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## Sustainability and CSR Review

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# Our Ambitions and Values Towards Sustainability

Our Ambition

"To become the most environmentally safe company in the Kingdom."

## Our Ambition and Values Towards Sustainability

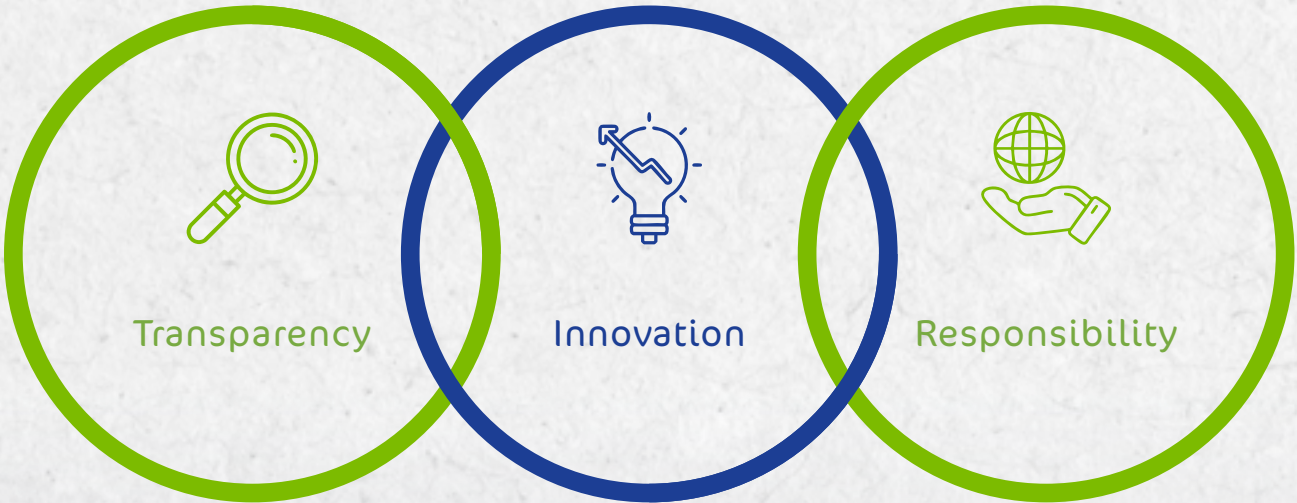
In the face of rapidly evolving global trends toward sustainability standards, Nadec has confidently positioned itself as a leading model in Environmental, Social, and Governance (ESG) practices within its 2024 operational strategy. The company has worked diligently to develop a strategic framework that integrates sustainability initiatives, strengthens its role as a key player in achieving food security, protects the environment, and fosters sustainable development.

Supported by senior leadership committed to sustainability and active collaboration with all stakeholders, Nadec aims to achieve its aspiration of becoming "the most environmentally safe company in the Kingdom." The company focuses on enhancing operational efficiency, minimizing environmental impact, fostering a culture of pride and belonging among its employees, and creating innovative solutions to address operational and environmental challenges.

Nadec's sustainability ambitions are embodied in its pursuit of building an integrated system grounded in the values of responsibility, innovation, and transparency. By investing in national talents, advanced technology, and strategic partnerships, Nadec has solidified its role as a contributing force in sustainable development and as a leading company in the food and agriculture sectors.

Aligned with its "New Dawn" strategy launched in 2023, Nadec's sustainability direction sets a clear vision for growth beyond traditional standards. By identifying key trends and opportunities, the strategy positions the company to lead in the food sector, fostering ambitions for growth, expansion, and entering new markets.

## Strategic Sustainability Values





# Sustainability Framework

Through a comprehensive evaluation of nadec’s adherence to Environmental, Social, and Governance (ESG) standards, we conducted an in-depth analysis of our sustainability maturity and development trajectory. This was achieved through extensive engagement and discussions with key stakeholders. Over 15 individual meetings with senior team members and stakeholders were held to assess the current level of sustainability maturity within the organization and identify future aspirations.

The results demonstrated nadec’s commitment to fostering integration and alignment across operational departments while striving to reach advanced levels of coordination and enhancement, keeping stakeholder interests at the core of sustainability.

