

Delivering Food Security & Resilience Through Sustainable Dairy




2025
SUSTAINABILITY
REPORT



Sustainable Dairy



Food Security



Water Conservation



Cautionary Statement

Baladna Sustainability Report 2025 contains certain forecasts, projections and forward-looking statements. These statements are based on current information and utilize expressions such as ‘aim’, ‘ambition’, ‘believe’, ‘continue’, ‘could’, ‘efforts’, ‘expect’, ‘goals’, ‘objectives’, ‘outlook’, ‘plan’, ‘target’, ‘will’, ‘would’, and other similar terms. Such statements reflect the intentions and expectations of Baladna, subject to inherent uncertainties which could lead to actual results differing from the implied or projected statements. Baladna emphasizes that these statements are not indicative of guaranteed future actions or policies, and the company undertakes no obligation to publicly update these statements. While Baladna relies on reliable sources, it does not assure the accuracy or comprehensiveness of the information. Investors are advised to consider potential changes in assumptions, risks, and uncertainties, as these factors, beyond Baladna’s control, might influence actual outcomes.

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In the Name of Allah Most Gracious Most Merciful



His Highness

Sheikh Hamad bin Khalifa Al Thani

The Father Emir



His Highness

Sheikh Tamim bin Hamad Al Thani

Emir of the State of Qatar



**2025
In Review**

Chairman's Message

Food security has become one of the defining challenges and responsibilities of our time. Population growth, environmental changes, resource constraints, and evolving geopolitical realities continue to place increasing pressure on food systems around the world. Against this backdrop, the ability to produce nutritious food sustainably and reliably has never been more important.



Mr. Moutaz Al Khayyat
Chairman

At Baladna, we are proud to play a leading role in supporting both national and international food security through sustainable dairy production. What began as a strategic response to a national need has evolved into a long-term commitment to resilience, innovation, and responsible growth. Today, Baladna stands as a testament to what can be achieved when ambition is guided by purpose and a clear vision for the future.

Throughout 2025, we continued to strengthen our position as a trusted contributor to Qatar's food system while expanding our impact beyond national borders. Our ability to maintain reliable production, adapt to changing market conditions, and meet the needs of consumers reflects the operational strength and adaptability of our business. At the same time, we recognize that resilience extends beyond operational continuity. It requires responsible stewardship of resources, effective governance, investment in people, and a commitment to creating sustainable value for future generations.

Sustainability remains central to our long-term strategy. As a company operating at the intersection of agriculture, food production, and national development, we understand the importance of balancing growth with environmental responsibility and social impact. Across our operations, we remain focused on improving resource efficiency, strengthening environmental performance, supporting employee wellbeing, and maintaining high standards of governance and transparency.

Our sustainability journey is guided by the belief that food security and sustainability are mutually reinforcing. By embedding sustainability into our strategic and operational decision-making, we are building a business that is better equipped to manage future challenges, support national priorities, and contribute positively to society. This approach supports not only our corporate ambitions but also the broader objectives of Qatar National Vision 2030 and the nation's commitment to long-term economic, environmental, and social development.

The progress outlined in this report reflects the dedication of our employees, the trust of our customers, the support of our shareholders, and the collaboration of our partners and stakeholders. Their collective commitment enables us to continue advancing our mission while delivering meaningful value across the communities and markets we serve.

As we look ahead, our ambition remains clear: to strengthen food security, enhance resilience, and drive sustainable growth through responsible dairy production. We will continue to invest in innovation, operational excellence, and sustainable practices that support both current needs and future generations.

On behalf of the Board of Directors, I would like to thank our employees, customers, partners, regulators, and shareholders for their continued confidence and support. Together, we are building a more resilient food system and contributing to a more sustainable future.

Mr. Moutaz Al Khayyat
Chairman

“Food security and sustainability are mutually reinforcing objectives. By integrating both into our strategy, we are building a resilient business that creates long-term value for Qatar, our stakeholders, and future generations. What began as a response to a national need has evolved into a long-term commitment to resilience, innovation, and responsible growth.”

Group CEO's Message

At Baladna, our purpose has always extended beyond producing dairy products. We exist to contribute to food security, strengthen resilience, and create sustainable value for the communities and markets we serve.

In 2025, that purpose has become more relevant than ever as food systems worldwide continue to face challenges driven by environmental changes, resource constraints, geopolitical uncertainty, and growing demand for nutritious food.

Guided by our vision of Delivering National and International Food Security and Resilience Through Sustainable Dairy, we have continued to build upon the foundations that have established Baladna as a cornerstone of Qatar's food security. At the same time, we have entered a new phase of growth—one that seeks to extend our expertise, operational model, and commitment to sustainability beyond our borders.

This year marks an important milestone in our journey as we advance strategic initiatives in Algeria and Syria. These developments reflect more than geographic expansion: they represent an opportunity to transfer knowledge, strengthen local food systems, and contribute to greater agricultural resilience in regions where sustainable dairy production can play a transformative role. Our ambition is not simply to replicate success, but to adapt our experience and capabilities to local contexts while creating long-term economic, social, and environmental value.

As we expand internationally, sustainability remains at the core of how we operate. We recognize that the future of food security

depends on the responsible management of natural resources, efficient production systems, and the ability to adapt to changing environmental conditions. Throughout 2025, we continued to strengthen our focus on energy efficiency, water stewardship, animal welfare, waste reduction, and responsible resource management across our operations.

Equally important is our commitment to strengthening governance, transparency, and accountability. As stakeholder expectations continue to evolve, we are enhancing our ESG reporting processes, improving data management capabilities,

and embedding sustainability considerations more deeply into strategic and operational decision-making. These efforts support our ability to create long-term value while maintaining the trust of our stakeholders.

Our people remain central to our success. Their dedication, expertise, and resilience enable us to navigate challenges, seize opportunities, and continuously improve our performance. Through ongoing investment in talent development, health and safety, and a culture of innovation, we are building an organization capable of delivering sustainable growth today and into the future.

Looking ahead, we see significant opportunities to strengthen our contribution to food security both within Qatar and internationally. We will

continue to invest in innovation, operational excellence, sustainable agriculture, and resilient supply chains that support long-term growth while minimizing environmental impact. By leveraging our experience and expanding our reach, we aim to play an increasingly meaningful role in helping build more secure, resilient, and sustainable food systems.

The progress outlined in this report reflects the collective efforts of our employees, shareholders, partners, customers, and stakeholders. Together, we are demonstrating that sustainable dairy production can be a powerful driver of food security, resilience, and shared prosperity.

As we continue this journey, our commitment remains unwavering: to deliver nutrition, strengthen resilience, and create lasting value through sustainable dairy—both at home and around the world.

Mr. Marek Warzywoda
Group Chief Executive Officer



“By leveraging our experience and expanding our reach, we are strengthening food security, building resilience, and creating lasting value through sustainable dairy both at home and around the world.”

Mr. Marek Warzywoda
Group Chief Executive Officer

Qatar CEO's Message

At a time when global food systems are facing unprecedented pressure, our commitment remains clear and unwavering: “to deliver national and international food security while building long-term resilience through sustainable dairy”.



Paul Kenny
Chief Executive Officer

In 2025, we continued to strengthen our role as a cornerstone of Qatar's food security, guided by innovation, responsibility, and a deep understanding of the evolving environmental and social landscape. Building on the strong foundations laid in 2024, we have advanced our sustainability journey with a sharper focus on efficiency, climate resilience, and value creation across our entire operation.

Our progress reflects a holistic approach. From optimizing energy and water use to enhancing animal welfare and advancing circular resource management, sustainability is embedded into every aspect of our business. We have accelerated efforts to improve energy efficiency and explore renewable solutions, recognizing that responsible resource management is critical to both operational resilience and environmental stewardship.

Equally, we remain committed to supporting our people and communities. By fostering a culture of accountability, innovation, and collaboration, we are ensuring that our workforce continues to drive sustainable growth while contributing to national development priorities.

As we expand our reach beyond borders, our ambition is not only to supply high-quality dairy products but also to demonstrate how sustainable practices can strengthen food systems globally. Resilience, in this context, means the ability to adapt, innovate, and lead — qualities that define our strategy and our people.

Looking ahead, we recognize that the path to sustainable food security is a shared responsibility. We will continue to work closely with our stakeholders, partners, and regulators to drive meaningful impact, aligned with both national vision and international sustainability frameworks.

Our journey is ongoing, but our direction is firm. Through sustainable dairy, we are not only delivering nutrition, but we are also building resilience, creating value, and shaping a more secure future.

Paul Kenny
Chief Executive Officer

“Through sustainable dairy, we are not only delivering nutrition, but also building resilience, creating value, and shaping a more secure future.”

COO's Message

Delivering food security at scale is not simply an ambition — it is an operational commitment that demands precision, resilience, and constant evolution.



Julian Marcolini
Chief Operating Officer

In 2025, our focus has been clear: to translate our sustainability vision into efficient, reliable, and future-ready operations that power both national and international food security.

Building on the progress achieved in 2024, we have continued to optimize our operations across the entire dairy value chain, from farm to processing and from logistics to distribution. Our approach is rooted in integration: aligning people, technology, and infrastructure to operate smarter, reducing waste, and enhancing productivity without compromising environmental responsibility.

Efficiency remains at the core of our operational strategy. Over the past year, we have strengthened energy management practices, enhanced water optimization systems, and improved resource utilization across our facilities. Through the ongoing proactive integration of sustainability into daily operations, we are not only reducing our environmental footprint but also driving long-term cost resilience and operational stability.

Our farms and production facilities continue to evolve through innovation. From advancements in livestock management and feed optimization to improved cooling and storage systems, we are leveraging data and technology to enhance output while maintaining the highest standards of animal welfare and product quality.

Resilience, however, is built on more than systems; it is driven by people. Our team has demonstrated exceptional agility in adapting to challenges, maintaining continuity, and delivering excellence under dynamic conditions. This operational strength ensures that we remain dependable in meeting growing demand, both locally and internationally.

As we look ahead, our priority is to further integrate sustainable practices into every operational decision: scaling efficiencies, adopting cleaner energy solutions, and strengthening supply chain resilience. In doing so, we are not just supporting the business, we are reinforcing a food system that is robust, responsive, and built for the future.

Sustainability in operations is not an initiative; it is how we perform every day.

Julian Marcolini
Chief Operating Officer

“Sustainability is embedded in every aspect of our operations, enabling us to deliver efficiency, resilience, and long-term value while strengthening Qatar’s food security.”

2025 highlights

In Review

2,000 +

Workforce



**2.6
Million m²**

Total surface area

4

Production
facilities (2 factories
and 2 farms)

Delivering Food Security Today and Tomorrow

20,000 +

Total herd size



39 liters

Average milk yield
(per cow per day)

3,806

Points of sale

267

Products offered

1.5

Million consumers
reached through
social media

Expanding Impact Beyond Borders

**3.85
Billion USD**

Committed to
international expansion

3 Million

Consumers targeted
in Qatar

2

New markets entered
(Algeria and Syria)

5,000

Direct jobs to be
created in Algeria

Building Sustainable Production Systems

60%

Reduction in
freshwater
consumption due
to smart soaking
system

41%

Reduction in CO₂
emissions on import
shipments

2.6%

Loss in Process
(LIP) performance in
2025 (2.8% target)

Responsible Products and Value Chains

100%

Product quality
and compliance

0

Food safety-related
product recalls

100%

On-time delivery
in Qatar

82.4%

ICV score under
Qatar's Tawteen
program

People and Communities

0

Fatalities /
significant injuries

14,450

Training hours



**QAR
2.5 Million**

Budget for CSR
on community
initiatives

**QAR 6.4
Million**

Budget for CSR
on Sponsorship



Our 2025 Sustainability Journey

Sustainability at Baladna is centered on delivering food security and building long-term resilience. Anchored in Qatari values and proven operational capability, this journey supports national self-sufficiency, responsible growth, and alignment with the Qatar National Vision 2030.

Delivering safe and nutritious food at scale is a core responsibility for Baladna. Production and distribution systems meet international quality and safety standards, while remaining cost-efficient and accessible for the local market. This balance supports reliable food supply in Qatar, where food security depends on both quality and affordability.

In 2025, Baladna advanced its efforts to reduce environmental impact through disciplined resource management across its operations. Water efficiency remained a priority in a water-stressed context, supported by improved reuse, waste and manure management, and responsible packaging practices. These actions are embedded into daily operations, thereby translating sustainability commitments into measurable performance outcomes.

This approach brings environmental and social considerations together with economic performance. This integration supports decision-making across the organization and informs risk management. It also helps align growth with national food security objectives.

To support transparent communication of our progress, we have chosen to report with reference to the GRI Standards. These standards provide a globally recognised framework for reporting an organisation's

impacts on the economy, environment, and people. By utilizing the GRI Standards in our reporting, we ensure credible, consistent, and structured disclosure of our sustainability performance, enabling stakeholders to track our progress over time.

Milestones in innovation, collaboration, and partnerships

Operational resilience and scalability improved during 2025 through targeted innovation across Baladna's integrated production model. Technology upgrades focused on maintaining system performance under increasing pressure on water use, input costs, and operational efficiency, reinforcing reliability and traceability across core operations as scale and complexity increased.

Digital solutions played a growing role in this effort. AI-driven feed management systems, such as Algo Milk, supported more precise nutritional planning, while advanced body condition monitoring tools, including Cattle Eye, strengthened real-time oversight of herd health. These technologies improved consistency across farming operations and reduced variability in performance, which is critical

in environments where resource efficiency directly affects food security outcomes.

Collaboration remained essential to maintaining system integrity and public confidence. Ongoing engagement with the Ministry of Public Health supported food safety oversight and quality assurance. At the same time, cooperation with international technology partners enabled upgrades in processing, automation and resource management. These relationships ensure alignment with international standards while allowing solutions to be adapted to local operating conditions.

This collaborative model also underpinned Baladna's international expansion during the year. In Algeria, the dairy project progressed from planning to active development, supported by long-term offtake arrangements and institutional cooperation. In Syria, preparatory work focused on establishing the foundations for an integrated dairy and juice operation, including farming, processing, and distribution. In Egypt, Baladna strengthened its role as a regional coordination and support hub, providing operational, commercial, and back-office capabilities to support activities across international markets.



MOVING FORWARD

As Baladna expands internationally, sustainability requirements are built into new production projects, scaling responsible resource use and consistent operating standards across new markets.

Stakeholder Engagement

Listening sits at the heart of how Baladna engages with its stakeholders. Ongoing dialogue allows the company to respond to expectations, build trust, and maintain constructive relationships across its value chain.

Stakeholder engagement at Baladna is conducted through established processes across the organization. These processes are implemented through the engagement methods outlined in the table, which support regular interaction, transparency, and consistent feedback across key stakeholder groups. Insights gathered through these interactions inform business priorities and support alignment with stakeholder expectations as the organization evolves.

Measuring brand popularity

Baladna uses a combination of brand audits, consumer research, and digital insights to understand stakeholder sentiment and brand performance. These inputs inform marketing and operational decisions. They also provide visibility on expectations and consumer interaction with the Baladna brand, responses to campaigns and communications, and brand loyalty.



