, and privacy-by-design reviews for new projects.

Cybersecurity awareness remains a cultural priority, supported by mandatory training, phishing simulations, and regular examinations. In 2025, NADEC recorded 34,054 attempted cyberattacks, with zero successful breaches, reflecting the strength of its defense infrastructure.

NADEC also advanced its privacy governance framework in full alignment with the Saudi Personal Data Protection Law (PDPL), which mirrors key principles of the EU General Data Protection Regulation (GDPR). A designated privacy focal point within the Cybersecurity Department oversees PDPL implementation, supported by clearly defined policies on data handling, consent, retention, and breach notifications. Third-party data sharing and cross-border transfers follow formal protocols to ensure compliance.

Key controls include Microsoft DLP, enterprise encryption, role-based access, and regular internal audits under the ISO 27001 framework. Organization-wide awareness programs reinforce the importance of data privacy. While Data Privacy Impact Assessments (DPIAs) will be introduced in future phases, existing systems provide comprehensive protection.

APPENDICES

APPENDIX (A) - DATA PACK

ENVIRONMENT

Materials	Unit	2023	2024	2025
Total weight of materials used to produce and package the organization's primary products and services.	Kg	96,861,600	97,407,080	99,355,221
Total weight of non-renewable materials used.	Kg	93,762,029	97,407,080	96,017,721
Total weight of renewable materials used.	Kg	3,099,571	3,117,026	3,337,500
Total weight of recycled input materials used.	Kg	2,227,817	2,142,956	2,337,500
Percentage of recycled materials used in the production of primary products and services.	Percentage	2.3	2.2	2.35
Total number of products sold during the reporting period.	Number	291,072,604	292,711,791	298,566,025

Soil health and pesticides	Unit	2023	2024	2025
Volume use of extremely hazardous; pesticides	Tonnes	0.57	0.07	0.12
Volume use of highly hazardous; pesticides	Tonnes	24.88	22.9	21.71
Volume use of moderately hazardous; pesticides	Tonnes	54.14	49.69	103.52[1]
Volume use of slightly hazardous; pesticides	Tonnes	32.19	30.61	16.83
Volume use of unlikely to present an acute hazard pesticides	Tonnes	47.04	28.99	23.69

[1] The increase in the use of moderately hazardous pesticides during 2025 was primarily driven by the expansion of cultivated areas and higher agricultural production. Despite the increase in total quantities applied, NADEC continued to implement integrated pest management practices and ensured that all pesticide applications complied with applicable regulatory requirements and were carried out under controlled conditions.

Waste Management	Unit	2023	2024	2025
Total waste generated	Kg	1,168,245	2,710,588	3,500,000
Waste generation intensity per revenue	Kg/SAR million	365.43	841.69	992.34
Waste generation intensity per employee	Kg/employee	248.19	565.77	756.10
Total waste recycled	Kg	NA	NA	1,847,104
Percentage of waste recycled	Percentage	NA	NA	53

Water Management	Unit	2023	2024	2025
Total water withdrawn[1]	m3	250,894,955	107,813,892	1,979,423,006
Total water withdrawn intensity per revenue	m3/SAR million	78,481	33,478	561,220
Total water withdrawn intensity per employee	m3/employee	53,303	22,503	416,721

[1] The 2025 water withdrawal figures are not directly comparable with prior years, as the reporting methodology was expanded to include all water sources that were not fully captured in previous reporting periods. As a result, the significant increase reflects improved data coverage rather than an equivalent increase in actual water withdrawals.

Energy	Unit	2024	2025
Energy from non-renewable sources	GJ	5,157,586	4,516,007
Energy from stationary combustion & mobile combustion	GJ	4,028,680	4,435,194
Energy from non-renewable sources (Grid Electricity)	GJ	1,128,906	80,813
PV solar consumption	GJ	NA	222,532*
Total energy consumption	GJ	5,157,586	4,738,539*
Energy consumption intensity	GJ/SAR million	1,602	1,344

Emissions	Unit	2024	2025
GHG Scope 1 emissions	CO_2e (metric tonnes)	470,908	517,782*
Stationary combustion and mobile combustion	CO_2e (metric tonnes)	274,511	339,231
Refrigerant Gases & Others	CO_2e (metric tonnes)	NA	3,145
Livestock	CO_2e (metric tonnes)	141,645	120,298
Fertilizers	CO_2e (metric tonnes)	54,752	55,108
GHG Scope 2 emissions	CO_2e (metric tonnes)	213,551	14,877*
Purchased and Consumed Electricity	CO_2e (metric tonnes)	213,551	14,877