Based on our internal assessment of ESG adoption stages, nadec’s sustainability framework and methodology were developed. This approach is centered around three key pillars, each with clearly defined social and environmental objectives aimed at driving progress:





1. Regenerative Agriculture and Sustainable Resources

As a leader in the food and agriculture sector, nadec is dedicated to adopting a holistic and sustainable approach that enhances economic, social, and environmental values. By embracing regenerative agriculture and sustainable resources, the company reinforces its commitment to food security and sustainable practices as core components of its mission.

Social Goal: Nurture resilient economies by partnering with suppliers.

At nadec, we believe in the importance of building robust partnerships with local and international suppliers. These partnerships play a pivotal role in fostering resilient economies capable of adapting to economic challenges. Through collaboration, nadec aims to create sustainable economic opportunities, enhance supplier capabilities, and empower them to adopt responsible practices that contribute to achieving sustainable development goals.

Environmental Goal: Grow agricultural productivity and food security in KSA through regenerative agriculture

Nadec is committed to enhancing agricultural productivity through the adoption of regenerative farming techniques. These techniques prioritize improving soil health, minimizing the depletion of natural resources, and increasing water-use efficiency. By implementing such sustainable practices, nadec contributes to ensuring food security across the Kingdom while maintaining a steadfast commitment to environmental protection and resource sustainability for future generations.

2. Operational Excellence and Resource Optimization

At nadec, we strive to achieve operational excellence and resource management as a core component of our comprehensive sustainability and innovation strategy. By aligning our social and environmental objectives with Saudi Vision 2030, nadec is committed to enhancing its operations and fostering sustainability across all sectors.

Social Objective: Create a safe, inclusive, nurturing culture that inspires excellence and enables all to excel.

At nadec, we focus on creating a work environment that fosters excellence and supports the professional and personal development of employees. This objective is reflected in promoting safe work practices and ensuring inclusive policies that embrace diversity and innovation. We also strive to cultivate a positive environment that enables our employees to thrive and achieve success, which enhances employee loyalty and contributes to improved productivity and performance quality.

Environmental Objective: Developing Food Production and Distribution through Improved Resource Management

At nadec, we are committed to driving a transformative approach to food production and distribution within the Kingdom by implementing best environmental practices. This includes optimizing resource utilization such as water and energy, minimizing operational waste, and adopting advanced technologies to enhance supply chain processes. Our efforts aim to strengthen food security and ensure the sustainability of natural resources for future generations, aligning with our commitment to supporting Saudi Vision 2030.

3. Health, Wellbeing & Access to Nutrition

The pillar of "Health, Wellbeing & Access to Nutrition" stands as a cornerstone of our methodology, ensuring supply chains that reinforce food security by integrating both social and environmental dimensions. Our objective is to provide high-quality food products that contribute to the health and well-being of individuals while safeguarding the environment and ecological systems.

Social Objective: Empower healthy lifestyle choices in by producing nourishing products people need

Through our diverse and sustainable product lines at nadec, we cater to various age groups and specific dietary needs. We actively encourage our consumers to adopt healthy habits and make informed choices from our range of nutritional products, continuously improving and enhancing them with essential nutrients to support their well-being.

Environmental Objective: Achieve ecosystem health by operating within local and global environmental limits