Stakeholder Group	Importance of Engagement	Engagement Methods
Customers	- Understanding market needs - Customer satisfaction	Surveys, feedback forms, social media, customer service
Employees	- Maintaining workforce motivation - Ground-up understanding of business	Regular meetings, employee surveys, training sessions, suggestion boxes
Investors and Shareholders	- Maintaining financial stability - Ensuring strategy is aligned to investor expectations	Annual general meetings, financial reports, investor conferences, direct communications
Suppliers and Partners	- Supply chain stability - Access to quality inputs - Collaborative growth	Regular reporting, compliance audits, policy discussion forums, collaborative projects
Local Communities	- Social license to operate - Local support - Corporate social responsibility	Community meetings, CSR initiatives, local sponsorship, educational programs
Government and Regulatory Bodies	- Compliance - Policy alignment	Regular reporting, compliance audits, policy discussion forums, collaborative projects
NGOs and Environmental Groups	- Aligning with environmental standards - Insights into sustainable practices	Collaborative projects, regular dialogues, participation in sustainability forums
Media	- Brand image - Communications - Transparency	Press releases, media events, interviews, social media updates

Materiality Assessment

Materiality brings focus to the issues that matter most to Baladna and its stakeholders, guiding priorities across operations, risk management, and long-term business performance.

Identifying and understanding material topics enables Baladna to direct attention and resources to the areas with the greatest relevance and impact. The materiality assessment brings together three perspectives: the impact of sustainability topics on the business, the priorities and expectations of stakeholders, and the broader environmental and social context in which the company operates.

Our materiality process

Baladna’s materiality process provides a structured way to connect sustainability topics with management focus and decision-making. The process draws on business insight, stakeholder input, and sector analysis to clarify where sustainability considerations intersect with strategy and operations.

It starts with a review of Baladna’s operating context, including its activities, value chain, and risk landscape. This step captures how sustainability topics connect to day-to-day operations and strategic objectives, providing a grounded view of where potential impacts and dependencies arise across the business.

From this baseline, potential environmental, social, and economic topics are identified and assessed for their relevance to Baladna’s business model and operating context. This assessment enables prioritization by distinguishing between topics that

require closer management attention and those with more limited influence.

Stakeholder perspectives are incorporated alongside internal insight. Input from customers, regulators, investors, and communities adds depth to the assessment, while management and operational teams contribute an internal view of impacts.

The final stage focuses on validation. Prioritized material topics are reviewed and confirmed with senior management, creating a shared understanding of accountability and oversight. The outcome is a focused set of material topics that informs sustainability strategy, reporting, and ongoing oversight.

In 2025, Baladna refreshed its 2023 impact materiality assessment, considering relevant elements of the GRI materiality methodology to reflect changes in the operating environment. Shifts in regulation, market conditions, and societal expectations were considered in the reassessment and refinement of material topics. This refresh captures emerging issues and maintains a forward-looking view of sustainability impacts.

The assessment identified 12 material topics, covering 19 associated impacts. Newly identified material areas include Biodiversity and Sustainable Agriculture, Labor Rights and Ethical Procurement, and Community Impact.

Material and Non-Material Topics

Material topics	1	Water and Effluents
	2	Biodiversity and Sustainable Agriculture
	3	Animal Welfare
	4	Customer Health and Safety
	5	Circularity and Waste
	6	Health, Safety and Wellbeing
	7	Labour Rights and Ethical Procurement
	8	Community Impact
	9	Food Quality, Safety and Information
	10	Food Security
	11	Corporate Culture, Business Ethics and Compliance
	12	Sustainable Growth
Not material	13	Workforce Development and Equal Opportunity
	14	Privacy and Security



Annie Angeline Jacob
Senior ESG Officer

“ Sustainability at Baladna is about building resilience into every aspect of our business. By strengthening governance, improving ESG data management, and embedding responsible practices across operations, we are creating long-term value while supporting food security, stakeholder trust, and sustainable growth. ”

Sustainability Framework

Baladna’s Sustainability Framework provides a clear structure for turning commitments into action across the business. It sets out how environmental, social, and governance considerations are managed and embedded into everyday operations, supporting consistency and accountability across the Group.

In 2025, the framework was reinforced around three core pillars aligned with global ESG best practices. This structure brings greater coherence to how sustainability is governed, measured, and communicated, while remaining closely connected to Baladna’s strategy and operating model. It informs performance tracking and reporting and supports a disciplined approach to long-term value creation.

The framework provides a common reference point for sustainability across the organization. It offers a basis for greater alignment in how sustainability considerations are understood and applied across functions and geographies. This becomes increasingly important as Baladna scales its operations and manages greater complexity over time.

Baladna’s Sustainability Framework is structured across three pillars:

Environmental Pillar	Social Pillar	Governance Pillar
Climate Impact	Employee Wellbeing	Ethical Conduct
Water Management	Training and Development	Compliance
Waste and Energy Efficiency	Health and Safety	Risk Management
Animal Welfare	Community Support	Responsible Sourcing

Alignment with standards and frameworks

Baladna’s Sustainability Framework is anchored in national priorities and global best practices. It reflects Qatar National Vision 2030, with a clear emphasis on food security, responsible production, and community wellbeing. Through integrated dairy operations and responsible farming practices, the framework supports local production capacity, reduces reliance on imports, and reinforces the resilience of food systems. Environmental priorities such as water management, resource efficiency, and animal welfare enable reliable production as operations scale.

The framework also aligns with the United Nations Sustainable Development Goals (UN SDGs) and is informed by recognized ESG reporting references, including the GRI Standards and Qatar Stock Exchange ESG guidance. This alignment links local commitments with global expectations and supports consistent measurement and disclosure.



Aligning Baladna's Sustainability Framework

Material Topics	Sustainable Development Goals		Reporting Frameworks	
	UN SDGs	QNV 2030	GRI Standards	QSE ESG Guidance
Climate, Energy, Emissions		- Environmental Development - Economic Development - Social Development	GRI 305: Emissions (2016)	QSE E2, QSE E5
Water and Effluents		- Environmental Development - Economic Development - Social Development	GRI 303: Water and Effluents (2018)	QSE E2
Biodiversity and Sustainable Agriculture		- Environmental Development - Economic Development - Social Development	GRI 304: Biodiversity 2016	QSE E2
Animal Welfare		- Environmental Development - Economic Development - Social Development	GRI 13: Agriculture, Aquaculture and Fishing Sectors (2022)	QSE E2
Circularity and Waste		- Environmental Development - Economic Development - Social Development	GRI 306: Waste (2020)	QSE E2, QSE E5
Health, Safety and Wellbeing		- Social Development - Economic Development	GRI 403: Occupational Health and Safety (2018)	QSE S14, QSE S15
Labor Rights and Ethical Procurement	 	- Social Development - Economic Development	GRI 204: Procurement Practices 2016	QSE S16, QSE S18
Community Impact	  	- Social Development - Economic Development	GRI 413: Local Communities 2016	QSE S19, QSE S20, QSE S21
Food Quality, Safety and Information	 	- Economic Development - Social Development	GRI 416: Customer Health and Safety (2016)	N/A
Food Security	 	- Human Development - Social Development - Economic Development	N/A	N/A
Corporate Culture, Business Ethics and Compliance		- Social Development - Economic Development	GRI 2: General Disclosures 2021	QSE G30, QSE G32
Sustainable Growth	  	- Economic Development - Human Development	GRI 201: Economic Performance (2016)	N/A





**Delivering National and
International Food Security**

Role in Qatar's Food System

Food security in Qatar depends on the consistent availability of safe, nutritious food. Baladna supports supply continuity across essential dairy products and helps maintain stability in the national food system under changing market conditions.

Qatar's National Food Security Strategy 2030 prioritizes resilient domestic production, supply preparedness, and coordinated action across the food system. This provides the policy context for Baladna's role in maintaining availability during periods of disruption.

Baladna's role in national food provision

Baladna contributes to Qatar's food system through scale, reach, and operational reliability. In 2025, the company held an overall share of approximately 70% of the dairy market in Qatar, with more than 95% share in liquid milk. Its portfolio of 267 SKUs (stock-keeping units) was delivered to 3,806 customers through a network of 149 sales routes. This coverage supports consistent availability across Retail, Hotel, Restaurant and Café (HORECA), and institutional channels.

Market conditions became more demanding during the year. Dairy category growth slowed, competition increased across dairy and juice segments, and pricing pressure intensified. Inflation affected both consumers and retailers. Baladna responded by strengthening route optimization and execution at the point of sale. Continued investment in brand presence, targeted communication campaigns, and product innovation across core and health-focused categories reinforced this response. Merchandising was adjusted to prioritize key products and protect brand presence, helping to maintain availability in an increasingly competitive retail environment. Distribution performance remains critical to food security. Supply continuity depends on the ability to reach consumers consistently without compromising product quality as market conditions change.



Tarun Singh Panwar
QPD director

Quality, sustainability, and responsible growth are intrinsically linked. By embedding sustainability into our quality and product development processes, we are strengthening operational resilience, enhancing stakeholder trust, and ensuring that Baladna continues to deliver safe, nutritious products while contributing to long-term food security and sustainable development.

Case study — Evaporated milk

The evaporated milk contract provides a scalable foundation for strengthening Qatar’s long-term food security. Local capacity in a previously import-dependent category reduces exposure to external supply risks and supports national self-sufficiency objectives.

Context and food security relevance

Evaporated milk is a culturally important staple in Qatar and a core product within the national food subsidy program. Until recently, this category depended largely on imports, which increased exposure to external supply disruptions.

In this context, Baladna was awarded the national evaporated milk contract based on its operational capability, food safety performance, and ability to deliver required volumes within defined timelines. The contract supports household food security and self-sufficiency by ensuring that a key product remains available through local production, reducing reliance on external supply chains.

2025 actions and delivery

In 2025, Baladna became the first local producer of evaporated milk in Qatar. A dedicated production facility was built and commissioned to meet full national requirements, establishing year-round domestic production capacity for this category.

During the year, Baladna delivered 75 million cans of evaporated milk to government warehouses, meeting all volume and timing commitments without operational disruption.

Delivery relied on detailed production planning, strict food safety controls, and sufficient raw material and ingredient coverage to secure continuity of supply. Flexible production capabilities allow adjustments to sourcing or formulations when needed, strengthening the ability to maintain supply during external disruptions. These measures ensured that evaporated milk volumes reached end users on time and in full, reinforcing confidence in domestic supply.

The operating model established through the evaporated milk contract strengthens Baladna’s readiness to respond to future supply disruptions and evolving national food requirements. The experience gained in scaling domestic production, managing volumes, and maintaining continuity positions the company to support additional staple categories where local production can enhance system resilience.

Evaporated milk 2025

QAR
97,500,000
Value

12,729,600
Volume (Litres)

MOVING FORWARD

Baladna will continue to play a critical role in strengthening Qatar’s food security and resilience by ensuring the reliable production and distribution of safe, nutritious, and high-quality dairy and food products. As market conditions, consumer preferences, and national priorities evolve, the company will focus on maintaining operational resilience, enhancing supply chain efficiency, and supporting the objectives of Qatar’s National Food Security Strategy 2030. Through continuous investment in production capabilities, logistics, and innovation, Baladna aims to remain a trusted contributor to the nation’s food system and long-term food security ambitions.

Food Availability & Nutrition

Demand for healthier and more nutritious food continues to grow. In 2025, Baladna increased the availability of these options through product innovation and local production, improving access to healthier choices.

Greater availability of nutritious food plays a direct role in supporting healthier diets. In 2025, Baladna continued to integrate nutrition into core product development, ensuring that everyday dairy products contribute to balanced diets while remaining affordable and widely available.

Product development during the year followed Baladna's internal Nutrition Criteria, which align with international best practices. These criteria set limits for added sugars, salt, and fat across key product ranges. Fortification with essential vitamins, including vitamins A and D, remained standard for core dairy products. Most flavors continued to rely on natural or naturally derived ingredients, and the use of preservatives remained limited. This approach supports product quality, food safety, and consumer trust.

New product launches and innovation

Product innovation in 2025 expanded the availability of healthier dairy options and reduced reliance on imported products. Product development priorities remained anchored in food availability and local production, with consumer and market trends shaping the direction of innovation. During the year, Baladna launched 33 new SKUs, including high-protein drinkable products and Greek yogurt, and introduced a zero-fat Greek yogurt category. These launches responded to growing demand for high-protein, low-fat, and reduced-sugar options, reflecting the diverse nutritional priorities of health-conscious consumers. In parallel, both product reformulation and portfolio development prepared the company for evolving public health and regulatory requirements, including potential future sugar-related measures.

A new R&D pilot facility supported a faster and more cost-effective product development cycle in 2025. The facility enabled rapid prototyping and testing of new formulations, allowing Baladna to move from concept to shelf typically within 60–90 days. This capability strengthened responsiveness to consumer needs while maintaining quality, safety, and nutritional standards, and reinforced the availability of locally produced alternatives to imported products.

95%

of flavorings are either completely natural or extracted from natural sources

80%

of our products are free from preservatives



Case study — Greek yogurt and high-protein products

Local production of high-protein and Greek yogurt products expands the availability of healthier dairy options while reducing dependence on imports and supporting more affordable choices.

Context and relevance

Access to healthier dairy products often depends on affordability and local availability. In Qatar, high-protein and Greek yogurt categories have traditionally relied on imports, which limited access for price-sensitive consumers. Expanding domestic production of these categories supports healthier lifestyles and strengthens local food availability.

Baladna's innovation model positions the company to continue expanding the availability of healthier dairy products as consumer expectations evolve. Future development will balance nutrition, affordability, and local production, supporting broader access to products that meet diverse dietary needs.

2025 actions and market response

In 2025, Baladna expanded its locally produced Greek yogurt and high-protein ranges, positioning them as international-quality products at locally relevant prices. This approach increased choice for consumers without the price premiums typically associated with imported alternatives.

Market response demonstrated strong adoption. Sales of Greek yogurt nearly tripled since launch, reflecting growing demand and effective market positioning. High-protein products, including drinkable formats, further expanded options for consumers seeking convenient and nutrient-dense dairy products.

Product development benefited from an agile innovation model supported by the new R&D pilot facility. Rapid prototyping and testing enabled Baladna to move from concept to shelf in typically 60–90 days for selected launches. This capability strengthened responsiveness to consumer needs while maintaining quality, safety, and nutritional standards.



Public health partnerships

Public health partnerships support consistent nutrition standards and product quality across Baladna's portfolio. In 2025, collaboration with international research and testing organizations informed evidence-based product development and quality assurance practices.

Baladna continued research partnerships with Campden BRI (United Kingdom), Merieux NutriSciences AQ (Singapore), and Arla Foods (Denmark). These collaborations informed nutrition research, food safety, and testing protocols. New and reformulated products met international standards and remained aligned with local dietary needs.



MOVING FORWARD

Preparatory work undertaken in 2025 reflects a broader strategic shift toward probiotic and fermented dairy categories, aligned with growing interest in gut health and functional nutrition.

Responsible Growth

Responsible growth at Baladna focuses on building value through operational discipline and resilient systems. In 2025, the integrated “grass to glass” model enabled consistent growth and reinforced efficiency and continuity of supply, with confidence increasing among stakeholders.