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

Emissions	Unit	2024	2025
Scope 3 emissions	CO_2e (metric tonnes)	447,820	480,390
Purchased Goods and Services (Cat. 1) & Capital Goods (Cat. 2) - Spend	CO_2e (metric tonnes)	97,395	24,390
Purchased Goods and Services (Cat. 1) - Food Items	CO_2e (metric tonnes)	152,250	170,417
Fuel & Energy Related Activities (Cat. 3)	CO_2e (metric tonnes)	121,370	80,938*
Waste Generated in Operations (Cat. 5)	CO_2e (metric tonnes)	20,262	67,901
Busniess Travel (Cat. 6)	CO_2e (metric tonnes)	208	215*
Employee Commuting (Cat. 7)	CO_2e (metric tonnes)	5,738	5,227
Downstream Transportation and Distribution (Cat.9)	CO_2e (metric tonnes)	11,592	10,668
Use of Sold Products (Cat.11)	CO_2e (metric tonnes)	1,466	1,337
End Life treatment of Sold Products (Cat.12)	CO_2e (metric tonnes)	865	123
Downstream Leased Assets (Cat.13)	CO_2e (metric tonnes)	15,071	7,222
Investments (Cat.15)	CO_2e (metric tonnes)	21,601	111,952
Total emissions	CO_2e (metric tonnes)	1,132,279	1,010,518
GHG emissions intensity	CO_2e (metric tonnes)/SAR million	352	287

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

SOCIAL

Customer health and relationship	Unit	2023	2024	2025
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	Number	0	0	0
Incidents of non-compliance with regulations resulting in a fine or penalty	Number	0	0	1
Incidents of non-compliance with regulations resulting in a warning	Number	0	0	0
Incidents of non-compliance with voluntary codes	Number	0	0	0
Total numbers of customer complaints raised	Number	1,920	2,415	3,207*
Total numbers of customer complaints resolved	Number	NA	NA	2,653*
Percentage of resolved issues that were raised through the complaint channels	Percentage	90	93	83
Percentage of production volume from sites certified to internationally recognized food safety standards	Percentage	100	100	100
Number of recalls issued for food safety reasons	Number	1	4	0
Volume of total product recalls due to food safety reasons	Kg	423	41,105[1]	0

[1] Numbers are an approximate.

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

Health and safety	Unit	2025
Percentage of total workers covered by the health and safety management system.	Percentage	100
Number of workers covered by the health and safety management system that has been internally audited.	Number	1,000
Percentage of total workers covered by the health and safety management system that has been internally audited.	Percentage	22
Number of workers covered by the health and safety management system that has been audited or certified by an external party.	Number	10
Percentage of total workers covered by the health and safety management system that has been audited or certified by an external party.	Percentage	0.2
Total employee-hours worked	Hours	15,526,235
Employee fatalities as a result of work-related injury.	Number	0
Employee lost-time injuries (LTI)	Number	18
Employee lost Time Injury Rate (LTIR)	Number	0.251

Community investment	Unit	2023	2024	2025
Community investment amount / Donations[1]	SAR	3,882,647	3,395,009	3,474,827*
Total number of employee volunteering hours.	Number	NA	NA	200
Total number of employees who volunteered.	Number	NA	NA	55

[1] Value covers two schools: Girls' School, and Boys' School.

Nationalization	Unit	2023	2024	2025
Number of Saudi employees among the total full-time workforce	Number	764	823	871
Number of Saudi full-time employees in senior management	Number	8	6	17
Number of female Saudi full-time employees	Number	97	120	153
Number of male Saudi full-time employees	Number	667	703	718

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

New hires and turnover	Unit	2023	2024	2025
Number of new hires	Number	464	974	541*
Number of female employees who joined the organization	Number	71	99	75
Number of male employees who joined the organization	Number	393	875	466
Number of employees who joined the organization aged 18-30	Number	216	534	214
Number of employees who joined the organization aged 31-50	Number	233	420	319
Number of employees who joined the organization 51+	Number	15	20	8
Rate of new hires	Percentage	10	20	12*
Number of turnover	Number	918	1,079	944*
Number of female employees who left the organization	Number	24	76	39
Number of male employees who left the organization	Number	894	1,003	905
Number of employees who left the organization aged 18–30	Number	303	327	272
Number of employees who left the organization aged 31–50	Number	525	638	572
Number of employees who left the organization aged 51+	Number	90	114	100
Rate of turnover	Percentage	20	23	20*