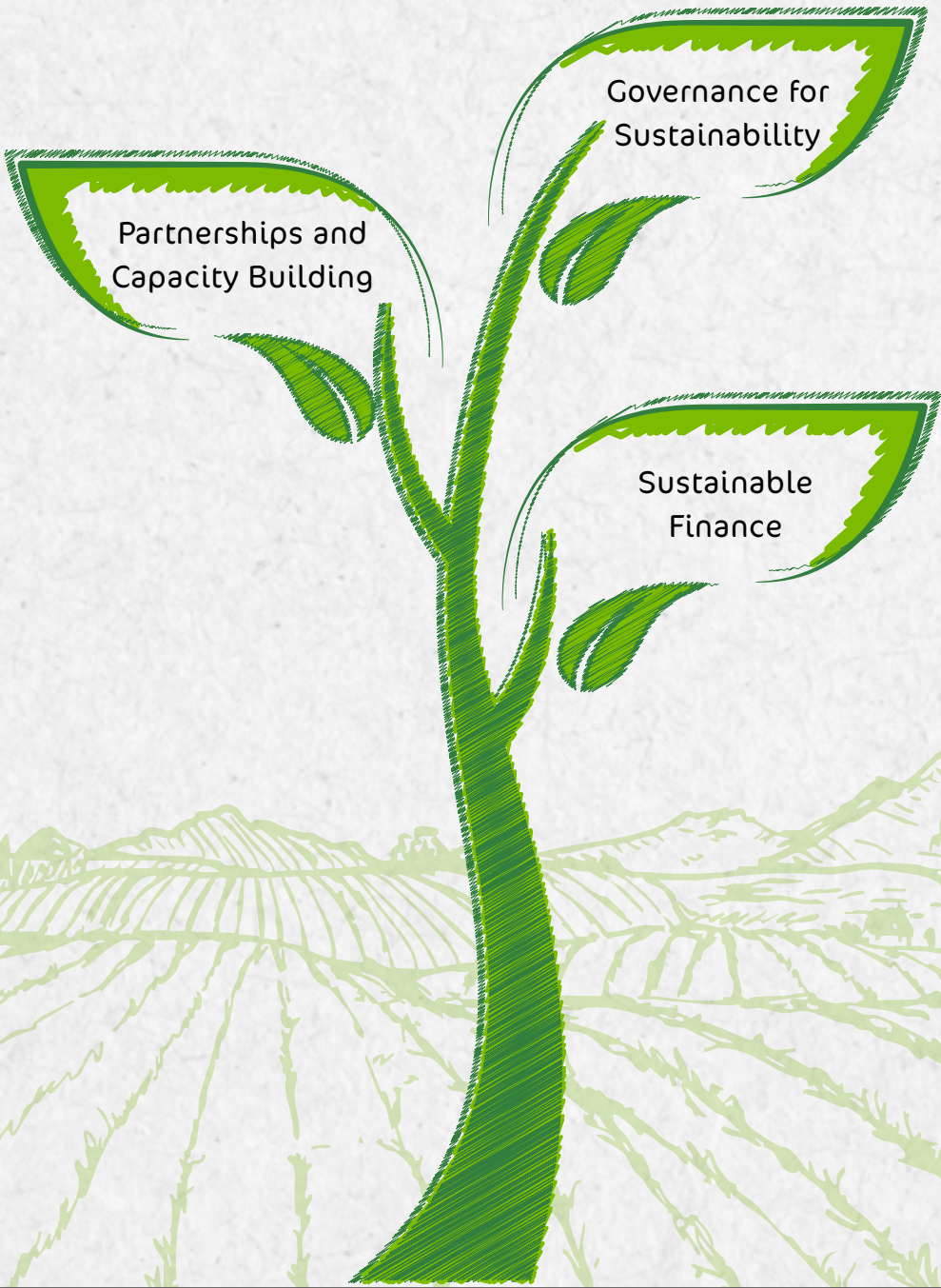
This objective ensures that food production and distribution processes are conducted sustainably, minimizing harm to the environment and ecosystems. It encompasses measures to reduce greenhouse gas emissions, lower water and energy consumption, minimize waste and pollution from production activities, and responsibly manage natural resources. These efforts include efficient water usage and maintaining soil health to safeguard environmental sustainability for future generations.





# Strategic Enablers for nadec's Sustainability Framework and Defined Pillars

Based on the methodology outlined by nadec, an actionable implementation plan has been established through initiatives that contribute to the comprehensive achievement of strategic goals. This approach reflects nadec's commitment to building a robust sustainability strategy anchored in key enablers of progress and transformation, such as operational development, technological innovation, and strengthened partnerships. These efforts aim to enhance the company's interests while supporting the objectives of the Kingdom. The strategy is structured around three main pillars: governance, partnerships and capacity building, and sustainable financing, which form the foundation of nadec's sustainability commitment.



1

## Governance for Sustainability

Nadec has established a management system to execute its sustainability framework, ensuring operational sectors adhere to sustainability principles. This includes clearly defining roles and responsibilities, creating policies and procedures that enhance transparency and accountability, and ensuring decision-making supports environmental, social, and economic sustainability. This approach contributes to sustainable growth while mitigating risks associated with governance, environmental, and societal factors.

### Our Executive Initiatives

1- **Develop, publish and implement a governance framework**

How: Through an established governance framework, with clear roles, responsibilities, reporting lines including board and management level committee.