Sustained performance requires growth that can endure pressure and scale without loss of control. In 2025, Baladna delivered strong and consistent growth aligned with social responsibility and environmental care, supported by an operating model designed to protect quality, availability, and trust.

This approach reflected a disciplined view of growth: Baladna relied on execution across its integrated value chain. Control over critical inputs, production standards, and distribution reduced exposure to volatility and reinforced reliability in a competitive market.

Governance embedded from the top

In 2025, responsibility, transparency, and accountability remained integrated into leadership processes through direct reporting lines to the Board.

This governance structure clarified responsibilities and risk ownership. Alignment between strategy, operations, and oversight remained consistent as the business scaled, contributing to predictable performance and credibility with shareholders and public stakeholders.

Sustainable growth drivers

1 Consumer-led growth

In 2025, Baladna engaged with more than 1.5 million consumers through targeted campaigns and seasonal initiatives that reinforced its role in daily life and local traditions.

This engagement informed product development, packaging updates, and communication priorities. Demand aligned more closely with consumer expectations, and brand trust increased, rather than short-term volume.

2 Operational efficiency and scalability

In 2025, Baladna expanded digital approval workflows across the organization, increasing approvals by 47%, and improving coordination and cost visibility.

Industrial optimization contributed further. Consolidation of production in Plants 3 and 4 reduced transport requirements and lowered transportation-related emissions by 2.7%. These efficiencies reduced operational risk and improved consistency across the system.

Supply chain resilience

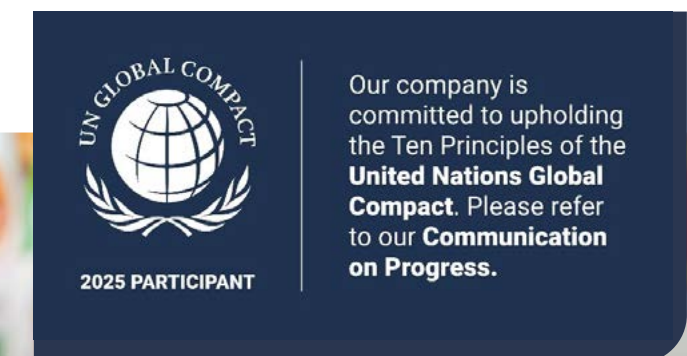
Continuity of supply remains essential to responsible growth. In 2025, Baladna managed supply chain risk through proactive monitoring of critical materials and flexible sourcing arrangements, which allowed timely responses to market disruptions such as resin and crude oil-related shortages.

Operational planning prioritized core products during periods of constraint. Availability remained stable, service levels were maintained, and reliability across the domestic market was preserved.

Ethical growth and global commitments

Following its membership in the United Nations Global Compact in 2024, Baladna operates within a shared framework for ethical conduct and transparency as the business grows across markets.

In 2025, this commitment informed governance practices, supplier relationships, and stakeholder engagement. Growth decisions remain anchored in accountability and responsible business practices.



MOVING FORWARD

Looking ahead, Baladna continues to refine its production systems to reinforce efficiency and supply reliability. Building on existing capabilities, the installation of an on-site can production line will further integrate evaporated milk processing, improving operational control and reducing supply chain dependency.



**Scaling Sustainable
Dairy for Resilience**

Regional Contribution

Scaling sustainable dairy systems beyond Qatar extends Baladna's food security role at a regional level. In 2025, operations in Syria and Egypt focused on resilience, local capability, and the replication of proven production systems.

Baladna's regional engagement extended its food security role beyond national borders. In 2025, the international program progressed with a focus on resilience and capability-building, consistent with a phased and structured expansion approach. Operations in Syria and Egypt applied production systems developed in Qatar to markets facing structural supply constraints, positioning Baladna as a regional food security platform.

Syria: Rebuilding local dairy capacity

Pressure on food availability in Syria has increased due to prolonged reliance on imports and constrained domestic production. Limited local capacity has heightened exposure to external supply disruptions and reduced system resilience.

In 2025, Baladna progressed an integrated dairy industrial project in Syria with an estimated investment of USD 350 million. The project scope includes dairy production, juice processing, packaging, and water treatment. A 150,000-square-meter site in Adra Industrial City was secured, and preparatory works advanced during the year. This structure reflects the development of a vertically integrated local production base designed to reduce reliance on external supply sources over time.

Project configuration follows Baladna's established integrated production model, adapted to local operating conditions. Technical input from Qatar informed production planning, quality standards, and operational governance. These elements align with the objective of restoring domestic dairy capacity and supporting continuity of supply in a challenging market context.

Egypt: Enabling regional coordination

Operational scale across multiple markets increased the need for coordination, shared services, and consistent execution. As Baladna's international footprint expanded, regional support capacity became a practical requirement.

In 2025, Baladna established Qatar Vision for Support and Services in Egypt as a wholly owned subsidiary. The entity provides back-office, technical, and operational support functions across international operations. Talent onboarding and systems alignment progressed during the year, improving coordination and operational consistency across the Middle East and North Africa.

This operational role sits alongside Baladna's strategic presence in the Egyptian dairy sector. The company's 16.25% shareholding in Juhayna, Egypt's largest dairy producer, continued to provide market insight and sector exposure in one of the region's most significant dairy markets. This relationship supports operational learning and informed decision-making as part of Baladna's wider regional program.

Partnerships and knowledge transfer

As Baladna expands its regional footprint, the transfer of operational expertise forms a core element of the international program. Experience developed in Qatar informs how new operations are structured, ensuring that expansion supports local capability and long-term resilience.

Operational input from Qatar shapes execution across partner operations. Technical teams work with local counterparts through structured training and operational guidance that address production planning, herd management, food safety, and quality control. These practices establish consistent operating standards and reduce execution risk as new platforms develop.

In Syria and Egypt, collaboration focuses on integrating proven operational protocols within local teams, while accounting for country-specific constraints and operating conditions. This approach supports gradual capacity development without compromising quality or control.

Consistency across markets depends on shared governance frameworks. International activities operate within Baladna's central governance and risk management structure, applying common accountability, compliance, and reporting requirements across subsidiaries and partnerships. This framework preserves transparency and operational discipline as the regional platform evolves.

The transfer of systems, skills, and governance practices reduces exposure to external supply disruptions in partner countries. As a result, Baladna functions as a regional platform for resilient dairy systems that extends its food security role beyond Qatar.



International Expansion

Expanding beyond Qatar reached a new scale in 2025. The Algeria project positions Baladna as a food security partner at national level, applying its integrated dairy model to support domestic self-sufficiency.

Algeria operations

Progress in Algeria became the clearest expression of Baladna's international expansion during 2025. Building on experience developed in Qatar, the project applies large-scale dairy and agricultural systems in partnership with national authorities to address domestic supply requirements.

Dependence on imported powdered milk shapes the context for the project. Algeria remains one of the world's largest importers in this category, and national policy has prioritized the development of local production capacity to stabilize supply. Baladna's operational experience with integrated dairy systems under challenging climatic conditions supported the establishment of a structured partnership aligned with this objective.

Integrated dairy platform at scale

Development combines arable farming, dairy operations and milk powder processing across a 117,000-hectare site in southern Algeria. The platform brings together feed production, dairy farming based on high-genetic Holstein herds, and industrial processing facilities. At full capacity, the integrated system is designed to support up to 240,000–270,000 cattle, generate approximately 1.7 billion liters of milk per year and produce close to 198,000 tonnes of milk powder annually, covering around half of Algeria's domestic demand.

Execution accelerated during 2025 as the project moved from feasibility into implementation. Design and planning activities for farming and processing components were completed, enabling construction works to commence. On-site progress included soil preparation, well drilling, and the installation of irrigation systems to support early stages of cultivation and feed production.

Delivery structure and phased execution

Delivery of the Algeria project follows a phased development structure. The project is organized into three integrated clusters that bring together arable land, dairy farming, and processing facilities. Total capital allocation across the clusters is approximately USD 3.5 billion, allocated to agricultural development, livestock investment, and processing infrastructure. This structure allows construction and commissioning to progress in a controlled and sequenced manner.

Financing arrangements reflect alignment between commercial delivery and national objectives. The project is supported by a public-private partnership framework that includes long-tenor local subsidized debt, a 20-year off-take agreement with Algeria's National Interprofessional Office for Milk and Dairy Products (ONIL), a 20-year bank payment guarantee and a 10-year tax-exemption period. Equity participation shares responsibility for implementation across the life of the project.

Operational execution and knowledge transfer

Operational practices developed in Qatar inform the configuration of farming and processing activities in Algeria. Knowledge transfer covers herd genetics, farm layout, and production standards applied across development clusters, providing a consistent operational reference as construction advances toward first milk production by the end of 2027.

Beyond production capacity, the Algeria project addresses broader structural priorities within the national food system. For Algeria, the development contributes to import substitution, supply stability, employment, and the modernization of agricultural practices. For Baladna, the project serves as a concrete reference for applying its operating approach at scale as engagement with additional markets continues.

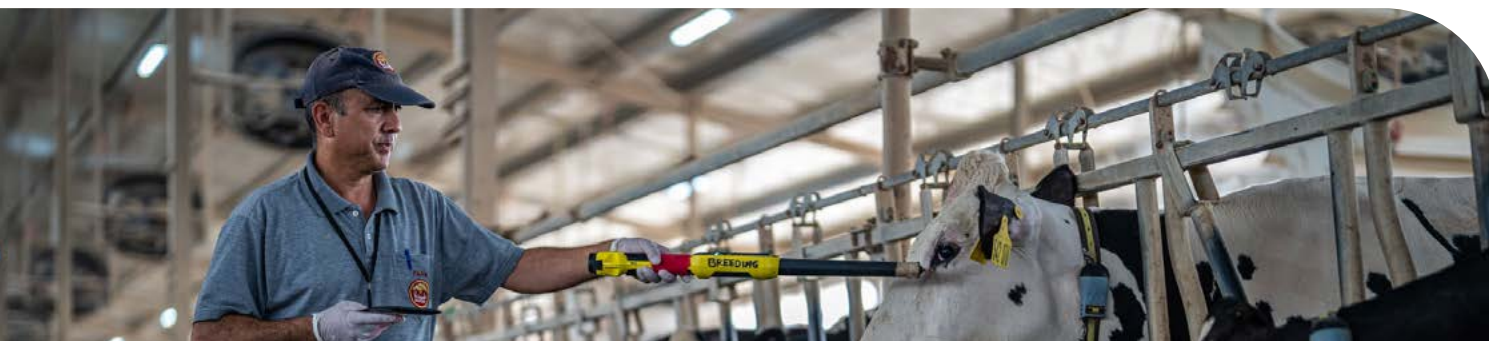
50%

of Algeria's powdered milk needs met by Baladna

MOVING FORWARD

Progress in Algeria is informing discussions with governments and partners in other markets, where similar approaches to strengthening domestic dairy production and food security are under consideration.

Looking ahead to 2028, Baladna's international program is expected to play a more established role alongside domestic operations, applying experience gained in Qatar and Algeria to food security initiatives developed through disciplined, partnership led engagement.





**Building Sustainable
Dairy Production Systems**

Climate Impact

Climate conditions directly influence how Baladna operates its production systems. In 2025, managing greenhouse gas emissions remained closely connected to energy use, livestock performance, and production reliability.

Greenhouse gas emissions arise primarily from energy consumption and livestock operations across Baladna's production footprint. In Qatar's operating environment, characterized by high temperatures and humidity, these factors have a direct effect on milk yield, animal health and overall production efficiency.

Maintaining stable operating conditions for livestock is therefore a core climate-related consideration. Cooling and ventilation systems are essential to manage heat stress, protect animal welfare, and avoid productivity losses during peak temperature periods. Energy-efficient cooling technologies allow production to remain consistent while limiting unnecessary energy demand under challenging climatic conditions, mobile combustion and fugitive sources, Scope 2 emissions from purchased electricity (location-based), and Scope 3 from operational waste.

Production context and climate conditions

Across farm facilities, Baladna uses integrated systems to monitor temperature, humidity, and air quality inside and outside barns. These systems provide continuous data on environmental conditions and gas concentrations, enabling timely operational adjustments and improved control over emissions associated with livestock housing.

Climate action in this context is closely linked to day-to-day decision making. This integration brings emissions management into production efficiency and animal welfare considerations, providing the operational basis for energy, livestock and infrastructure initiatives that Baladna is currently implementing across its operations.

These operating conditions influence energy demand and emissions sources across Baladna's production systems.

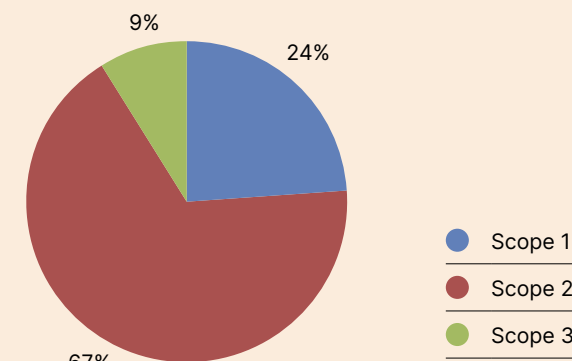
Greenhouse gas emissions overview

In 2025, Baladna reports its greenhouse gas (GHG) emissions for the first time, supported by an external specialist and aligned with internationally recognized methodologies. This initial inventory provides a baseline for understanding emissions sources across operations and will support more detailed tracking and disclosure in the coming years.

Emissions are presented in the table below, summarized by scope. The organizational boundary follows an operational control approach, covering owned and operated farms, processing facilities, warehouses, and offices in Qatar. Reported emissions include Scope 1 emissions from stationary combustion, mobile combustion and fugitive sources, Scope 2 emissions from purchased electricity (location-based), and Scope 3 from operational waste.

Baladna 2025 GHG Emissions

tCO₂e



Summary by Scope 2025

Scope 1 (tCO ₂ e)	24,366.39
Scope 2 (tCO ₂ e)	67,901.73
Scope 3 (tCO ₂ e)	9,138.07
Total (tCO₂e)	101,406

Managing emissions at source

Within Baladna's operations, energy consumption remains one of the main sources of greenhouse gas emissions. During 2025, selected facilities transitioned boiler systems to liquefied petroleum gas (LPG), reducing energy consumption per liter produced by 12%, and lowering associated carbon emissions and operating costs. This change demonstrates how fuel selection can reduce emissions intensity without affecting production capacity.

As herd productivity improved, emissions per unit of output declined at farm level. Gains in animal health, feed efficiency, and milk yield per cow reduced emissions intensity while reinforcing operational efficiency and animal welfare outcomes. Alongside these improvements, composting initiatives continued to limit methane emissions from manure. During the year, technical assessments of additional gas-capture options also progressed, focusing on feasibility and integration with existing farm systems.

Monitoring and digital tools

Across production sites, greater visibility over emissions and air quality became possible through expanded monitoring. Advanced odor and air quality systems tracked gases such as ammonia and volatile organic compounds on farms and in nearby communities, improving oversight of environmental conditions and enabling more timely operational adjustments.