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

Workforce overview	Unit	2023	2024	2025
Number of full-time employees.	Number	4,707	4,791	4,750
Number of female full-time employees.	Number	100	123	162
Number of male full-time employees.	Number	4,607	4,668	4,588
Number of full-time employees aged 18-30.	Number	1,071	1,105	1,107
Number of full-time employees aged 31-50.	Number	3,193	3,249	3,272
Number of full-time employees aged 51+.	Number	443	437	371
Number of full-time senior managers.	Number	17	21	61
Number of female full-time senior managers.	Number	NA	NA	1
Number of male full-time senior managers.	Number	NA	NA	60
Number of full-time middle managers.	Number	28	66	186
Number of female full-time middle managers.	Number	17	23	13
Number of male full-time middle managers.	Number	11	43	173
Number of full-time staff employees.	Number	4,662	4,704	4,503
Number of female full-time staff employees.	Number	100	123	142
Number of male full-time staff employees.	Number	4,562	4,581	4,361
Total number of permanent employees	Number	NA	NA	4,495*
Total number of male permanent employees	Number	NA	NA	4,333*
Total number of female permanent employees	Number	NA	NA	162*
Total number of temporary employees	Number	NA	NA	255
Total number of male temporary employees	Number	NA	NA	255
Total number of female temporary employees	Number	NA	NA	0
Total number of employees with disabilities	Number	NA	NA	18

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

Employee wages	Unit	2023	2024	2025
Ratio of male entry level wage to minimum wage.	Ratio	1	1.1	1
Ratio of female entry level wage to minimum wage.	Ratio	1	1	1
Ratio of basic salary/ renumeration of women to men[1]	Ratio	2.65	2.4	2
Ratio of basic salary/ renumeration of women to men in senior management.	Ratio	0.74	0.7	0.8
Ratio of basic salary/ renumeration of women to men in middle management.	Ratio	1.01	1	1

[1] The values are due to a higher proportion of male employees occupying operational and field-based roles within lower salary bands, while female employees are primarily represented in administrative, professional, and managerial roles.

Note:
A ratio of 1.0 indicates equal remuneration between women and men. Values greater than 1.0 indicate higher remuneration for women relative to men, while values less than 1.0 indicate lower remuneration for women relative to men.

Training and development	UNIT	2023	2024	2025
Total number of training hours for permanent female employees	Hours	2,161	2,966	1,208
Total number of training hours for permanent male employees	Hours	15,359	29,994	7,669
Total number of training hours for permanent employees	Hours	17,520	32,960	8,877
Total number of training hours for permanent top management employees	Hours	1,126	3,293	440
Total number of training hours for permanent middle management employees	Hours	6,328	7,580	2,617
Total number of training hours for permanent non-managerial level employees	Hours	10,066	22,087	5,820
Average hours of training per year per permanent female employees	Hours	21.61	24.11	7.46*
Average hours of training per year per permanent male employees	Hours	3.33	6.43	1.77*
Average hours of training per year per permanent employees	Hours	3.72	6.88	1.97
Average hours of training per year for permanent top management employees	Hours	66.24	156.81	3.86
Average hours of training per year for permanent middle management employees	Hours	226.00	114.85	8.64
Average hours of training per year for permanent non-managerial level employees	Hours	2.16	4.70	1.43

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

GOVERNANCE

Anti-corruption	Unit	2025
Percentage of governance body members that the organization's anti-corruption policies have been communicated to.	Percentage	0
Total number of governance body members that received training on anti-corruption.	Number	0
Total number of employees that the organization's anti-corruption policies have been communicated to.	Number	0
Percentage of employees that the organization's anti-corruption policies have been communicated to.	Percentage	0
Percentage of employees who formally acknowledged adherence to the organization's policy commitments.	Percentage	0
Total number of employees that received training on anti-corruption.	Number	0
Percentage of employees that received training on anti-corruption.	Percentage	0
Percentage of employees received training on policy commitments (e.g., human rights, ethics, environment)	Percentage	0
Total number of business partners and suppliers that the organization's anti-corruption policies and procedures have been communicated to.	Number	0
Percentage of suppliers required to comply with the organization's responsible conduct policies.	Percentage	0
Percentage of business partners and suppliers that the organization's anti-corruption policies and procedures have been communicated to.	Percentage	0
Total number of confirmed incidents of corruption.	Number	0

Anti-corruption	Unit	2025
Total number of confirmed incidents of corruption in which employees were dismissed or disciplined for corruption.	Number	0
Total number of confirmed incidents of corruption when contracts with business partners were terminated or not renewed due to violations related to corruption.	Number	0
Percentage of business functions or sites that conducted due diligence or risk assessments tied to policy commitments.	Percentage	100

Data privacy	Unit	2025
Total number of substantiated complaints received concerning breaches of customer privacy.	Number	0
Total number of identified leaks, thefts, or losses of customer data.	Number	0
Total number of customer privacy breaches complaints received from outside parties and substantiated by the organization.	Number	0
Total number of customer privacy breaches complaints from regulatory bodies.	Number	0
Number of attempted cyberattacks	Number	34,054
Number of actual cyberattacks	Number	0
Number of data breaches	Number	0

