



The National Agricultural Development Company

Health and Nutrition Position Statement

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Applicability	Dairy Plants, Dairy Farms, Agriculture and Protein Operations
Owner	Quality control / Assurance department (manufacturing sector)
Approver	Chief Executive Officer

Signed by:

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Table of Contents

1	Applicability and Scope	3
2	Statement of Commitment	3
3	Our Position.....	4
4	Governance and Accountability	5
5	Reporting.....	5
6	Training and Capacity Building	5
7	Review and Continuous Improvement	6
8	Disclaimer	6

1 Applicability and Scope

This Health & Nutrition Position Statement applies to the National Agricultural Development Company (“NADEC”), and its subsidiaries. NADEC is a listed joint stock company incorporated under the laws of the Kingdom of Saudi Arabia. It covers all NADEC business divisions involved in the development, production, marketing, and distribution of food and beverage products, including dairy, juices, agriculture, and protein operations.

The scope encompasses the full product lifecycle—research and development (R&D), formulation, sourcing of raw materials, manufacturing, packaging, labelling, storage, distribution, marketing communications, and consumer engagement. It also extends to all tiers of suppliers, co-manufacturers, logistics providers, contractors, and third-party partners globally who support or influence NADEC’s value chain.

This Statement supports NADEC’s “New Dawn” ESG Strategy, aligns with Saudi Vision 2030 public-health and food-security objectives, and reflects global best practices in responsible nutrition and the development of health-focused food systems.

2 Statement of Commitment

NADEC recognizes that promoting health and nutrition is central to our purpose, brand integrity, consumer trust, and long-term value creation. We are committed to offering safe, high-quality, and nutritionally balanced products while proactively managing risks and advancing opportunities across the food and beverage value chain.

Our commitment includes:

- Reformulating products to reduce nutrients of concern—such as added sugars, sodium, and saturated fats—and enhancing beneficial nutrients in line with national dietary guidelines and international standards
- Strengthening portfolio analytics to track the share of products meeting internal nutrition criteria and “healthier choice” thresholds
- Ensuring transparent, accurate, and science-based labelling, and upholding responsible marketing practices, particularly for children and vulnerable populations
- Assessing and reducing upstream and downstream impacts, including Scope 3 emissions associated with formulation changes, ingredients, packaging, and distribution
- Embedding health and nutrition governance, accountability, and performance measurement into NADEC’s executive-level risk and decision-making framework

We commit to establishing meaningful and measurable nutrition targets, regularly reporting progress, and continuously improving our product portfolio and practices to support healthier consumer outcomes.

3 Our Position

NADEC's health and nutrition strategy is structured around four strategic pillars:

1. Product Innovation and Reformulation
2. Transparent Labelling and Responsible Marketing
3. Responsible Sourcing and Supply Chain Nutrition
4. Consumer Engagement and Health Impact

1. Product Innovation and Reformulation

NADEC uses market research, scientific evidence, and consumer insights to guide the development of new products and the reformulation of existing ones. This includes creating products with health-oriented attributes such as reduced sugar, lower sodium, high protein, and added vitamins and minerals. To ensure nutritional integrity and safety, all new and reformulated products undergo rigorous quality testing—covering physio-chemical and microbiological parameters—at both ingredient and finished-product levels. Independent accredited external laboratories may be engaged to verify nutritional content and support science-based decision-making.

2. Transparent Labelling and Responsible Marketing

NADEC provides accurate, accessible, and evidence-based nutritional information on product labels in accordance with Saudi Food and Drug Authority (SFDA) regulations and Gulf Standards Organization (GSO) labelling standards. Labels clearly disclose ingredients, nutritional values, and allergen risks. The company maintains a strict responsible-marketing policy, particularly when communicating with children and vulnerable groups, and does not promote high-fat, high-sugar, or high-sodium (HFSS) products to these audiences. All claims are supported by evidence, reviewed internally, and verified for regulatory compliance.

3. Responsible Sourcing and Supply Chain Nutrition

We require all suppliers and co-manufacturers to adhere to NADEC's Supplier Code of Conduct, which incorporates nutrition, sustainability, ethics, and food safety requirements. We evaluate the nutritional contribution of upstream ingredients, monitor related Scope 3 emissions, and prioritize local sourcing to support national development and food security. Non-compliance triggers corrective-action plans or suspension where necessary.