2- **Develop and/or update policies for each priority material issue**

How: Through an identified position for each material topic, which will improve ESG scores, gaining credit for transparency and management of risks

3- **ESG Ratings Maximization**

How: Adopting sustainable practices that include enhancing environmental and social governance, improving operational efficiency, promoting transparency and performance disclosure, and developing comprehensive policies that address all aspects of sustainability.

2

## Partnerships and Capacity Building

Nadec strives to strengthen its partnerships and build internal capacities as part of its commitment to sustainability, and to establish a comprehensive framework for social responsibility and providing advanced training programs for its employees, nadec aims to enhance the team's skills in sustainability. These initiatives effectively contribute to implementing the strategy, empowering employees to adopt and apply best practices, which positively impacts the company's performance and long-term sustainability.

### Our Executive Initiatives

1- **Training and capacity building**

How: Capacity built through targeted training programs, covering essential aspects for the execution of the strategy, compliance, best practices, and effective stakeholder engagement.

2- **CSR / Social Impact Framework**

How: Capacity built through targeted training programs, covering essential aspects for the execution of the strategy, compliance, best practices, and effective stakeholder engagement.

3

## Sustainable Financing

Through its initiatives, nadec ensures that all its financial projects align with environmental and social sustainability standards. This includes pre-financing assessments to guarantee project sustainability. Additionally, nadec prioritizes building employee capacities and raising awareness about the significance of sustainable financing and its applications. These efforts aim to channel the company's investments toward projects that deliver tangible environmental and social benefits, enhancing its expertise in sustainable financing opportunities and enabling it to achieve impactful and enduring financial returns

### Our Executive Initiatives

1- **ESG due diligence for sustainable finance projects**

How: Evaluate and monitor new/existing projects on ESG performance. The toolkit can either be delivered as a stand-alone due diligence toolkit or integrated into nadec's existing due diligence processes.

2- **Sustainable finance capacity building and awareness raising**

How: Provide better awareness to our management and employees about the importance of sustainable financing and how to secure funding for sustainable projects within our company.



# Materiality Assessment of Sustainability



The materiality assessment process is a critical tool nadec employs to identify and prioritize sustainability-related topics within the Environmental, Social, and Governance (ESG) framework. These topics are of significant importance to both our operations and our stakeholders. This process helps nadec understand the potential impacts of these issues on its strategies and operational processes, while also identifying the associated opportunities and risks.

**Steps for Conducting the Materiality Assessment:**

## Identifying 16 Key Sustainability Priorities at nadec

The first step in conducting a materiality assessment involves precisely identifying the core areas relevant to nadec, from which the prioritized sustainability topics and issues emerge. At nadec, we focus on 16 key areas to explore sustainability themes, which serve as the foundation for our sustainability approach:

**1. Water and effluents**

Managing water usage efficiently and treating wastewater to prevent pollution and conserve water resources.

**2. Waste, Pollution, and Packaging**

Reducing waste generation and pollution throughout the product lifecycle through effective waste management practices and pollution control measures.

Using sustainable packaging solutions to minimize environmental impact while maintaining product safety and quality.

**3. Climate Change**

Reduction and management of greenhouse gas emissions from operations, including farming, production, and transportation, to mitigate environmental impact and efficient use and sustainable sourcing of energy in all operations to reduce environmental footprint and costs.

**4. Sustainable Sourcing and Regenerative Agriculture**

Farming practices that allow the environment to regenerate, conserve resources, and support long-term agricultural productivity. In doing so preserving local biodiversity, soil health, water reserves, and maintaining healthy ecosystems through responsible agricultural practices and land management.

**5. Food Security, Health, and access to nutrition**

Ensuring a reliable supply of affordable and nutritious food products to meet the needs of the population. Promoting health and wellness by providing nutritious food products and supporting healthy lifestyles.

**6. Human Capital**

Investing in employee development, attracting top talent, and retaining skilled workers through continuous training and career growth opportunities.

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

**7. Food Quality and Safety**

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

**8. Community / Social Impact**

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

**9. Diversity, Inclusion, and Equal Opportunities**

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

**10. Occupational Health and Safety**

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

**11. Governance and Business Ethics**

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

**12. Impact of products and services**

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

**13. Nationalization**

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

**14. Animal Health and Welfare**

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

**15. Economic Inclusion**

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

**16. Human Rights**

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
















## Analysis of the Relative Importance of Sustainability Areas

After identifying the relevant issues, their potential impacts—both positive and negative—on nadec's operational processes and strategic objectives are assessed. The levels of relative importance are categorized into very high importance, high importance, and moderate importance. This evaluation identifies the most impactful and significant issues that the company should prioritize.