Board of directors	Unit	2023	2024	2025
Total number of Board of Directors members.	Number	7	7	7
Number of independent Board of Directors members.	Number	3	4	3
Number of non-independent Board of Directors members.	Number	0	3	4
Number of executive Board of Directors members.	Number	0	0	0
Number of non-executive Board of Directors members.	Number	4	3	4
Number of female Board of Directors members.	Number	0	0	0
Number of male Board of Directors members.	Number	7	7	7
Number of Board of Directors members under the age of 50.	Number	7	4	4
Number of Board of Directors members who are nationals.	Number	7	7	7
Percentage of Board of Directors members who are nationals.	Percentage	100	100	100
Percentage of female Board of Directors members.	Percentage	0	0	0
Percentage of male Board of Directors members.	Percentage	100	100	100
Percentage of independent members of the Board of Directors.	Percentage	43	57	43
Percent of non-executive Board of Directors members.	Percentage	57	43	57

Marketing and labeling	Unit	2025
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.	Number	0
Incidents of non-compliance with regulations resulting in a fine or penalty.	Number	0
Incidents of non-compliance with regulations resulting in a warning.	Number	0
Incidents of non-compliance with voluntary codes.	Number	0

Procurement	Unit	2023	2024	2025
Number of suppliers subject to environmental audits.	Number	1,864	1,864	1,864
Percentage of new suppliers screened using environmental criteria.	Percentage	90	90	90
Number of suppliers identified as having significant actual and potential negative environmental impacts.	Number	0	0	10
Suppliers with which improvements were agreed upon as a result of audit.	Number	0	0	10
Suppliers with which relationships were terminated as a result of audit.	Number	0	0	0
Percent of sourced products from areas verified as deforestation-/ conversion-free	Percentage	10	10	10
Percent of sourced products from unknown origin(Traceability gap)	Percentage	0	0	0
Total number of suppliers engaged.	Number	5,276	6,188	6,293
Total number of local suppliers engaged.	Number	3,798	4,562	4,642
Percent of local suppliers engaged.	Percentage	72	74	74
Total procurement spending.	SAR	2,464,989,768	2,235,500,501	2,312,394,577

Procurement	Unit	2023	2024	2025
Procurement spending on local suppliers	SAR	1,097,513,526	1,264,000,000	1,653,107,117
Percentage spend on the local suppliers	Percentage	44	56	71.5*
Percentage of new suppliers that were screened using social criteria	Percentage	66	90	90
Number of suppliers assessed for social impacts	Number	1,094	1,800	1,868
Number of suppliers identified as having significant actual and potential negative social impacts	Number	0	0	10
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Percentage	0	0	10
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	Percentage	0	0	0

* Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report on Appendix (F).

APPENDIX (B) - MATERIAL TOPICS DEFINITIONS

Material topic	Category	Definition
Climate change and GHG emissions	Environment	Reducing absolute GHG emissions across operations and value chain, supported by TCFD and IFRS S2 requirements on governance, risk management, target setting, and transition planning.
Energy efficiency and clean energy transition	Environment	Improving energy intensity and process optimization, increasing electrification, and adopting lower-carbon fuels and renewable energy across plants, fleet, and cold-chain operations.
Water stress and responsible use	Environment	Managing agricultural and manufacturing water use in a water-scarce context through basin stewardship, accurate metering, water reuse, and efficient irrigation practices.
Circular economy, waste management and packaging	Environment	Reducing waste and food loss through segregation, recycling, and by-product reuse while maximizing landfill diversion. Packaging efforts focus on cutting virgin plastic use, boosting recyclability, adopting eco-friendly materials, and ensuring circular design in line with EPR readiness.
Pollution control and ecosystem protection	Environment	Reduce local air emissions (NOx, SOx, PM) from boilers, vehicles, and cold-chain refrig-erants while preventing and abating water effluents and nutrient run-off. Ensure compli-ance with discharge limits, strengthen leak prevention, and protect receiving ecosys-tems.
Biodiversity and land use	Environment	Protect and restore priority habitats by avoiding land conversion and ensuring supply chains comply with no-deforestation and no-conversion commitments
Sustainable and regenerative agriculture	Environment	Advancing sustainable and regenerative farming practices by enhancing soil health, promoting responsible use of inputs, and safeguarding animal welfare.
Nutrition and consumer health	Social	Providing healthier and more affordable products through portfolio reformulation, responsible marketing, and transparent labelling to support consumer wellbeing and ensure broad access.
Food safety and quality assurance	Social	Ensuring end-to-end food safety and quality through management systems, including traceability, internationally recognized certifications (e.g., FSSC), and effective incident response.