In parallel, digital systems contributed indirectly to emissions reduction across production processes. AI-enabled feeding software and cattle monitoring tools improved feed utilization and reduced waste, lowering embedded emissions while contributing to more consistent output per animal and improved emissions intensity at farm level.



Infrastructure modernization and planned decarbonization

As part of a broader effort to reduce emissions linked to energy use, Baladna completed assessments, planning, and technical evaluation activities to transition selected operations from diesel-based power generation to connection with the national electricity grid through Kahramaa infrastructure (Qatar General Electricity and Water Corporation). Once operational, this transition is expected to reduce diesel consumption, lower generator maintenance requirements, and decrease greenhouse gas emissions associated with on-site power generation. Implementation is scheduled to commence in 2026.

Further efficiency gains were pursued through improvements in utility monitoring and building performance. An AI-supported, cloud-based metering system covering steam, water, and electricity consumption across production facilities was approved for implementation in 2026. In parallel, investments in upgraded insulation advanced during 2025, targeting reduced thermal losses and improved energy efficiency across facilities.

Beyond initiatives already planned, additional options continue under evaluation. These include biogas digesters to recover energy from manure and the planned conversion of boilers from diesel to LNG. These initiatives reflect a measured approach to decarbonization that considers emissions-reduction potential alongside operational reliability and capital planning requirements.

Sustainable distribution

Distribution and fleet emissions

Emissions associated with distribution and logistics represent a material share of Baladna's climate footprint. Across 2025, operational focus centered on fuel use, vehicle idling and route efficiency, reflecting the role of logistics performance in maintaining reliable supply while managing emissions.

As visibility over fleet activity increased, telematics and vehicle monitoring became central to fleet management. GPS systems were active across a significant portion of the vehicle fleet, enabling closer tracking of routes, engine run-time, and driving behavior. This information allowed operational teams to identify inefficiencies and implement corrective actions, contributing to year-on-year reductions in unnecessary engine use.

Driving behavior was addressed through targeted operational initiatives. During 2025, a pilot program using a manufacturer-provided eco-driving application recorded an average fuel reduction of approximately 15% across participating trucks. Following the pilot, the application was rolled out to the wider sales fleet, embedding more efficient driving practices into regular operations.

Transition toward lower-emission mobility

Mobility within farm operations also shifted toward lower-emission options. Small electric vehicles replaced diesel-powered units for on-site movement, reducing fuel use and emissions associated with internal transport activities.

Fleet electrification progressed on a pilot basis. The first fully electric sales truck was ordered during the year to assess operational suitability and performance under local conditions. In parallel, a formal asset planning framework was established to guide the gradual transition of the wider vehicle fleet toward electric alternatives, subject to operational feasibility and infrastructure readiness.

Digitalization and logistics efficiency

Administrative and customs processes continued to play a role in reducing distribution-related emissions. Digitalization initiatives introduced in previous years were fully implemented and scaled during 2025, reducing paper use, courier transport, and manual handling across logistics workflows.

Customs efficiency improvements further reduced idle time and fuel consumption. Baladna's Authorized Economic Operator (AEO) status enabled faster clearance and fewer inspections, limiting delays at borders and ports. Trade optimization through digital platforms improved route planning and shipment visibility, reducing unnecessary mileage and emissions.



David Morrissey
Senior Site Engineering Manager

Sustainable infrastructure is fundamental to operational evolution. Strategic investment in energy-efficient assets is at the forefront of our design philosophy as and when we modernize manufacturing technologies. We are bound by ambition to support long-term growth while improving environmental performance.



Sustainable distribution emissions reductions

Initiative	Fuel Saved (L)	CO ₂ Saved (metric tons)	Notes
Invoice Automation	N/A	~1.5	Paper, courier, manual processes
AEO Status	~43,800	~117.4	Reduced idle times at customs
Smart Trade Portal Optimization	~60,000	~210.8	Faster container clearance, fewer air shipments
Total	~103,800	~329.7	From all initiatives

Operational relevance

Reducing emissions across distribution activities contributes directly to supply reliability and cost control. Lower fuel consumption, shorter clearance times, and improved fleet performance reduce exposure to disruption while supporting timely delivery of essential products across the domestic market.

-41% CO₂
on import shipments
from Europe

-36.8% CO₂
in logistics
documentation process



-27%
Truck idling time



MOVING FORWARD

In 2026, fleet optimization efforts will build on the systems and pilots introduced in 2025, with a continued focus on fuel efficiency, idle time reduction, and operational reliability.



Sami Esteitie
Senior Shipping Logistics Manager

“Reliable and efficient distribution is essential to food security. By optimizing transportation networks, improving route efficiency, and enhancing supply chain resilience, we are ensuring that our products reach customers safely and responsibly while reducing operational impacts.”

Case study — Fleet idling reduction and low-emission mobility

Every hour of idling avoided helps cut emissions, save fuel and keep distribution running more efficiently.

Context and relevance

Emissions from logistics and distribution activities represent a material component of Baladna's overall climate footprint. Within fleet operations, vehicle idling is a key driver of unnecessary fuel consumption and associated emissions. Reducing idle time improves both environmental performance and operational efficiency, particularly in a context where distribution reliability is critical to maintaining consistent product availability across the domestic market.

2025 actions and operational performance

Baladna continued to strengthen fleet management practices through telematics-driven monitoring, route optimization, preventive maintenance, and fleet right-sizing. These measures enabled improved visibility over vehicle activity, including engine run-time and driver behavior, supporting targeted actions to reduce inefficiencies.

Fleet management data demonstrates significant progress in reducing truck idling intensity over a multi-year period. Since the 2022 baseline, idling hours per kilometer have decreased by approximately 52%, with ratios declining from 0.0363 in 2022 to 0.0176 in 2025. Improvements were sustained across 2024 and 2025, driven by the consistent application of operational controls and efficiency measures.

Overall, approximately 29.5 million kilometers were tracked across the fleet, covering multiple vehicle categories including sales trucks, transport vehicles, farm operations, merchandisers, and other operational units. These results reflect improvements in driver behavior, route planning, and broader fleet management practices, contributing to reduced fuel consumption and lower emissions intensity.

MOVING FORWARD

Baladna continues to explore opportunities to further reduce fleet emissions through operational improvements and technology adoption. During 2025, a pilot electric truck was tested under local distribution conditions, completing approximately 6,000 kilometers and demonstrating reliable performance and operational feasibility.

Building on these results, the company plans to continue testing electric vehicles under a wider range of operating conditions as part of its long-term strategy to transition toward a lower-emission fleet, subject to operational requirements and infrastructure readiness.



Water Management

Baladna's dairy and juice production depends on consistent access to high-quality water. Operational control focuses on efficiency and water quality across farms and processing facilities.

Water use across Baladna's farms and processing facilities is essential for cooling, cleaning, and livestock care. In Qatar's arid environment, where freshwater resources are limited, the reliability and quality of water directly affect production stability and long-term food security.

Operational control over water resources has therefore become a core management priority. Baladna produces the water required for its operations through reverse osmosis plants using groundwater from on-site wells, combined with the reuse of treated wastewater. This integrated approach reduces reliance on external freshwater sources while maintaining strict quality and hygiene standards.

Wastewater treatment and closed-loop management

Water reuse capacity increased significantly following the full commissioning of the Veolia Wastewater Treatment Plant. The upgraded facility processes large volumes of wastewater to a standard suitable for reuse across farm operations, including livestock cooling and hygiene systems. All treated wastewater is recycled into clean, reusable water, while solid manure is converted into compost, eliminating the need for lagoon-based storage.

This closed-loop system represents a significant operational differentiator at scale. With lagoons now fully decommissioned, Baladna has reduced environmental risk

while strengthening control over water quality and resource efficiency. In-house laboratory testing at the Veolia facility now monitors water quality at multiple stages of the treatment process, strengthening assurance, traceability, and compliance.

Water quality, efficiency and digital control

In 2025, Baladna advanced the digitalization of utility monitoring, replacing manual, paper-based processes with a real-time digital system across water and utility operations. Technicians now record readings directly via tablets, with automatic validation and instant alerts for abnormal or critical values.

This shift has transformed water quality management. Detection times for deviations have been reduced from several hours to less than one minute, lowering the risk of operational disruption and water quality incidents. The platform provides a full digital audit trail that records data inputs and subsequent actions. Traceability improves governance and reinforces accountability, while also supporting compliance readiness.

The system also enhances efficiency. Manual reporting has been significantly reduced, saving an estimated 485 working hours per year, while the structured dataset enables faster trend analysis and supports future applications such as predictive maintenance and intelligent utility optimization.

Water efficiency and scalable practices

Efficiency measures implemented in previous years continued to deliver results. The Smart Soaking System for livestock cooling operates on a demand-based principle, reducing water use compared to conventional cooling methods while maintaining effective temperature control for the herd. Optimized soaking cycles and fan-assisted evaporation improve cooling performance and reduce unnecessary water consumption.

Advanced water meters and a site-wide Water Balance Chart further strengthened control over water flows. These tools track abstraction, consumption, and reuse across operations, enabling early identification of leaks, losses or inefficiencies, and supporting continuous improvement.

Lessons from Qatar's water stewardship model are also informing international operations. While water management approaches will differ by geography, the underlying principle of responsible wastewater treatment and reuse is being adapted for Baladna's international expansion, including Algeria, where alternative closed-loop systems are better suited to local conditions.

Looking ahead, Baladna is progressing planning work to connect selected operations to the Kahramaa water network. This initiative is intended to reduce reliance on groundwater abstraction and optimize the balance between reverse osmosis and external supply, strengthening resilience in water-scarce conditions.

~800/day

Utility readings digitized

~350 hrs./year

Manual reporting hours reduced

**From 4–8 hrs.
to <1 min**

Deviation detection improvement

100% structured

Repeat-test tracking

~QAR 68,000/year

Estimated cost savings

Full digital tracking

Audit trail coverage

MOVING FORWARD

In 2026, water management efforts will build on existing treatment and monitoring capabilities, with continued focus on quality assurance, reuse and operational reliability across Baladna's production systems.



Velmurugan Pazhanivel
Environmental Manager

Effective environmental stewardship begins with understanding and managing our impacts. Through continuous improvements in resource efficiency, environmental monitoring, and operational performance, we are working to reduce our footprint while supporting the sustainable production of nutritious food.

Sustainable Agriculture Practices

In arid environments, agricultural performance is closely linked to ecosystem conditions around production sites. Baladna integrates sustainable agriculture practices into land management to improve ecosystem stability around its core operations.

Ecosystem conditions around farm operations influence agricultural performance over time. Practices that protect soil structure, moderate microclimatic extremes, and support biodiversity contribute directly to production stability and land resilience.

Environmental measures are assessed based on their relevance to production continuity, animal welfare, and food security. They aim to ensure that land stewardship remains aligned with operational requirements.

Planting native trees

Vegetation around production sites contributes to more stable on-farm conditions. Tree planting reduces dust and wind exposure, supports soil stability, and helps moderate microclimatic extremes around agricultural facilities. These effects limit environmental stress on land and livestock during periods of high temperatures.

Planting activities prioritize indigenous species adapted to Qatar's climate, selected for low water demand and long-term viability. Native trees also enhance biodiversity at farm level. Vegetation supports pollinators and beneficial species, improves habitat connectivity, and contributes to healthier ecosystem functions across agricultural landscapes. These outcomes reinforce land performance while remaining aligned with food security objectives.

Biodiversity and ecosystem management

Operating in a desert environment presents inherent challenges, where maintaining the balance between agricultural activity and surrounding ecosystems is particularly critical. Baladna integrates biodiversity considerations into its operations to support this balance and enhance long-term production resilience.

Environmental risks and impacts are assessed from the early stages of project development. An Environmental Impact Assessment (EIA) was conducted during the initial development phase of the Baladna Project and submitted to the Ministry of Environment and Climate Change (MoECC). The assessment covered key environmental aspects, including air and water quality, soil characteristics, groundwater conditions, geological features, and local flora and fauna. These analyses enable the identification of potential environmental impacts and inform the definition of appropriate mitigation measures, ensuring alignment between operational development and ecosystem protection objectives.

Building on this assessment-led approach, Baladna maintains close engagement with Qatar's Ministry of Environment and Climate Change (MoECC) to support regulatory compliance and contribute to national sustainability priorities. This includes the ongoing management of environmental

permits, regular monitoring of air emissions, ambient air quality, groundwater, treated wastewater and waste management activities, and the submission of periodic environmental reports. Baladna also supports MoECC inspections, implements corrective actions where required, and advances environmental improvement initiatives. Through this collaboration, the company contributes to national environmental monitoring, awareness and sustainability efforts in alignment with the Qatar National Vision 2030.

Operational practices further contribute to minimizing impacts on surrounding ecosystems. In particular, the use of cleaning chemicals in processing equipment (CIP) is managed through a structured and risk-based approach that prioritizes both environmental and food safety considerations. This includes risk-based chemical selection, optimized CIP dosing, prioritization of mechanical cleaning methods, and controlled monitoring of consumption, alongside continuous improvement initiatives. These measures help limit chemical inputs while maintaining hygiene standards, thereby reducing potential impacts on water, soil, and overall ecosystem health.

MOVING FORWARD

Baladna is committed to advancing sustainable agricultural practices that support long-term productivity while minimizing environmental impacts. Moving forward, the company will continue to focus on responsible resource management, particularly in relation to water, energy, land use, and agricultural inputs. Baladna will also seek opportunities to strengthen biodiversity considerations within its operations by promoting sustainable land stewardship, improving environmental monitoring, and integrating sustainability principles into agricultural decision-making to support ecosystem resilience and responsible food production.



Animal Welfare

Animal welfare is reflected in how Baladna’s production systems operate at scale. Consistent standards of care translate into healthier herds and reliable production outcomes.

Stable animal welfare outcomes are fundamental to consistent dairy production. At Baladna, herd health and wellbeing directly influence milk quality, productivity, and operational continuity across farming operations.

Animal husbandry is managed through structured farm policies and protocols that cover the full lifecycle of the herd. Care begins at birth and continues through development, breeding, and productive life on the farm. This lifecycle approach ensures that welfare considerations are embedded from the earliest stages, supporting sustained herd performance over time.

Farm policies and care protocols

Farm policies and procedures are aligned with internationally recognized animal welfare standards. These frameworks guide nutrition, housing, handling, veterinary care, and daily management practices, ensuring consistent attention to both physical health and behavioral needs.

Delivery is supported by experienced farm teams and veterinarians operating within clearly defined protocols. External consultants periodically review and update these protocols to reflect evolving best practice and scientific understanding. This governance structure provides assurance that animal welfare standards remain robust, consistent, and auditable as operations scale.

In 2025, Baladna further strengthened this approach by beginning preparations for NSF Animal Welfare Certification, with implementation planned for 2026. The process includes gap assessments, targeted process enhancements, employee training and alignment with international animal welfare standards. This work is intended to reinforce livestock wellbeing, strengthen transparency and support responsible dairy production practices as farm operations continue to evolve.

Operational relevance

Strong animal welfare systems reduce health risks, improve productivity, and limit reliance on corrective treatments. For Baladna, this results in healthier animals, more consistent yields, and a production model that supports national food security under demanding climatic conditions.