Key Sustainability Areas	Relative Importance	Main Work Pillars
1 Water and effluents		<ul style="list-style-type: none"><li>Water withdrawal</li><li>Water management</li><li>Equitable access</li><li>Pollution</li><li>Nutrient loading</li></ul>
2 Waste, pollution and packaging		<ul style="list-style-type: none"><li>Circularity</li><li>Food loss and waste</li><li>Packaging</li></ul>
3 Climate Change		<ul style="list-style-type: none"><li>Resource efficiency</li><li>Emissions</li><li>Energy use</li></ul>
4 Sustainable sourcing and regenerative agriculture		<ul style="list-style-type: none"><li>Biodiversity</li><li>Climate resilience</li><li>Soil health</li><li>Water use</li><li>Land-use</li><li>Ecosystem health</li><li>Carbon sequestration</li><li>Pesticide and fertilizer use</li><li>Living wage</li></ul>
5 Food security, health and access to nutrition		<ul style="list-style-type: none"><li>Nutrition</li><li>Sustainable Agriculture</li><li>Climate change</li></ul>
6 Human Capital		<ul style="list-style-type: none"><li>Occupational health and safety</li><li>Skills and employability</li><li>Talent attraction</li><li>Retention</li></ul>



Key Sustainability Areas	Relative Importance	Main Work Pillars
7 Food Quality and Safety		<ul style="list-style-type: none"><li>Quality &amp; Safety</li><li>Nutrition</li><li>Antibiotics</li><li>GMO</li></ul>
8 Community / Social Impact		<ul style="list-style-type: none"><li>Regenerative Agriculture</li><li>Health &amp; nutrition</li><li>Economic empowerment</li><li>Skills development</li></ul>
9 Diversity, Inclusion, and Equal Opportunities		<ul style="list-style-type: none"><li>Female empowerment</li><li>Youth</li></ul>
10 Occupational Health and Safety		<ul style="list-style-type: none"><li>Employee health and wellbeing</li></ul>
11 Governance and business ethics		<ul style="list-style-type: none"><li>Transparency</li></ul>
12 Impact of products and services		<ul style="list-style-type: none"><li>Environmental footprint</li><li>Transportation</li><li>Marketing</li><li>Consumption</li></ul>
13 Saudization		<ul style="list-style-type: none"><li>Nurturing local talent</li></ul>
14 Animal Health and Welfare		<ul style="list-style-type: none"><li>Antibiotic use</li></ul>
15 Economic Inclusion		<ul style="list-style-type: none"><li>SME empowerment</li><li>Local supply</li></ul>
16 Human Rights		<ul style="list-style-type: none"><li>Discrimination and exploitation</li><li>Employee rights</li><li>Compliance</li><li>Transparency</li></ul>
Very High 	High 	Medium 





# Achievements in Sustainability and CSR

Nadec has accomplished several milestones aligned with its strategic goals, including diversifying food sources, sustainable resource utilization, and fostering innovation and scientific research to support its sustainability plan. It has also prioritized strengthening local and global partnerships to unify efforts, enhance its sustainability approach, and achieve its future aspirations.

## 1 Supporting Agricultural Investments

nadec has focused on two primary objectives: supporting agricultural investments within and beyond the Kingdom to ensure a continuous food supply and to reduce reliance on imports by developing robust local agricultural sectors.

**Achievements :**

### Strengthening Sustainable Partnerships

nadec signed a partnership agreement with United Feed Company for the purpose of establishing a company focused on the livestock sector to produce red meat. nadec announces that it will invest SAR 90 million to that effect, in line with its expansion plans. In fact, this partnership targets enhancement of the local food self-sufficiency by diversifying protein sources that satisfy the needs of the local market.

### Advancing Contract Farming Plans

nadec adopted a contract farming system in alignment with the Kingdom's Vision. This approach ensures that market dominance is not limited to major players, as small and medium-scale farmers continue to play a vital and impactful role in the agricultural sector.