Material topic	Category	Definition
Smallholder inclusion and empowerment	Social	Promoting fair contracts, finance access, and capacity building for small farmers, while safeguarding the rights and protections of migrant and vulnerable workers.
Human capital	Social	Providing a safe, inclusive, and equitable workplace by upholding human rights and labor standards, supporting employee health, safety, and wellbeing, and promoting diversity and inclusion. This includes investing in upskilling and leadership development to strengthen productivity, retention, and long-term organizational resilience.
Community engagement and socio economic development	Social	Driving positive community impact through strategic programs and partnerships that create shared value in priority regions, with a focus on youth employment, local development, and broader socio-economic opportunities.
ESG governance and transparency	Governance	Ensuring strong board-level oversight of ESG through defined roles, policies, and KPI-linked incentives, while fully integrating sustainability into strategy. This includes accurate and timely disclosures to GRI/IFRS standards and ESG ratings, data controls, assurance processes, and audit-ready evidence, as well as reporting on tax contributions.
Sustainable procurement and supply chain standards	Governance	Embedding ESG requirements across the supply chain through risk-based screening, KPIs, and improvement plans, with monitoring of compliance. This includes due diligence on human rights and labour standards, covering issues such as forced and child labour, health and safety, fair wages, and worker voice, as well as supplier performance for key crops and feed.
Business ethics and risk management	Governance	Upholding the highest standards of ethics and integrity through zero tolerance for bribery and fraud, supported by training, internal controls, investigations, whistleblower mechanisms, and third-party due diligence. This also includes ERM, climate risk governance, and responsible lobbying and political engagement to ensure long-term resilience and accountability.
Innovation	Governance	Advancing workplace digitalization to improve efficiency and sustainability, while driving product innovation to deliver healthier, more sustainable, and market-relevant offerings.

APPENDIX (C) - GRI CONTENT INDEX

Statement of use	**NADEC has reported the information cited in this GRI content index for the period 1st January 2025 - 31st December 2025 with reference to the GRI Standards.**
GRI 1 used	**GRI 1: Foundation 2021**

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	8-15
	2-2 Entities included in the organization's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	6
	2-4 Restatements of information	This report has no restatements
	2-5 External assurance	Limited assurance has been provided by KPMG Professional Services Company. Refer to independent limited assurance report in Appendix (F).
	2-6 Activities, value chain and other business relationships	9 - 10, 13 -15
	2-7 Employees	50
	2-8 Workers who are not employees	50
	2-9 Governance structure and composition	17 - 18
	2-10 Nomination and selection of the highest governance body	17 - 18
	2-11 Chair of the highest governance body	17 - 18
	2-12 Role of the highest governance body in overseeing the management of impacts	17, 22
	2-13 Delegation of responsibility for managing impacts	17 -18, 22
	2-14 Role of the highest governance body in sustainability reporting	18, 22
	2-15 Conflicts of interest	59
	2-16 Communication of critical concerns	60
	2-17 Collective knowledge of the highest governance body	Please refer to 2025 Annual Report

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	18
	2-19 Remuneration policies	17 - 18
	2-20 Process to determine remuneration	17 -18
	2-21 Annual total compensation ratio	18
	2-22 Statement on sustainable development strategy	3, 4
	2-23 Policy commitments	18, 31, 47, 54, 57, 59-60
	2-24 Embedding policy commitments	18, 23 - 24, 39, 47, 54, 57, 59 - 62
	2-25 Processes to remediate negative impacts	60
	2-26 Mechanisms for seeking advice and raising concerns	60
	2-27 Compliance with laws and regulations	59 - 60
	2-28 Membership associations	12
	2-29 Approach to stakeholder engagement	23 - 24
	2-30 Collective bargaining agreements	Prohibited in the KSA
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	41 - 44
	101-4 Identification of biodiversity impacts	43 -44
	101-5 Locations with biodiversity impacts	43
	101-6 Direct drivers of biodiversity loss	43-44
	101-8 Ecosystem services	41 - 42
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	13
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	75
	202-2 Proportion of senior management hired from the local community	49, 72

GRI Standard	Disclosure	Location
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	54
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	79
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	75
GRI 207: Tax 2019	207-1 Approach to tax	16
	207-2 Tax governance, control, and risk management	16
GRI 301: Materials 2016	301-1 Materials used by weight or volume	66
	301-2 Recycled input materials used	66
	301-3 Reclaimed products and their packaging materials	38
GRI 302: Energy 2016	302-1 Energy consumption within the organization	35, 68
	302-3 Energy intensity	68
	302-4 Reduction of energy consumption	35
	302-5 Reductions in energy requirements of products and services	35
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	39
	303-2 Management of water discharge-related impacts	39
	303-3 Water withdrawal	67
	303-5 Water consumption	39
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	30
	305-2 Energy indirect (Scope 2) GHG emissions	30
	305-3 Other indirect (Scope 3) GHG emissions	30
	305-4 GHG emissions intensity	30
	305-5 Reduction of GHG emissions	30, 33