Animal handling and comfort

Reduced stress during daily handling has improved both animal wellbeing and operational consistency. At Baladna, changes to how animals move, rest, and are milked have lowered handling-related stress and supported calmer herd behavior across farm operations.

Milking and movement processes have been redesigned to prioritize comfort and efficiency. The implementation of ParlourBoss software allows individual cows to be identified

Animal Consultant Cooperation at Baladna

Consultant	Focus	Visit Frequency
 Nutritionist	Feed ration quality, assisting in adjustments for optimal performance, advice on ingredients	Every 12 weeks
 Breeding	Reproductive strategies and future planning	Quarterly
 Veterinarians	Overall care strategies, preventative healthcare protocols, treatment advice	Quarterly
 Specialists	When needed, other experts with specific areas of focus will be called upon (e.g., housing, ventilation systems, cooling technology, etc.)	As needed

automatically during milking, eliminating the need to hold animals in groups. Improved flow through parlors reduces unnecessary standing time and helps limit handling-related stress.

Comfort-focused handling systems

Automation has reinforced consistency and hygiene in routine operations. Robotics introduced in parlors support uniform milking intervals and higher hygiene standards, which contributes to better udder health.

Physical comfort has been strengthened through targeted infrastructure upgrades. Rubber matting in transfer lanes and holding areas provides a softer, more stable surface

that supports confident movement and improved comfort during daily routines. Grooved flooring further enhances stability and ease of movement between barns and parlors.

Rest and recovery are also managed more deliberately. In dry cow barns, red lighting has been introduced to support longer resting periods, which plays an important role in preparing cows for calving and the transition into lactation.

Youngstock handling has been improved through dedicated care systems. Pasteurization equipment supports calves as they move from colostrum to milk, improving immunity and early growth outcomes. These handling and comfort measures contribute to healthier animals and more predictable production performance.

Innovation: Climate and animal health technology

Stable environmental conditions have improved animal comfort and health across Baladna’s farms. Advanced climate technologies are used to manage heat stress, and maintain consistent conditions within barns, which is critical for animal wellbeing and performance in high-temperature environments.

Cooling and ventilation systems have been upgraded to provide uniform airflow and temperature control across housing facilities. Tunnel-ventilated barns and automated cooling systems provide consistent environmental conditions, while dedicated care systems support more consistent youngstock handling. Pasteurization equipment supports calves as they move from colostrum to milk, improving immunity and early growth outcomes. These handling and comfort measures contribute to healthier animals and more predictable production performance.

Core animal health systems in operation



Biosecurity system

Automated biosecurity spray systems are used to reduce the risk of disease entering, spreading within, or leaving farm operations. Human and vehicle disinfection controls form part of routine access management across sites.



Sensor-based animal monitoring

Real-time monitoring systems track rumination, movement, health indicators, reproductive cycles, and breathing rates at the individual animal level, supporting early detection and timely intervention.



Comfort-focused bedding and manure separation

Sand bedding provides cooling and comfort for cows. Sand is separated from manure, cleaned, and reused through a controlled process, supporting hygiene and animal comfort within barns.

Health monitoring and digital systems

Greater visibility into animal health has improved herd management. Sensor-based monitoring systems track rumination, mobility, breathing rates, and activity patterns at the individual animal level, enabling faster identification of deviations from normal behavior and earlier intervention when required.

Preventive health protocols were further strengthened through the adoption of pulse vaccination techniques, which minimize cross-contamination during vaccination by treating animals without shared contact points. This reduces disease-transfer risk and supports higher overall herd health.

Hygiene controls were also enhanced through the expansion of on-site chlorine production, supplying parlors, robotic systems, and other farm applications. As a result, reliance on external chemical suppliers was reduced while high hygiene standards were maintained across operations.

Visual analytics add another layer of health oversight. AI-enabled video systems assess locomotion and body condition as cows enter parlors, supporting earlier detection of lameness and changes in condition. These systems are currently deployed in selected facilities and are scheduled for wider rollout across operations.

Alongside investments in monitoring and animal health technologies, Baladna continues to explore innovations that support long-term

animal welfare and resilience. As part of its breeding strategy, the company is evaluating climate-adapted genetics that can enhance animals’ natural ability to thrive in high temperature and high humidity environments. One area of focus is the incorporation of the Slick Gene, a naturally occurring genetic trait associated with shorter and smoother hair coats. Animals carrying this trait are better able to dissipate body heat and maintain thermal comfort under warmer conditions.

By supporting more efficient body temperature regulation, climate-adapted genetics have the potential to improve animal comfort, reduce heat stress and enhance resilience in arid environments. The evaluation of these traits forms part of Baladna’s broader approach to responsible herd management, complementing advancements in housing, veterinary care, nutrition and digital monitoring systems. As climate change continues to influence agricultural systems worldwide, Baladna remains committed to identifying innovative solutions that strengthen animal wellbeing, support sustainable dairy production, and contribute to resilient food systems for the future.

Alongside health and mobility monitoring, nutrition management is increasingly informed by real-time data. Digital feeding systems monitor feed composition and intake patterns, supporting more precise adjustments and reducing inefficiencies. Additional AI-supported tools are planned for deployment in 2026, building on existing systems to further improve feed efficiency and overall herd health outcomes.



Outcomes, people, and performance

Stronger animal health outcomes translated into improved production performance across operations. In 2025, Baladna's flagship farm in Qatar recorded its strongest results to date across animal health, fertility, and yield indicators. Our herd performance continues to improve year-on-year against internally established benchmarks developed in collaboration with internationally recognized dairy specialists. These benchmarks reflect industry best practices and support our commitment to operational excellence, animal welfare, productivity, and sustainable dairy farming.

Health outcomes and antibiotic stewardship

Lower disease incidence has reinforced both animal welfare and production reliability. Mastitis cases reached record low levels, supported by improved hygiene

standards, robotic systems, and enhanced animal comfort. Lameness levels also declined, reflecting investments in flooring, bedding, and early detection tools.

Reduced disease pressure limits the need for antibiotic treatments, supporting responsible antibiotic use alongside improved milk quality and herd health. These outcomes demonstrate how preventive health systems deliver benefits across welfare, productivity, and food safety.

People and operational performance

Technology-enabled systems have also improved working conditions for farm teams. Robotics and automated handling reduce the physical demands of manual tasks, particularly during summer months, when extreme heat can place additional strain on staff.

Specialist expertise continues to support performance and oversight. Nutritionists, veterinarians, breeding specialists, and other consultants work closely with farm teams.



“The foundation of sustainable dairy begins at the farm. By prioritizing animal welfare, responsible resource management, and continuous innovation in farming practices, we are strengthening productivity and resilience while safeguarding the future of food production.”

Nicholas Cooper
Farming Director



MOVING FORWARD

Looking ahead, Baladna will continue strengthening animal welfare systems to support production consistency and operational efficiency. Ongoing improvements in health management and animal comfort are expected to further reduce disease risk and support predictable performance across operations.



Circularity & Waste

Through technology adoption and process improvement, Baladna continues to reduce waste and minimize environmental impact. Circular practices support responsible growth across the value chain.

Resource efficiency has become increasingly important across Qatar's food and beverage value chain. As expectations shift towards lower waste, improved transparency and more responsible resource use, Baladna's integrated model provides a strong foundation for circular practices at scale. This alignment reinforces the relevance of local production systems in a market, placing greater emphasis on quality and environmental responsibility.

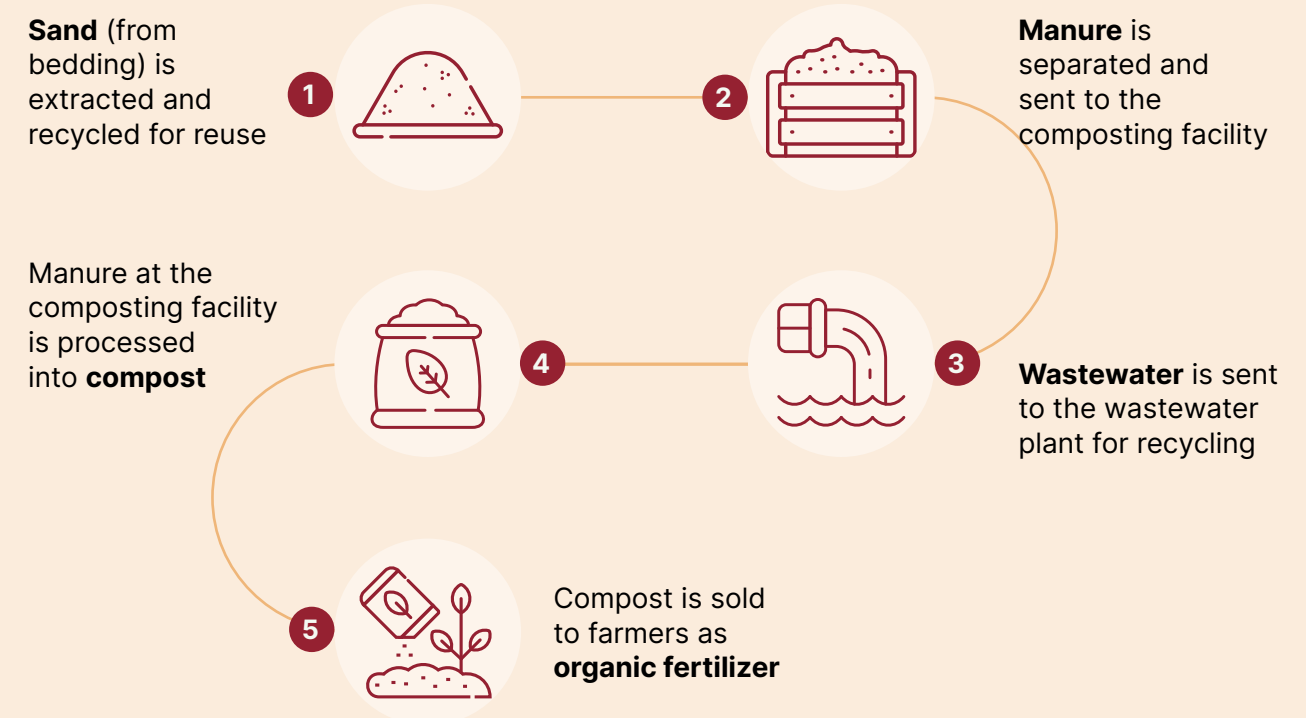
A circular approach to waste management underpins how by-products are handled across Baladna's activities. Waste streams are treated as resources through systematic separation, recovery, and reuse processes designed to minimize landfill disposal and improve material efficiency. This approach supports tighter operational control while reducing environmental exposure.

Clear separation of liquid and solid waste streams enables effective recovery pathways. Wastewater is directed to treatment facilities for recycling, while organic solid waste from farm operations is processed into compost through controlled facilities. These processes convert unavoidable by-products into valuable agricultural inputs, reducing disposal needs and supporting resource reuse.

Material recovery and reuse in practice

Material recovery systems further strengthen circularity within daily activities. The Sand Manure Separating system recovers sand from bedding, allowing it to be cleaned and reused within barns. This reduces material consumption, supports animal comfort, and optimizes farm-level resource use, reinforcing circular practices without introducing additional waste streams.

Baladna's Waste-Compost Transformation Process



Waste reduction initiatives focus on minimizing material use at source and improving recovery across key waste streams. Packaging, plastics, and other materials are managed to reduce waste intensity without compromising product quality or system reliability.

Reducing and recycling plastics

Material reuse and recycling initiatives have reduced plastic and cardboard waste across sites. Reusable carton trays and corrugated boxes are recovered and reused within filling and packaging lines, lowering disposal volumes and reducing demand for new materials.

Plastic waste generated during manufacturing is managed through internal recycling

processes. Rejected closures and bottles are reprocessed and reused as raw material substitutes, while steel cages have replaced disposable cardboard storage solutions for preforms. These measures improve material efficiency and deliver long-term cost savings.

Single-use plastic water bottles have been eliminated across Baladna's sites. Reusable flasks and water dispensers were introduced for employees, reducing plastic consumption associated with day-to-day activities.

Opportunities to reduce packaging weight are under assessment with planned reductions in bottle weight for selected product formats in 2026, aiming to improve material efficiency and reduce waste generation without compromising product integrity.



Organic waste and circularity links

Organic waste streams are managed to maximize reuse and limit unnecessary disposal. Feed refusal is measured daily and reused within appropriate herd groups, improving feed efficiency while avoiding avoidable waste. Further reductions in feed wastage are expected through the planned deployment of AI-enabled feeding systems, which will support more precise ingredient tracking and ration management from 2026.

Manure generated across farm operations is processed into compost through a third-party facility, converting organic by-products into agricultural inputs. This arrangement ensures controlled treatment and supports agricultural reuse while maintaining focus on core farming activities.

Additional waste streams are also managed through recovery and recycling pathways. Scrap metal is segregated and sold for recycling, while plastic intermediate bulk containers (IBC) are tracked and managed through the fleet waste system to support reuse and recycling.

Further circularity options are under evaluation, such as on-farm biogas digesters. They are being explored as a potential future solution to recover energy from manure and strengthen resource efficiency. These assessments remain at an exploratory stage.

Performance and data

Improved waste tracking has strengthened oversight and accountability across waste streams. In 2025, more robust recording and monitoring practices enhanced visibility over waste generation and disposal, supporting more informed decision making and tighter control of material flows.

Recycling programs delivered measurable results in 2025:

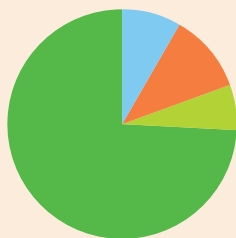
60

metric tons of waste were diverted from landfill

The distribution of waste generated across operations in 2025 is shown below.

Waste generation by type (2025)

Tons



Inert or ordinary	14,472.50
Recyclable	1,599.65
Flammable	0
Infectious	840.36
Debris	NA
Total	16,917.51

15,312.86

metric tons of waste were directed to disposal





**Responsible Dairy
Products & Value Chains**

Food Quality, Safety & Labeling

Every product carries responsibility to the people who consume it. From farm to fork, Baladna's preventive systems safeguard food quality and safety in line with regulatory and consumer expectations.

Consumer trust depends on consistent product quality and food safety outcomes. At Baladna, quality is managed as an end-to-end system that begins with raw ingredients and extends through manufacturing, distribution, and direct engagement with consumers across retail, food service, and hospitality channels.

A culture of quality underpins this approach. Clear roles, defined responsibilities, and continuous training ensure that food safety and quality expectations are understood and applied consistently across teams. This culture supports reliable customer experiences and reinforces confidence in Baladna products in everyday consumption.

Baladna's Food Safety Policy applies across the entire value chain, guiding sourcing, production, handling, storage, and distribution activities. By embedding quality requirements into daily routines, the company minimizes risk while ensuring products meet both regulatory standards and customer expectations.

Continuous capability building reinforces this system. Training programs, individual performance objectives, mentoring, and internal reporting mechanisms support early issue identification and transparent escalation. This approach strengthens consistency, reduces operational risk, and sustains long-term trust among customers and partners.