## 2 Sustainable Resource Utilization

nadec's vision for resource sustainability focuses on preserving natural resources, with an emphasis on efficient water management, expanding desert farming, and utilizing advanced techniques such as hydroponics and vertical farming.

**Achievements:**

### Research in Innovative Agricultural Systems

#### Pure Harvest in Partnership

A prime example of nadec's strategic initiatives is its collaboration with Pure Harvest, which involves implementing innovative farming systems that significantly reduce water consumption per kilogram of production.

#### Olive Producers Association

Nadec continued its focus on impactful partnerships by signing a Memorandum of Understanding with the Olive Producers Association. This partnership aims to provide advisory support to olive farmers and enhance quality standards through the adoption of best practices in production and marketing. The cooperation covers various areas, including fertilization, irrigation, pruning, monitoring plant growth, grafting, and conducting field visits.

#### Water Reuse Initiatives

Nadec completed a study on water reuse within its operations to maximize efficiency and sustainability. In 2024, the company advanced the planning and implementation of its wastewater treatment project, further reinforcing its commitment to sustainable resource management.

## 3 Promoting Innovation and Scientific Research

Scientific research and development have been a key focus for nadec, aiming to improve productivity through the adoption of advanced technologies. This area has seen significant progress by encouraging the use of artificial intelligence (AI) and Internet of Things (IoT) technologies in agricultural operations.

**Achievements:**

### Climate Change Mitigation Initiatives

Nadec launched several initiatives focused on programs to deliver positive results in addressing climate change. These initiatives include a strategic collaboration with Pure Harvest to develop a resource-efficient food system that reduces carbon emissions.

### Clean Energy Production Efforts

Nadec operates one of the largest solar arrays in the Middle East, which continues to contribute to the production of clean energy.

### Eco-Friendly Cooling Technologies

The company has implemented a program to upgrade its fleet, aiming to minimize its environmental impact. Additionally, nadec has introduced innovative cooling technologies in its dairy farms to reduce electricity consumption for cooling purposes.

## 4 Supporting food awareness in the Education Sector

At nadec, we place great importance on supporting food awareness and encouraging students in the education sector to adopt a suitable lifestyle through collaboration with schools. In 2024, we successfully supported more than 40 schools, reflecting our commitment to raising awareness about the importance of proper and healthy nutrition. We were also honored to sponsor "World Food Day" in collaboration with the Riyadh Education Directorate, where we aimed to raise awareness about the significance of healthy food and its positive impact on students' health.

## 5 Promoting Sports Participation and Quality of Life

Nadec is committed to empowering the community and promoting an active lifestyle by supporting sports participation and improving quality of life. In this context, we sponsored the "Mahra Formula Team" as well as the Diriyah Season Cup in Qassim. nadec also organized the "nadec Open Paddle Championship." Additionally, we provided our support to the "R7 Running Team" during the Riyadh Marathon, reflecting our deep commitment to encouraging sports participation and contributing to the enhancement of physical activity within the community.



## Nadec's Sustainability Efforts: Advancing Alongside the Kingdom's Vision in 2024

### Environmental Commitment Forum 2024

In 2024, nadec continued its sustainability efforts aligned with the Kingdom's vision for enhancing environmental and agricultural sustainability. The company sponsored the "Environmental Commitment Forum 2024," organized by the National Center for Environmental Compliance, reflecting its dedication to promoting sustainable practices in the agricultural sector.

### Nadec at the International Exhibition and Forum for Afforestation Technologies

Nadec participated in the "International Exhibition and Forum for Afforestation Technologies" during the COP 16 Conference in Riyadh, where it highlighted its expertise in soil revitalization, water recycling, and organic waste management. This participation underscores nadec's commitment to addressing environmental challenges through advanced and sustainable technologies.

### Nadec Hosts Workshop in Collaboration with the Central Agricultural Cooperative Society for Wheat Cultivation

Nadec organized a workshop in collaboration with the Central Agricultural Cooperative Society in Qaryat Al-Ulya, focusing on "Wheat Cultivation." This workshop aimed to support local farmers by educating them on sustainable farming techniques to improve crop productivity and reduce environmental impacts.

### Nadec's COP 16 Pavilion Showcases Soil Revitalization Initiatives

At its pavilion during COP 16, nadec presented a range of innovative initiatives aimed at revitalizing agricultural soil. These efforts are part of its ongoing commitment to implementing effective sustainability solutions in the agricultural sector.