GRI Standard	Disclosure	Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	67
	306-2 Management of significant waste-related impacts	36 - 38
	306-3 Waste generated	67
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	80
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	73
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	18, 49
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	53
	403-2 Hazard identification, risk assessment, and incident investigation	53
	403-3 Occupational health services	53
	403-4 Worker participation, consultation, and communication on occupational health and safety	53
	403-5 Worker training on occupational health and safety	53
	403-6 Promotion of worker health	53
	403-8 Workers covered by an occupational health and safety management system	53
	403-9 Work-related injuries	53, 71
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	76
	404-2 Programs for upgrading employee skills and transition assistance programs	52
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of employees received performance review
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79
	405-2 Ratio of basic salary and remuneration of women to men	75
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	57

GRI Standard	Disclosure	Location
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	57
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54 - 55
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	81
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	47 -48
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	47
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	46
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	78

APPENDIX (D) - GCC CONTENT INDEX

Topic	Metric	Page Number(s) and/or Direct Answer
Environment (E)		
E1. GHG Emissions	(E1.1) Total amount, in MTCO2e, for Scope 1	68
	(E1.2) Total amount, in MTCO2e, for Scope 2 (if applicable)	68
	(E1.3) Total amount, in MTCO2e, for Scope 3 (if applicable)	69
E2. Emissions Intensity	(E2.1) Total GHG emissions per output scaling factor	69
	(E2.2) Total non-GHG emissions per output scaling factor	Not disclosed
E3. Energy Usage	(E3.1) Total amount of energy directly consumed	68
	(E3.2) Total amount of energy indirectly consumed	
E4. Energy Intensity	(E4.1) Total direct energy usage per output scaling factor	68
E5. Energy Mix	Percentage: Energy usage by generation type	35
E6. Water Usage	(E6.1) Total amount of water consumed	67
	(E6.2) Total amount of water reclaimed	
E7. Environmental Operations	(E7.1) Does your company follow a formal Environmental Policy? Yes/No	31
	(E7.2) Does your company follow specific waste, water, energy and/or recycling polices? Yes/No	
	(E7.3) Does your company use a recognized energy management system?	31, 35
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	22
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	22
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Not disclosed

Topic	Metric	Page Number(s) and/or Direct Answer
	Social (S)	
S1. CEO Pay Ratio	(S1.1) Ratio: CEO total compensation to median FTE total compensation	18
	(S1.2) Does your company report this metric in regulatory filings? Yes/No	
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	73
S3. Employee Turnover	(S3.1) Percentage: Year-over-year change for full-time employees	72
	(S3.2) Percentage: Year-over-year change for part-time employees	
	(S3.3) Percentage: Year-over-year change for contractors/consultants	
S4. Gender Diversity	(S4.1) Percentage: Total enterprise headcount held by men and women	72
	(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	
S5. Temporary Worker Ratio	(S5.1) Percentage: Total enterprise headcount held by part-time employees	72
	(S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	49
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	69
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	53
S9. Child & Forced Labor	(S9.1) Does your company follow a child and/or forced labor policy? Yes/No	57
	(S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	
S10. Human Rights	(S10.1) Does your company follow a human rights policy? Yes/No	57
	(S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	

Topic	Metric	Page Number(s) and/or Direct Answer
Governance (G)		
G1. Board Diversity	(G1.1) Percentage: Total board seats occupied by men and women	77
	(G1.2) Percentage: Committee chairs occupied by men and women	
G2. Board Independence	(G2.1) Does your company prohibit the CEO from serving as board chair? Yes/No	17
	(G2.2) Percentage: Total board seats occupied by independent board members	77
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	22
G4. Supplier Code of Conduct	(G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	57
	(G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	57
G5. Ethics & Prevention of Corruption	(G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/ No	59
	(G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	59
G6. Data Privacy	(G6.1) Does your company follow a Data Privacy policy? Yes/No	64
	(G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No	6
G8. Disclosure Practices	(G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	6
	(G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	26
	(G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	26
G9. External Assurance	Are your sustainability disclosures assured or validated by a third-party audit firm? Yes/No	6

APPENDIX (E)- ABBREVIATIONS

ESG	Environmental, Social, and Governance
SAR	Saudi Riyals
GRI	Global Reporting Initiative
SASB	Sustainability Accounting Standards Board
GCC	Gulf Cooperation Council
UN SDGs	United Nations Sustainable Development Goals
ZATCA	Zakat, Tax and Customs Authority
NRC	Nomination and Remuneration Committee
ERM	Enterprise Risk Management
GRC	Governance, Risk & Compliance
DOA	Delegation of Authorities
STIPs	short-term incentive plans
LTIPs	long-term incentive plans
CMA	Capital Market Authority
EMS	Environmental Management System
IEA	International Energy Agency
DAF	Dissolved-air-flotation
IPM	Integrated Pest Management
SFDA	Saudi Food and Drug Authority
GMO	Genetically Modified Organisms