Food safety systems and preventive controls

Internationally recognized certification schemes provide independent assurance of system robustness. Baladna manufacturing sites operate under ISO 22000:2005 FSMS certification, recognized by the Global Food Safety Initiative, and maintain FSSC 22000 Version 6 certification. These standards are reinforced by the application of Hazard Analysis and Critical Control Points (HACCP) principles across food production processes.

On the production floor, these certification frameworks are translated into preventive controls applied at line level. Production lines are continuously monitored, with embedded safeguards designed to prevent non-conforming products from progressing through the system. Automated pasteurization controls and foreign-body detection systems, including metal detectors, identify and address potential risks before products reach consumers.

Regulatory alignment reinforces these controls. All Baladna products are registered and approved by the Ministry of Public Health against defined food safety specifications. Ongoing coordination ensures compliance with national requirements and supports public health objectives, reinforcing consumer confidence in product safety.

Quality assurance, audits and performance

Baladna applies a quality assurance model that combines preventive controls with verification processes to ensure products meet food safety and quality specifications before release.

Automated process monitoring is complemented by laboratory testing prior to product release, confirming compliance with microbiological and chemical standards. This dual-layer approach reduces reliance on corrective actions and strengthens confidence in product consistency.

In addition to maintaining FSSC certification, Baladna successfully passed major quality-related audits in 2025, including audits conducted by McDonald's and other key customers across hospitality and food service channels. These reviews provide independent validation of food safety and quality systems and support continuous improvement.

Baladna has maintained zero food safety-related product recalls since inception, reflecting the effectiveness of its preventive approach. In 2025, the company achieved 100% product quality and compliance across operations, reinforcing trust among customers and regulators.

Customer experience metrics further confirm system performance. In 2025, enhanced quality controls and customer-centric practices reduced consumer and customer complaints to 0.75 complaints per million units, half the established target. This outcome reflects alignment between quality systems, customer expectations, and service performance.

As Baladna expands into markets including Algeria, Syria, and Egypt, the same quality assurance and food safety protocols are being applied. Forward-looking plans include laboratory setup and recipe development aligned with existing standards, ensuring consistent outcomes as operations scale.



Operational discipline and loss reduction

Operational discipline is a critical extension of quality and food safety systems. At Baladna, controlling process losses is essential to protecting product integrity, reducing waste, and maintaining reliable supply across the value chain.

Loss in Process (LIP) is managed as a core performance indicator: a measure of production control from intake through to finished product. Stronger discipline on the production floor has reduced avoidable losses and improved predictability in manufacturing outcomes.

LIP performance has improved steadily over recent years, reflecting tighter process control and improved planning:

3.8%
in 2022

3.4%
in 2023

3.1%
in 2024

2.6%
in 2025, outperforming
the 2.8% target

Performance gains were driven by targeted process improvements across manufacturing operations. More accurate controls over finished product weights reduced overfill losses, while refined production planning limited unnecessary changeovers. Adjustments to process flush volumes further reduced material waste during manufacturing runs, contributing to more predictable outcomes and tighter control across the production process.

Lower process losses have implications beyond operations. Improved efficiency supports cost stability and helps preserve product availability without compromising quality. This connection between disciplined production and consumer accessibility reinforces Baladna's role in supporting food security through dependable, affordable products.



Labeling and consumer trust

Consumer trust is reinforced through accurate information and transparent communication. Baladna manages product labeling as an extension of its quality and food safety systems, recognizing its role in helping people make informed choices with confidence.

Regulatory requirements shape how this information is presented, with labeling practices aligned to Ministry of Public Health regulations, Gulf Standardization Organization standards, and Codex Alimentarius principles. Product packaging provides ingredient lists, nutritional information, and QR codes that allow consumers to access additional product and brand details beyond the point of sale. QR-enabled access to additional product information supports transparency and allows consumers to engage with product, sourcing and brand information beyond the shelf.

In practice, plain and explicit labeling supports informed health choices, particularly across core dairy products consumed daily by families.

In-house labeling guidelines define requirements for artwork, nutrition data, and product claims. All packaging materials and claims are reviewed and approved prior to launch, with periodic external testing conducted to verify nutritional values and ongoing compliance. Structured internal review processes involving quality and technical teams help verify the accuracy of product information and ensure compliance with applicable regulatory requirements before products reach the market.



Deepak Singh
Marketing and Communication Director

“Sustainability is increasingly important to consumers and stakeholders alike. Our role is to communicate Baladna's impact with transparency and credibility, helping build trust while highlighting how responsible dairy production contributes to food security and community wellbeing.”

Building trust through transparency

Consumer feedback informs continuous improvement. Packaging, product claims, and communications are assessed through qualitative consumer research, AI-supported insights, social listening tools, and an Ipsos consumer panel of approximately 4,500 participants. Feedback collected through dedicated customer channels is shared across marketing and quality teams to guide refinement and innovation. Insights generated through these channels are also used to inform product development, packaging enhancements, and communication strategies, helping Baladna respond to evolving consumer expectations.

Product quality is further validated through consumer product testing conducted at least twice annually, covering both existing and newly launched products. Brand and consumer indicators, including Brand Desire, "Most Often Consumed Brand," and sentiment insights, support data-driven decisions and ensure alignment with evolving consumer needs. This approach enables Baladna to continuously strengthen product quality, transparency, and consumer trust while maintaining alignment with changing market preferences and expectations.

1.5

Million consumers reached through social media

MOVING FORWARD

In 2026, Baladna will continue building on the trust placed in its products as the business grows beyond its home market. As operations expand, the same food quality and safety systems will guide how products are made, checked, and presented to consumers. This continuity is essential to protecting confidence, regardless of scale or geography.



Responsible Sourcing

At Baladna, responsible sourcing means setting shared standards and staying closely involved with suppliers. It frames how sourcing choices contribute to the quality people associate with our products.

Responsible sourcing is central to how Baladna protects product quality and supply-chain reliability. As a leading food and beverage producer in Qatar, the company recognizes that supplier practices directly influence food safety, brand trust, and operational continuity.

Governance provides the foundation for this approach. Baladna's Procurement Policy and Code of Ethics establish clear requirements for fair, transparent, and ethical sourcing. These are reinforced by mandatory Health, Safety, Security and Environmental (HSSE) standards that apply to all suppliers, creating a consistent baseline for responsible conduct across the supply base.

From policy to supplier selection

Supplier selection is guided by structured due diligence before any commercial relationship is established. Potential suppliers are evaluated through a Supplier Registration Questionnaire that assesses business practices, quality systems, and operational capability. Compliance with defined requirements is mandatory, including ISO 22000 certification, Halal certification, GMO and allergen declarations, pesticide and heavy-metal disclosures, and food-grade packaging certification. This process reduces risk at the point of entry and supports consistent sourcing decisions.

Responsible sourcing also reflects national priorities. Alongside international procurement, Baladna continues to strengthen its focus on local sourcing through Qatar's In-Country Value (ICV) program. Building long-term relationships with trusted local suppliers supports supply resilience, contributes to local economic development, and reinforces alignment with national food-security objectives.

Oversight that continues beyond onboarding

Maintaining responsible sourcing standards requires oversight that extends well beyond initial onboarding. Across Baladna's supply base, supplier performance is monitored over time to ensure that quality, safety, and compliance expectations remain in place as relationships mature.

Before onboarding, raw-material and packaging suppliers undergo pre audits to verify food safety, hygiene, and ingredient quality. Once approved, suppliers are audited every three to five years based on certification status, including alignment with GFSI-recognized schemes and ISO 22000 certification. For dairy operations, feed samples are tested in USDA-accredited laboratories to confirm compliance with international standards.

Maintaining standards over time

Beyond formal audits, performance monitoring continues through regular reviews. Annual vendor evaluations and regular certification reviews help identify potential risks and improvement opportunities across both local and international suppliers. This cyclical approach allows issues to be addressed early, supporting consistency and reducing disruption to operations.

When gaps are identified, Baladna emphasizes remediation and engagement. Suppliers, particularly in areas such as secondary packaging, are supported through corrective action plans and guided toward internationally recognized certifications and quality standards. This collaborative model strengthens supplier capability and contributes to more resilient, long-term relationships.

Regular interaction with suppliers forms a central part of how responsible sourcing is maintained over time, supporting quality improvement, operational performance, and local supplier development as Baladna continues to expand local sourcing in line with ICV objectives.

Reliable delivery performance provides a tangible signal of how supplier relationships function in practice. In 2025, Baladna maintained its reputation for 100% on-time delivery in Qatar, reflecting the stability and coordination achieved across its supply base.

MOVING FORWARD

As sustainability expectations across global supply chains continue to increase, Baladna will further strengthen its responsible sourcing approach by embedding ESG considerations into supplier engagement and procurement processes. The company aims to enhance supplier transparency, promote ethical and responsible business practices, and encourage alignment with environmental and social performance expectations. Future efforts will focus on developing a more structured supplier sustainability framework, improving supplier assessments, and fostering long-term partnerships that contribute to sustainable value creation throughout the supply chain.



People & Communities

Workforce Development

A skilled and stable workforce underpins Baladna’s ability to operate complex production systems and deliver food security at scale. Workforce development focuses on building capability, continuity, and engagement across the organization.

Operating large-scale, highly automated food systems depends on people with the right skills and experience in place over time. In 2025, Baladna’s workforce strategy focused on two key priorities:

- **Lower turnover and stronger internal promotion**, supporting continuity in critical roles and preserving operational know-how.
- **Higher employee engagement**, reflecting the link between workforce stability and the reliability of complex, round-the-clock operations.

Managing a large, multi-site workforce requires structured systems rather than ad-hoc processes. Human resources policies and procedures are regularly reviewed to remain aligned with regulatory requirements and evolving operational needs, with updates communicated through established internal platforms, including SAP SuccessFactors and Microsoft SharePoint. This approach supports consistency across a diverse workforce and enables clearer expectations around roles, performance, and development.

Digitalization continues to strengthen workforce management. The ongoing integration of AI-enabled HR systems supports workforce analytics, productivity, and targeted upskilling, allowing managers to make more informed decisions on capability development and resource planning. Further digitalization

of training analytics is planned as part of Baladna’s broader system evolution.

Workforce development priorities are aligned with national and international frameworks. Baladna’s human resources strategy supports the Qatar National Vision 2030 and relevant UN Sustainable Development Goals, including decent work, reduced inequalities, health and wellbeing, and partnerships. This alignment reinforces the role of employment and skills development as part of the wider food security ecosystem.

Workforce profile

Baladna’s workforce reflects the scale and complexity of its operations across farming, manufacturing, logistics, and support functions. In 2025, the organization employed 1,871 people representing 31 nationalities, providing the breadth of technical and functional expertise required to operate continuous production systems.

A total of 208 new employees joined the organization, with a strong concentration under the age of 50, contributing to workforce renewal and succession over time. Gender representation, nationality mix, and hiring data are monitored to inform workforce planning and ensure that recruitment and progression practices remain aligned with operational requirements and national objectives.

Category	Breakdown	Value 2025
Total workforce	Total	1,871
	Female	35
	Male	1,836
Number of nationalities in the workforce		31
Number of new hires	Women	5
	Men	203
	Total	208
Age of new hires	Under 30 years old	106
	31–50 years old	97
	Over 50 years old	5
Number of employees leaving	Women	17
	Men	239
	Total	256
Age of employees leaving	Under 30 years old	65
	31–50 years old	180
	Over 50 years old	11
Employees returning after parental leave	Women	N/A (no woman took parental leave in 2025)
	Men	15

Talent attraction and retention

Sustaining reliable operations depends on retaining experience and ensuring that critical roles are continuously fulfilled. In 2025, talent priorities emphasized lower voluntary turnover and stronger internal promotion, helping preserve continuity in critical teams and limit disruption where operational sensitivity is highest.

Structured career pathways and individual development plans provide employees with visibility over progression opportunities, aiming to align personal growth with organizational needs. This clarity supports engagement and encourages long-term commitment in roles that require accumulated expertise.

Leadership continuity receives particular attention. Succession planning is in place for critical positions, supported by targeted development actions and regular talent reviews. In parallel, the International Executive Development Program, delivered in partnership with institutions such as IMD and INSEAD, strengthens leadership capability and supports readiness for expanded responsibilities as the organization grows.

Systems that support growth and recognition

In 2025, Baladna completed the migration of its SuccessFactors platform, enabling employees to access career paths, competency models, and role readiness assessments online. Career paths were designed for all staff roles and structured around a five-step development journey, improving transparency and consistency in how progression decisions are made.

In relation to employee recognition, Baladna operates a tiered recognition program that forms part of its broader talent management system, including Star of the Quarter, Star of the Year, and an Employee of the Month award for operational and frontline roles. These initiatives highlight behaviors aligned with company values and reinforce performance expectations through visible acknowledgment. Monthly team gatherings bring employees together for updates, celebrations, and recognition events. Over time, this approach supports the retention of experience in critical roles and reinforces a sense of shared accountability across teams. Looking ahead to 2026, a new years-of-service award scheme will be introduced.

Training and career development

Operating large-scale, highly automated production systems places sustained demands on technical skills, judgment, and experience. Training and career development at Baladna are designed to support role readiness and reduce reliance on corrective actions in operationally sensitive environments, where consistency and accuracy matter most.

Development needs are identified through performance reviews, role requirements, and defined competency expectations. This allows annual training plans to remain closely aligned with operational priorities and ensures that learning investment translates into practical applications on the job.

Career architecture and capability frameworks

During 2025, Baladna introduced an internal Job Family Matrix that brings consistency to how roles and grades are defined across the organization. Expectations related to scope, responsibility, and required skills are clearly set out within defined job families and levels, allowing progression pathways to be understood more easily and development and compensation decisions to be applied with greater consistency.

Defined competency frameworks reinforce this structure by setting out the capabilities expected across roles. Core, technical, and leadership competencies guide performance appraisal and development planning, helping employees understand what is required to progress and enabling managers to identify readiness and capability gaps with greater confidence.

Learning delivery and scale

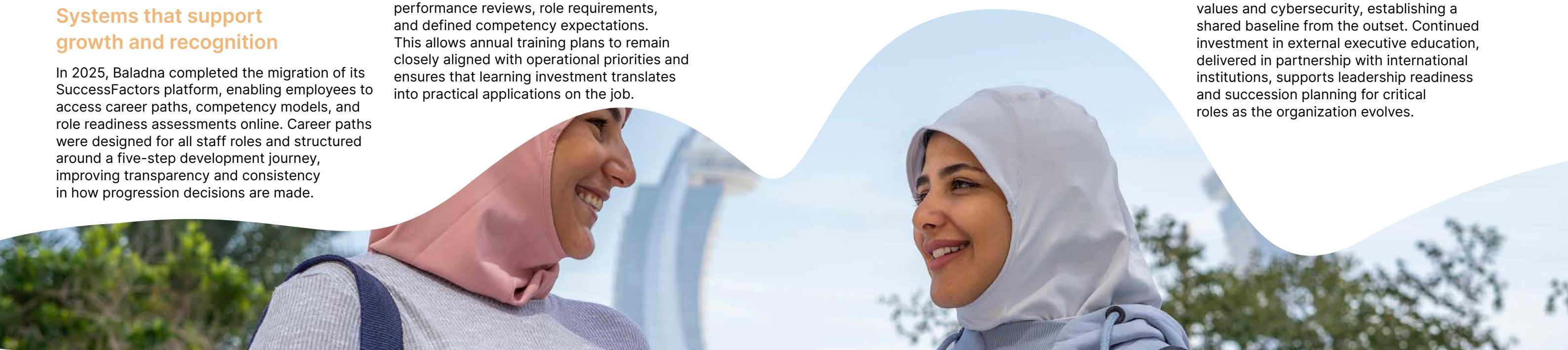
As digital delivery becomes more central to how learning is accessed and applied, scalable platforms are used to support flexibility across roles and locations. In 2025, the rollout of the Cornerstone e-learning system expanded access to learning resources across the organization. Certificates and digital badges are used to reinforce completion and application, helping translate learning activity into operational practice.