### Showcasing Agricultural Sustainability Technologies

At the Saudi Agricultural Exhibition, nadec showcased innovative sustainability technologies used in its agricultural projects. This effort highlighted the importance of innovation in environmental conservation and the advancement of sustainable agricultural production.

### Nadec at the Potato Conference in Hail

Nadec participated in the Potato Conference in Hail, showcasing its sustainable potato farming techniques. This presentation highlighted the company's innovative approaches to improving farming methods while preserving natural resources, in alignment with sustainability goals.





Award Highlights of 2024

- Nadec was awarded the Social Responsibility Badge in recognition of its exceptional achievements in 2024.
- Nadec was honored as the leading national company in promoting sustainable agricultural innovations at the COP 16 Conference."
- Nadec received the Consumer Sustainability Certification from the Consumer Protection Association, to be the first entity to achieve this distinction.

Sustainable Development of Production Sectors

Nadec has consistently focused on developing its production sectors, placing quality at the forefront of its priorities to ensure the delivery of the finest food products. This commitment is reflected in the company conducting over 20,000 daily tests on its food products, ensuring the highest standards of quality and food safety.



Outstanding Agricultural Achievements

Nadec takes pride in its sustainable agricultural initiatives, including the planting of more than 5 million olive trees in its flagship project in Al-Jouf. This achievement underscores the company's vision to strengthen food security and leverage local natural resources sustainably.

Establishment of the National Seed Production Company (NSPC)

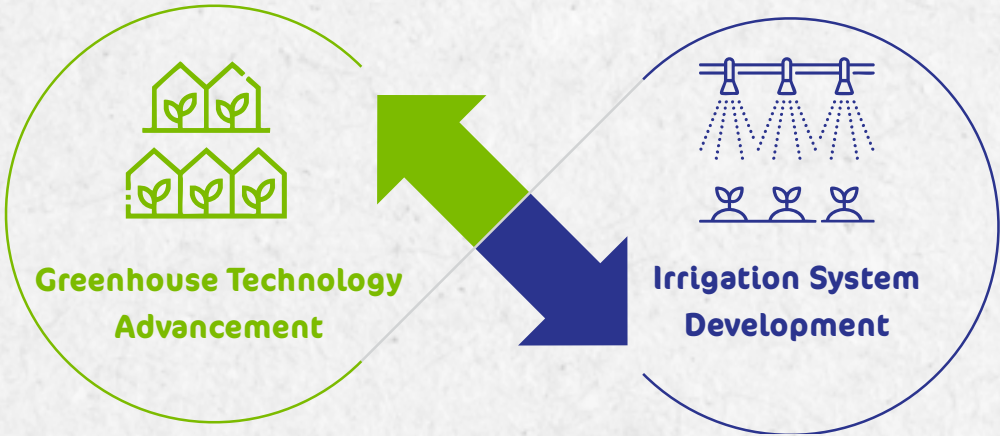
One of our most notable achievements was the establishment of the National Seed Production Company (NSPC). The company's primary goal is to study potato varieties across the Kingdom. Founded this year, NSPC was launched alongside the production of over 6 million kilograms of potatoes, underscoring its role in advancing agricultural innovation.

Diverse Agricultural Production

In 2024, nadec achieved exceptional agricultural productivity, reaffirming its commitment to expanding agricultural production to meet local market demands and contribute to food security in the Kingdom. These accomplishments include:



Key Technologies Supporting Agricultural Sustainability



Throughout 2024 and prior, nadec reaffirmed its commitment to applying the latest technologies in greenhouse development to enhance agricultural production and increase efficiency. The company employs advanced climate-control systems in greenhouses to ensure optimal conditions for crop growth year-round, regardless of external climate fluctuations. These technologies enable precise control of temperature, humidity, and light levels, improving production quality and optimizing resource utilization.

Nadec has also focused on innovative water management technologies. By implementing smart and sustainable solutions such as drip irrigation systems and digital controls, the company minimizes water consumption while maximizing irrigation efficiency. These systems ensure optimal water usage tailored to the specific needs of crops.

These efforts aim to strengthen environmental sustainability, balancing the use and preservation of natural resources. This approach aligns with nadec's vision to achieve food security through advanced agricultural methods.