4. Consumer Engagement and Health Impact

We engage consumers and communities through education initiatives that promote balanced diets, nutrient awareness, and informed wellness choices. Consumer feedback directly informs formulation reviews and nutrition-related risk assessments. We also monitor portfolio-level health outcomes to evaluate the broader impact of our nutrition strategy.

4 Governance and Accountability

Health and nutrition performance across all NADEC operations—including dairy plants, dairy farms, agriculture, juice production, and protein operations—is governed through the following structure:

- **Board of Directors:** Provides strategic oversight of NADEC's health and nutrition agenda, approves nutrition-related targets, and ensures integration of nutrition risks and opportunities into the Company's ESG governance framework.
- **Executive Leadership & Sector Management:** Accountable for embedding nutrition objectives into business planning, product portfolio strategy, operational decision-making, and cross-departmental performance management.
- **Research & Development (R&D):** Leads product reformulation and innovation, oversees nutritional benchmarking, manages labelling accuracy, and tracks nutrition-related performance indicators.
- **Procurement, Marketing & Sustainability Teams:** Execute sourcing requirements, ensure ingredient traceability, implement responsible marketing practices, and deliver consumer education programs aligned with NADEC's nutrition commitments.
- **GRC and Legal Departments:** Monitor compliance with applicable nutrition and labelling regulations, validate marketing claims, and oversee escalation of non-conformities for corrective and preventive action.
- **Senior Management:** Conducts periodic reviews of nutrition KPIs, marketing compliance reports, reformulation progress, and associated Scope 3 impacts from formulation and packaging decisions.

Governance processes include quarterly risk reviews, KPI dashboards, independent audits, and integration of key nutrition performance indicators into senior management and executive remuneration frameworks.

5 Reporting

NADEC maintains structured reporting processes to monitor and disclose performance related to health and nutrition, ensuring accountability, transparency, and alignment with regulatory and ESG requirements.

- **Internal Dashboards and Performance Indicators:** Track key metrics such as the percentage of the product portfolio meeting internal nutrition criteria, reformulation progress, reductions in added sugar and sodium, nutritional-claims approvals, marketing-compliance incidents, and Scope 3 emissions associated with formulation changes and packaging.
- **Management and ESG Reporting:** Senior management conducts quarterly reviews of health and nutrition performance, with periodic disclosures included in NADEC's annual ESG and sustainability reports aligned with GRI 417 (Marketing & Labelling) and SASB (Food Products) standards.
- **External Assurance Roadmap:** NADEC plans to adopt external assurance for selected nutrition metrics in future phases to strengthen transparency, credibility, and external accountability.

6 Training and Capacity Building

NADEC ensures that all employees and external partners involved in the development, sourcing, production, marketing, and distribution of food and beverage products are equipped with the competencies required to support the Company's health and nutrition agenda. Role-specific training is provided for R&D, procurement, marketing, commercial teams, and other relevant functions on nutrition benchmarking, reformulation techniques, responsible marketing practices, and labelling regulations. Training modules are regularly updated to reflect emerging dietary



guidelines, regulatory changes, and evolving consumer trends. Suppliers and co-manufacturers receive awareness sessions and compliance briefings covering nutrition standards, ingredient traceability, and monitoring of Scope 3 impacts associated with formulation and packaging. Completion of training and behavioral-change indicators are tracked through NADEC's Learning Management System (LMS), and relevant competencies are integrated into employee performance evaluations to ensure consistent application of nutrition governance across the value chain.

7 Review and Continuous Improvement

This position statement is supported by senior management and is approved by NADEC's Executive Management and Board of Directors and is reviewed every three years to ensure continued relevance and alignment with regulatory requirements, and industry best practices. NADEC maintains a structured process of review and escalation through internal and external audits, management reviews, and Corrective and Preventive Action (CAPA) cycles that evaluate reformulation outcomes, marketing compliance, supply chain nutrition risks, and consumer feedback trends. Policies, reformulation targets, and nutrition metrics are assessed at least annually, or sooner when required due to regulatory changes, stakeholder expectations, or emerging risks. NADEC also deploys advanced analytics, scenario modelling of nutrition trends, and digital traceability tools to strengthen responsiveness and decision-making. Continuous improvement includes expanding locally relevant functional-food offerings, enhancing partnerships that support community health outcomes, and integrating nutrition performance into NADEC's broader ESG disclosures to ensure transparency and sustained progress.

8 Disclaimer

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