Key training outcomes during the year included:

361 employees with access to more than **12,000 courses** through Cornerstone

14,450 training hours delivered through **169 programmes**

Alongside day-to-day skills development, structured induction and leadership education contribute to longer-term capability building. New joiners complete a corporate induction covering mandatory topics such as company values and cybersecurity, establishing a shared baseline from the outset. Continued investment in external executive education, delivered in partnership with international institutions, supports leadership readiness and succession planning for critical roles as the organization evolves.



Compensation, benefits and engagement

In demanding operational environments, Baladna emphasizes consistent and transparent employment conditions as a basis for workforce stability. Compensation and benefits are designed with this objective in mind, allowing pay decisions to be clearly understood, explained, and sustained as the organization grows. This design provides a stable reference for employees and managers as roles evolve and workforce requirements change.

A structured Total Reward System underpins this model. During 2025, pay benchmarking and role grading activities were used to bring greater coherence to how similar roles are positioned across departments. This work clarified career architecture, supported defensible salary bands, and provided a clearer basis for progression and reward decisions, reducing ambiguity for both employees and managers.

Compensation decisions draw on a combination of role scope, responsibility, and market reference points. This allows competitiveness to be maintained without creating internal distortions, an important consideration in a workforce that spans multiple functions and operational contexts.

Engagement and connection in daily operations

Sustained engagement is shaped by everyday experience as much as formal policies. Regular feedback channels, including a confidential grievance committee and an employee suggestion platform, remain available between biennial engagement surveys, ensuring that concerns and ideas can be raised without delay.

Wellbeing initiatives address the cumulative pressures of continuous operations. During 2025, activities such as mental health days, resilience training, and the annual Wellbees Step Challenge encouraged participation across teams. The Wellbees Step Challenge also generated wider social value, resulting in 4,725 meals donated through a partner organization.

Delivered

14,450
training hours

through

169 programs

reaching

82%
of employees



MOVING FORWARD

Workforce priorities for the coming period remain focused on reducing voluntary turnover, increasing internal mobility, and expanding development opportunities. Continued progress on Qatarization and the development of a sustainable national talent pipeline will remain central to workforce planning.



Andrea Lozano
Talent Development Manager

“ Building a sustainable future requires investing in people. Through continuous learning, capability development, and a culture of accountability, we are equipping our workforce with the knowledge and skills needed to drive innovation, resilience, and long-term success. ”

Health & Safety

Everyone working at Baladna should feel confident that their health and safety are taken seriously and creating that assurance remains a central priority for the company.

Working across farming, manufacturing and logistics environments in Qatar requires health and safety practices that are consistently applied. At Baladna, this is reflected in a focus on protecting employees and contractors in day-to-day working conditions, with particular attention to physical safety, wellbeing, and respect for human rights across all sites.

Health and safety governance follows Qatar's Labor Law and guidance issued by the Ministry of Labor, the Ministry of Interior, and the Ministry of Social Development and Family.

Health & Safety governance implementation

Responsibility for health and safety is implemented through defined roles and structures across the organization. The Health, Safety, Security and Environment (HSSE) Department oversees implementation, supported by Health and Safety Committees established within each department. These committees meet at least once a month to review incidents and accidents and to examine

investigation findings. Lessons learned are shared with employees and contractors to support awareness and preventive behavior.

Consistency across sites relies on standard operating procedures that guide how safety risks are managed during routine activities and emergency situations. These procedures cover areas such as fire protection and injury response and are reinforced through follow-up actions informed by performance indicators. Defined KPIs allow trends to be identified, and corrective measures to be taken where needed.

Key elements of this governance structure include:

- Department level Health and Safety Committees meeting monthly
- Incident investigation reports shared for learning and prevention
- Clear procedures covering emergency preparedness and on-duty injuries

During 2025, Baladna developed a new Occupational Health and Safety Management System aligned with ISO 45001 and began implementation ahead of certification activities. This step reinforces consistency in how health and safety is managed across demanding working environments.

Health and safety risks are identified and assessed across Baladna's operations to reduce the likelihood of incidents before they occur.

Risk assessments are conducted throughout the organization and have increased over time in both number and depth. When incidents do occur, thorough investigations are carried out to understand root causes and identify underlying factors. Findings are reviewed and incorporated into preventive measures, allowing health and safety practices to evolve based on experience while reducing the risk of recurrence.

Risk assessment, training and learning

Ongoing training plays a central role in translating risk management into safer day-to-day behavior. All employees and contractors, particularly new joiners, receive Toolbox Talks (TBTs) that address safety and security within their specific work environments. Supervisors are provided with Behavior-Based Safety (BBS) training, equipping them to recognize unsafe conditions and intervene early. Training needs are reviewed regularly to ensure relevance as roles, activities and risk profiles change.

Health and safety performance is monitored through defined indicators that provide visibility to outcomes and trends. In 2025, key metrics included:

Heat stress incidents, reflecting preventive measures in high-temperature environments	0
Lost-Time Injury Frequency Rate (LTIFR)	0%
Number of recordable cases	7
Number of incident investigations completed	10
Number of risk assessments conducted across operations	73
Health & Safety Training hours	12,400 (6.2 hrs./Employee)
Number of risk assessment training hours	112.5 hrs

These indicators are reviewed alongside qualitative findings to guide corrective actions and continuous improvement.

MOVING FORWARD

The health, safety, and wellbeing of employees, contractors, and visitors will remain a fundamental priority for Baladna. The Company will continue to strengthen its safety culture through proactive risk management, training, awareness programs, and continuous improvement initiatives. By leveraging performance monitoring, incident prevention measures, and employee engagement, Baladna seeks to maintain a safe working environment while supporting workforce wellbeing, operational excellence, and a culture of shared responsibility for health and safety across all facilities.



Community Impact

Through sustained engagement, local partnerships and national talent development, Baladna contributes to social resilience while reinforcing its role as a trusted national platform.

Social resilience and trust were reinforced through community engagement in 2025, as Corporate Social Responsibility (CSR) remained embedded across Baladna’s operations and stakeholder relationships. Community initiatives were designed to deliver tangible outcomes while strengthening the company’s role as a responsible national contributor with a long-term presence in Qatar.

Community investment is aligned with business priorities and national development objectives, ensuring relevance, continuity, and scale. This alignment has enabled community engagement to expand steadily in both reach and depth over recent years, while maintaining a clear link to Baladna’s operating model and food security mandate.

Community priorities

During 2025, community engagement concentrated on areas where Baladna’s expertise and partnerships can deliver lasting benefits. Education and youth development, humanitarian support, and the promotion of active lifestyles remained central, reflecting priorities that strengthen social wellbeing while contributing to national resilience.

Education initiatives focused on practical skills and career awareness. In partnership with Dreama Orphan Care Center, Baladna delivered the “Dairy Expert” Summer Training Program, offering students a structured introduction to the dairy industry. Classroom learning was complemented by hands-on exposure to production processes, food safety and quality standards, strengthening vocational capability and broadening understanding of career pathways in food production and agribusiness.

Humanitarian initiatives addressed immediate community needs during key periods of the year. Support for the Rafeeq Al Khair charity campaign during Ramadan provided essential food and beverage products to families in need. At the same time, employee participation in the Wellbees Step Challenge converted individual wellbeing efforts into a collective social impact, resulting in 4,725 meals donated to UNICEF for child beneficiaries.



Community wellbeing was further supported through investment in active lifestyles. Sponsorship of Al Khor Sports Club and participation in national sporting and cultural initiatives contributed to broader participation in sport and physical activity, in line with Qatar National Vision 2030.

Reflecting the scale of this engagement, total CSR expenditure increased to **QAR 15.2 million in 2025**, compared with QAR 8.9 million in 2024.

Community engagement initiatives (2025)	
Education	Dreama “Dairy Expert” Summer Training Program
	Dreama Summer Camp 2025 Sponsorship
	Sponsorship of DADU Children’s Museum of Qatar
	Sponsorship of programs at Qatar Museums
	KidzMondo Doha (Aura) sponsorship
	Sponsorship of the “CSR and Sustainability Fair Event” (Education Above All)
Humanitarian	Academic outreach and education partnerships
	Rafeeq Al Khair (Ramadan charity campaign partner)
	Humanitarian partner – Qatar Charity
Active Lifestyles	Wellbees Step Challenge (meal donations to UNICEF)
	Al Khor Sports Club sponsorship
	Al Rayyan Club sponsorship
	Sponsorship of the Amir Sword Festival (Qatar Equestrian Championship)
	Baladna & UDST partnerships for sports and wellness
Sponsorship of Baladna’s Padel Court	

ICV & Contribution to workforce nationalization

Economic resilience and local capability advanced significantly in 2025 through Baladna's In-Country Value (ICV) strategy and workforce nationalization efforts. These initiatives strengthened domestic sourcing, supported local employment, and reduced exposure to external supply risks.

ICV performance continued to serve as a business-critical lever. Strong local value creation supports operational continuity and is increasingly relevant for eligibility in government and strategic contracts. In 2025, Baladna achieved an ICV score of 82.47% under Qatar's Tawteen program, compared with 32% in 2024. This progress is notable given the structural reliance on imports across the dairy and food manufacturing sector and reflects sustained efforts to localize value where feasible.



Building a long-term national talent pipeline

Workforce nationalization remained a strategic priority, with emphasis placed on building a sustainable pipeline of Qatari talent across technical, operational, and leadership roles. The Baladna National Talent Program continued to provide structured career development, professional mentoring, and practical industry exposure aligned with long-term organizational needs. In 2025, three Qatari professionals joined the company through this program as part of a broader national development agenda.

Early-career development continued to strengthen access to the food and agriculture sector through internships, graduate recruitment, and targeted talent programs. Over the past two years, Baladna hosted ten interns and recruited new graduates, expanding entry pathways and practical industry exposure. High-potential employees also participated in the Young Qatari Talent Program, which included international training assignments designed to broaden professional experience and support future leadership capability.

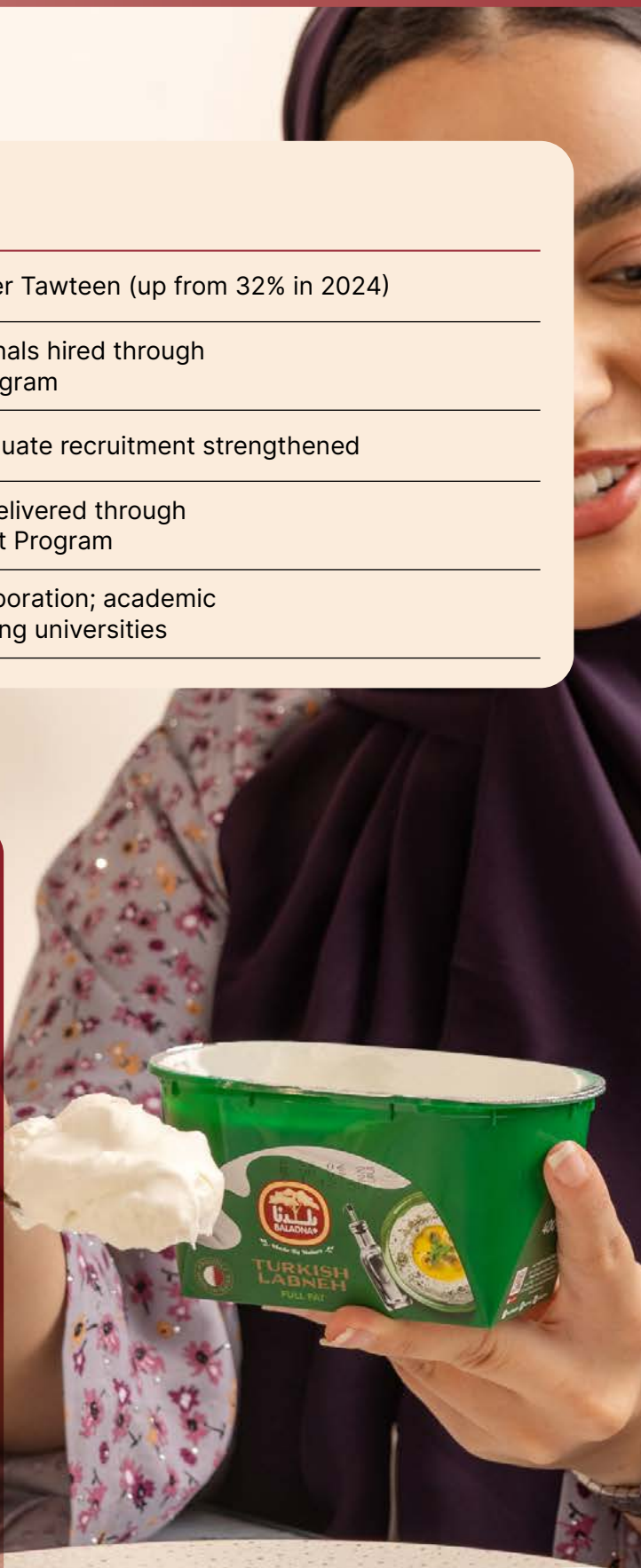
These efforts were reinforced through collaboration with the Ministry of Labor. Programs delivered through this partnership included government-sponsored scholarships in priority disciplines, paid internships offering hands-on operational exposure, and fully funded training placements under the Tawteen program. By the end of 2025, targeted recruitment campaigns and active university engagement had contributed to a threefold increase in the number of Qatari employees across the organization.

Academic partnerships further supported national capability development through job fairs, internships, plant visits, and research collaboration with leading universities, aligning education outcomes with industry needs and Qatar National Vision 2030.

Focus area	Key outcomes
ICV performance	82.47% ICV score under Tawteen (up from 32% in 2024)
National recruitment	Three Qatari professionals hired through the National Talent Program
Early-career development	10 interns hosted; graduate recruitment strengthened
Talent development	International training delivered through the Young Qatari Talent Program
Partnerships	Ministry of Labor collaboration; academic engagement with leading universities

MOVING FORWARD

Baladna will continue to strengthen consumer trust through a focus on product quality, food safety and innovation. By combining rigorous quality assurance with ongoing consumer engagement, the company can respond to evolving preferences while supporting food security and delivering safe, nutritious and high-quality products to consumers across Qatar and the region.