MEWA	Ministry of Environment, Water and Agriculture
SALIC	Saudi Agricultural & Livestock Investment Company
NFPA	National Fire Protection Association
GRC&L	Governance, Risk, Compliance & Legal
FMCG	fast-moving consumer goods
ExCom	Executive Committee
HODs	Heads of Departments
KRIs	Key Risk Indicators
RPA	Robotic Process Automation
ISMS	Information Security Management System
CISO	Chief Information Security Officer
SOC	Security Operations Center
NCA	National Cybersecurity Authority
PDPL	Personal Data Protection Law
GDPR	General Data Protection Regulation
DLP	Data Loss Prevention
DPIAs	Data Privacy Impact Assessments
NMFR	Near miss frequency rate
GHG	Greenhouse gases

APPENDIX (F)- INDEPENDENT LIMITED ASSURANCE REPORT

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent practitioner's limited assurance report on National Agricultural Development Company's selected quantitative indicators disclosed in its Sustainability Report for the year ended 31 December 2025

To the Board of Directors of National Agricultural Development Company (NADEC")

Conclusion

We have performed a limited assurance engagement on whether **National Agricultural Development Company** ("the Company or "NADEC") selected sustainability indicators ("Subject Matter Information", "SMI", or "the Indicators") as detailed in Annexure 1 and as disclosed in the S ustainability Report ("the Report") for the year ended 31 December 2025 have been prepared in accordance with the applicable criteria ("the Applicable Criteria"), the details of which are mentioned in Annexure 2 of this report.

Based on the procedures performed and the evidence obtained, nothing has come to our attention to cause us to believe that the SMI of the Company for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI and our report (hereafter referred to as "other information").

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000") as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under that standard are further described in the "*Our responsibilities"* section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia.

Our firm applies the International Standard on Quality Management 1: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* ("ISQM 1"). This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Restriction on use or distribution

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent. Our conclusion is not modified in respect of this matter.

Independent practitioner's limited assurance report

To the Board of Directors of National Agricultural Development Company ("NADEC") (continued)

Management's responsibilities over the SMI

The management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable Applicable Criteria for preparing the SMI and appropriately referring to or describing the Applicable Criteria used;
- preparing and properly calculating the SMI in accordance with the Applicable Criteria;
- ensuring compliance with law, regulation or applicable contracts;
- making judgements and estimates that are reasonable, where applicable;
- identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the Applicable Criteria;
- selecting the content of the SMI, including identifying and engaging with intended users to understand their information needs;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- documenting and retaining underlying data and records to support the SMI;
- informing us of other information that will be included with the SMI;
- ensuring that the staff involved with the preparation of the A pplicable Criteria and calculation of the SMI are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- supervision of other staff involved in the preparation of the SMI.

The Board of the Directors of the Company is responsible for overseeing the reporting process for the entity's SMI.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Subject Matter may occur and not be detected. The assurance relies on documentation furnished by the Company and interactions with relevant personnel within the Company to validate the selected Subject Matter Information. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the selected Subject Matter Information as the procedures performed were undertaken on a test basis Our engagement was not designed to test, verify or audit the completeness and accuracy of system outputs from the Company.

Furthermore, for the purpose of this limited assurance engagement, we have not performed any procedures around:

- Checking the disclosure of selected indicators in reference to any framework or guidance other than what is entailed in the Applicable Criteria;
- Assessing compliance of any other indicators or related information, either qualitative or quantitative, which is not part of the selected indicators for this engagement, as featuring in the Report with the disclosure requirements of any applicable internal and external standards;
- Assessing the accuracy, completeness and reasonableness of the reporting boundary determined by management for the purposes of the Report;
- Auditing, reviewing or verifying the Subject Matter Information, or the underlying records or other sources from which the Subject Matter Information was extracted;
- Assessing the appropriateness of the materiality approach applied by management in preparation of the Report and selection of the material sustainability related Indicators that were subject to limited assurance; and
- Ensuring completeness and accuracy of baseline figures and comparatives that are disclosed in the Report, where applicable.

2

Independent practitioner's limited assurance report

To the Board of Directors of National Agricultural Development Company ("NADEC") (continued)

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of the Company.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Obtaining an understanding of the Applicable Criteria and their suitability used by the entity in preparing the SMI;
- Obtaining an understanding of the collection, compilation and reporting processes for the Company, including obtaining an understanding of internal controls, systems and processes relevant to the preparation of the Subject Matter;
- Interviewing management responsible for data collection, data management, and data analysis pertaining to the Subject Matter;
- Reviewing management documentation and the Company's data reporting tools to the extent they underpin the preparation of the Subject Matter;
- Assessing the appropriateness of the unit of measurement applied by the Company in arriving at the SMI quantitative data in accordance with the assigned unit of reporting, where applicable;
- Obtaining inventory data for each selected Indicator, at aggregated corporate level as per the reporting boundary developed by management and agreeing the data with the information detailed in the SMI;
- Obtaining inventory breakdown data for each selected Indicator, selecting a sample and performing the following in relation to the Indicators, where applicable:
  - Agreeing the Indicator's information to the consolidated data inventory; and
  - Obtaining supporting evidence to agree the sampled data points to the source data, and or underlying records / calculations.
- Assessing the reasonableness of assumptions used in management's estimates, where applicable; and;
- Reviewing the consistency of the Subject Matter Information in relation to the wider Report, including reviews of the qualitative narratives that support the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Professional Services Company

Fahad Mubark Al Dossari
License no: 469

Riyadh: 8 July 2026
Corresponding to: 23 Muharram 1448H

3

Annexure 1

The selected sustainability indicators ("Subject Matter Information" or "SMI ") covered by our limited assurance engagement are:

Indicator description	Reporting boundary	Page number of Sustainability Report 2025 where the Indicators are disclosed
1. Greenhouse gas ("GHG") emissions: Scope 1	The reporting boundary encompasses NADEC operations within the Kingdom of Saudi Arabia.	30, 68
2. Greenhouse gas ("GHG") emissions: Scope 2		30, 68
3. Greenhouse gas ("GHG") emissions: Scope 3 (Categories 3 and 6 only)		30, 69
4. Total energy consumption		68
5. PV solar consumption		68
6. Number and rate of new hires and turnover		73
7. Gender diversity numbers (permanent employees)		74
8. Average hours of training (permanent employee gender wise)		76
9. Customer complaints received and resolved		70
10. Community investment (donations)		54, 72
11. Percentage spend on the local suppliers		81

**The above selected sustainability indicators over which independent limited assurance is performed are marked with the symbol * in the Sustainability Report 2025.*

4

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Annexure 2

Details of the Applicable Criteria for each selected quantitative Indicator ("Subject Matter Information" or "SMI"):

S.no	Indicator	Relevant section of the GRI standards referred to as the Applicable Criteria
1	Greenhouse gas ("GHG") emissions: Scope 1	**Scope 1:** Compilation requirements 2.1, 2.2 and requirement (a) Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent of ***GRI Disclosure 305-1 Direct (Scope 1) GHG emissions.***
2	Greenhouse gas ("GHG") emissions: Scope 2	**Scope 2:** Compilation requirements 2.3, 2.4 and requirements (a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 Equivalent ***GRI Disclosure 305-2 Energy indirect (Scope 2) GHG Emissions.***
3	Greenhouse gas ("GHG") emissions: Scope 3 (Categories 3 and 6 only)	**Scope 3:** Compilation requirement 2.5 and Requirements (a) Report Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent and guidance for ***Disclosure 305-3 Other indirect (Scope 3) GHG emissions*** *(category 3 and category 6)*
4	Total energy consumption	Requirement (e) Total energy consumption within the organization, in joules or multiples of ***Disclosure 302-1 Energy consumption within the organization***
5	PV solar consumption	Requirement (e) Total energy consumption within the organization, in joules or multiples of ***Disclosure 302-1 Energy consumption within the organization***
6	Number and rate of new hires and turnover	Requirements (a) Total number and rate of new employee hires during the reporting period, by age group, gender and region and (b) Total number and rate of employee turnover during the reporting period, by age group, gender and region of ***Disclosure 401-1 New employee hires and employee turnover gender and region.***
7	Gender diversity number (permanent employees)	Requirements (a) report the total number of employees, and a breakdown of this total by gender and by region of ***Disclosure 2-7 Employees***
8	Average hours of training (permanent employee gender wise)	Requirement (a) Average hours of training that the organization's employees have undertaken during the reporting period of ***Disclosure 404-1 Average hours of training per year per employee***
9	Customer complaints received and resolved	Requirement (e) and Guidance 2-25-e of ***Disclosure 2-25 Processes to remediate negative impacts***
10	Community investment (donations)	Requirements (a) – ii of ***Disclosure 201-1 Direct economic value generated and distributed*** Focusing on only the community investment part.
11	Percentage spend on the local suppliers	Requirement (a) of ***Disclosure 204-1 Proportion of spending on local suppliers***

5

2025 SUSTAINABILITY REPORT