**Upholding Ethical
Conduct & Managing Risk**

Ethical Conduct

Trust in food systems is built through consistency and accountability. At Baladna, ethical conduct provides the foundation that keeps supply reliable and safeguards confidence over time.

Ethical conduct defined how Baladna operated throughout 2025, with stakeholders' expectations around integrity applied consistently as the organization expanded in scale, complexity, and geographic reach.

Oversight of ethical conduct is embedded within Baladna's corporate governance framework, where the Board and its committees provide direction and supervision, supported by Executive Management and the Internal Audit, Legal, Compliance, HR and Risk Management functions. These roles establish policy application, escalation pathways, and accountability, creating coherence across operations.

An open-door approach enables employees to raise concerns, seek guidance and question practices that do not align with company values, while leadership behavior establishes expectations around accountability in routine decisions. These expectations are introduced early through induction programs and reinforced through ongoing awareness initiatives, ensuring that ethical conduct operates as a practical guide for how work is carried out across teams and functions.

Ethical sourcing and responsible procurement

Baladna's integrated "grass to glass" model maintains control from sourcing through to finished products, directly linking ethical conduct to product integrity and system resilience. In a food security context, this level of control matters because ethical choices influence reliability of supply and public confidence, particularly in environments where continuity cannot be compromised.

Ethical standards extend beyond Baladna's own operations into the supply chain, where sourcing decisions directly affect product quality and operational continuity. Long-term relationships with suppliers are therefore prioritized, with emphasis placed on alignment with defined requirements rather than short-term or transactional engagement.

Procurement activities operate under formal policies, including the Procurement Policy, Code of Conduct, and Code of Ethics, which set clear expectations for quality, safety, security, and environmental practices. Suppliers are required to meet these standards as a condition of engagement, establishing a consistent baseline for responsible sourcing that reduces supply-chain risk and safeguards food safety across the value chain.

Supplier oversight and assurance

Ethical sourcing principles are translated into assurance through structured supplier oversight processes. Potential suppliers are assessed through formal evaluations that examine business practices, quality systems and compliance readiness, with requirements covering recognized certifications, product declarations and regulatory alignment.

Ongoing assurance is maintained through a risk-based approach to audits and inspections. Raw material and packaging suppliers undergo pre-onboarding assessments, while periodic audits and site visits verify continued compliance with agreed standards. These controls provide confidence that ethical and quality expectations remain embedded over time, rather than relying solely on initial screening.

Grievance mechanisms and whistleblowing

Accountability is reinforced through accessible reporting mechanisms that allow concerns to be raised confidentially. Employees and other stakeholders can report potential misconduct or unethical behavior through established channels, with clear assurances of impartial handling and protection from retaliation.

Grievances may be submitted through formal HR procedures, direct engagement under the open-door policy, or designated digital reporting channels. Whistleblowing workflows define how reports are reviewed, investigated and resolved, ensuring consistency in how issues are addressed and enabling corrective action where required.



Compliance monitoring and internal controls

Compliance oversight is integrated into Baladna’s broader governance and risk management framework, where management reviews selected ethics and compliance-related indicators, including grievances, whistleblowing reports and investigation status. Information is reviewed through established governance channels, allowing timely intervention when needed.

Internal controls, compliance reviews, and Internal Audit activities provide additional assurance across operations. During 2025, no material instances of non-compliance or regulatory breaches were identified. Where isolated observations arise during normal business operations, management action plans and follow-up monitoring are used to address root causes and improve control effectiveness.

Ongoing improvements in compliance practices remain focused on clarity, consistency, and accountability, ensuring that ethical expectations are applied as the organization continues to operate at scale.

Ethical conduct and compliance overview (2025)

Focus area	Governance approach
Ethical oversight	Board and committee supervision supported by executive management
Policies	Code of Conduct, Conflict of Interest, Anti-Bribery & Anti-Fraud, Procurement, Whistleblowing
Reporting mechanisms	HR grievance process, confidential whistleblowing channels, open-door policy
Supplier assurance	Structured evaluations, pre-audits and periodic inspections
Monitoring & assurance	Management reviews, internal controls, compliance reviews and Internal Audit
Certifications & standards	International certifications and standards covering product quality, food safety and information security



MOVING FORWARD

Baladna remains committed to conducting business with integrity, transparency, and accountability. As stakeholder expectations and regulatory requirements continue to evolve, the company will further strengthen its governance framework, internal controls, and compliance processes to support ethical decision-making and responsible business conduct. Moving forward, Baladna will continue to promote a culture of integrity through policies, awareness programs, and robust governance practices while enhancing ESG data management, reporting transparency, and stakeholder trust in support of sustainable long-term growth.

Risk Management

Continuity depends on the ability to anticipate and respond to risk. Baladna's enterprise risk management framework provides the structure required to operate reliably in complex and changing conditions.

Risk management underpins Baladna's ability to deliver its strategic objectives in a complex and evolving operating environment. In 2025, the company's enterprise risk management framework remained embedded in day-to-day operations, ensuring that potential threats to performance, continuity, and reputation were identified early and addressed in a structured manner.

Baladna's Enterprise Risk Management (ERM) approach is aligned with recognized international standards and best practice, drawing on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Model and the principles set out in ISO 31000. This framework provides a consistent methodology for identifying, analyzing, and evaluating risks across the organization, while maintaining flexibility to respond to changing business conditions and external developments.

Risk assessment forms part of a cyclical process that links strategic planning with operational execution. Risks are evaluated based on their potential impact and likelihood, allowing management to prioritize actions and allocate resources effectively. This approach enables informed decision making at both corporate and operational levels, reinforcing Baladna's ability to operate reliably at scale.

Governance and oversight

Accountability for risk management is clearly defined across the organization. Senior Management is responsible for implementing risk management policies and practices, while the Management Leadership Team reviews the business risk register on a quarterly basis for each business area. A consolidated view of principal risks and mitigation plans is assessed regularly and forms the basis for reporting to the Audit Committee.

Board-level oversight provides an additional layer of assurance. The Audit Committee monitors the effectiveness of the risk management framework, reviews key risk developments, and oversees the adequacy of mitigation measures. This governance structure ensures that risk considerations remain integrated into strategic oversight and operational control.

Risk categories

Baladna's ERM framework covers a broad range of risk categories relevant to its operations and strategic role as a food security platform, including:



Health, Safety & Security



Environmental



Quality



Operational



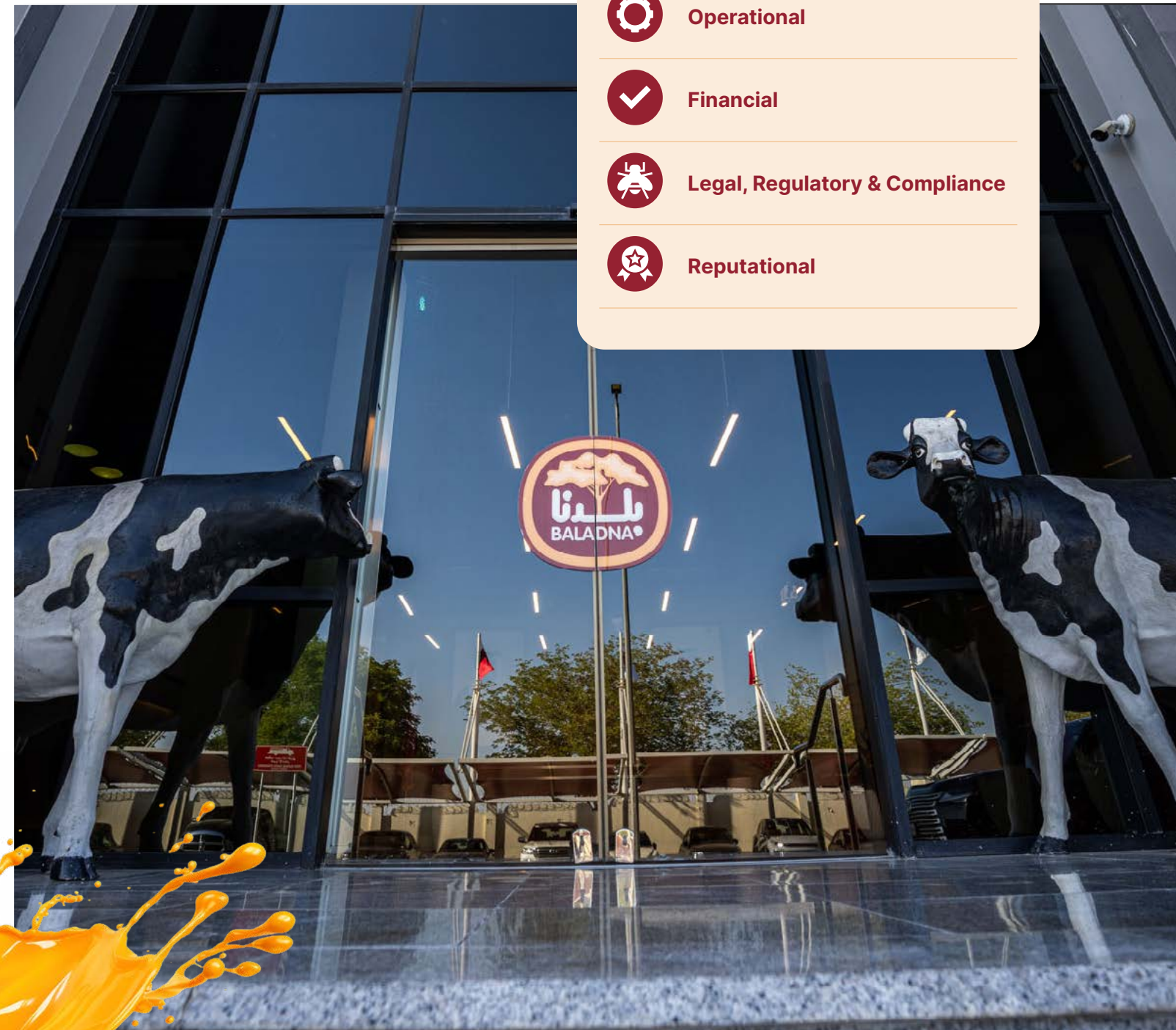
Financial



Legal, Regulatory & Compliance



Reputational



Three Lines of Defense

Baladna applies a Three Lines of Defense model that clarifies ownership, oversight and assurance roles, ensuring that risks are managed consistently and transparently.

Operational management functions as the first line of defense, identifying and managing risks within daily activities. Control functions provide oversight and guidance as the second line, while independent assurance is delivered through Internal Audit as the third line. This structure reinforces accountability and supports effective escalation where required.

Incident and crisis management

Preparedness for major incidents forms an essential component of Baladna's risk management framework. The company maintains a formal incident and crisis management protocol that can be activated if events threaten strategic objectives, operational continuity, or corporate reputation.

The protocol is designed around a tiered response structure that enables timely coordination and decision making. Roles, responsibilities and communication pathways are clearly defined, allowing management teams to respond efficiently and maintain control during abnormal or unstable situations.

Risk assessment and capability building

In 2025, Baladna carried out regular risk assessments across key operational areas as part of ongoing reviews of risk exposure and mitigation effectiveness. Training and awareness activities supported consistent application of risk assessment methodologies across functions.

Performance indicators related to risk assessments and training are monitored to ensure that the framework remains effective and relevant as the organization evolves.

Risk oversight activities

Risk register reviews	Quarterly
Audit Committee risk reviews	Regular



MOVING FORWARD

In 2026, risk management will continue to evolve alongside Baladna's growth and strategic ambitions. Ongoing refinement of the ERM framework, combined with strong governance oversight and operational discipline, will enhance preparedness and reinforce resilience as the company expands its role as a national and international food security platform.



Appendix

GRI Disclosures

GRI 2: General Disclosures 2021

The Organization and its Reporting Practices

Disclosure 2-1 Organizational details	Baladna Q.P.S.C (Qatari Public Shareholding Company) Baladna is located in Al Khor municipality, Qatar
Disclosure 2-2 Entities included in the organization's sustainability reporting	The reporting boundaries cover all Baladna's operations in Qatar.
Disclosure 2-3 Reporting period, frequency, and contact point	The report covers reporting to the timeframe spanning from January 1, 2025, to December 31, 2025. For feedback and concerns, email info@baladna.com (General).
Disclosure 2-4 Restatements of information	Not applicable
Disclosure 2-5 External assurance	No External Assurance was conducted for this year's report.

Activities and workers

Disclosure 2-6 Activities, value chain and other business relationships	Page: 20-21
Disclosure 2-7 Employees	Page: 82-87
Disclosure 2-8 Workers who are not employees	Not applicable

Governance

Disclosure 2-9 Governance structure and composition	Page: 8-15
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Disclosure 2-10 Nomination and selection of the highest governance body	The Board of Director consists of: - Company Secretary - Shariah supervisory committee - Nomination & Remuneration committee The Nomination and Remuneration Committee is responsible for the review of Baladna's HR framework and compensation programs. The Committee issues its recommendations to the Board on the remuneration, allowances, and terms of service of the company's senior executives to ensure they are fairly rewarded for their individual contributions to Baladna. Two committee members are Non-Executive Directors of the Board while one member is independent from the Board.
Disclosure 2-11 Chair of the highest governance body	The Chairman, Mr. Moutaz Al Khayyat, is a non-executive Director and holds no executive or management position within Baladna.
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Baladna's Board of Directors upholds strong corporate governance by issuing an annual report to shareholders covering financial performance, sustainability, and strategic outlook. The Board, supported by its committees -including the Audit Committee and the Nomination and Remuneration Committee -ensures accountability and oversight through regular meetings and transparent decision-making processes, including majority voting and unanimous written agreement in urgent cases.
Disclosure 2-13 Delegation of responsibility for managing impacts	The highest governance body prioritizes embedding sustainable goals in devising plans for accelerating the growth of the organization. The Board of Directors prepares the company's budget and the statement of profits and loss of the company, its financial status and its activity reports, and future plans for the next year in order to present it all to the general assembly. It also approves the comprehensive strategic plan and main objectives of the company and supervises its implementation. The Board of Directors specifies the powers that it delegates to the executive management, the procedures for making decisions, and the duration of the delegation. The Board also determines the issues it retains the power to decide on, and the executive management submits periodic reports on its practices of delegated powers.
Disclosure 2-14 Role of the highest governance body in sustainability reporting	The Chief Corporate Service Officer, Chief Operation Officer, and the Head of ESG review the sustainability report and forward it to the management for approval.
Disclosure 2-15 Conflicts of Interest	The company adheres to Baladna's Code of Conduct in resolving matters of conflict of interest. It also complies with Articles 108, 109, 110, and 111 of the Commercial Companies Law No. 11 for 2015. The company releases related party transactions in its Annual Report in full disclosure to its shareholders.
Disclosure 2-16 Communication of critical concerns	The operational management of the companies are reported to the Board through the CEO of the company. During the period from 1 January to 31 December 2025, no significant operational internal control failures were identified.
Disclosure 2-17 Collective knowledge of the highest governance body	The Nomination and Compensation Committee works closely with the Board to prepare a suite of development materials that prioritize ESG principles.

Disclosure 2-18 Evaluation of the performance of the highest governance body	The Board members, Board Committees, and the executive management members are evaluated on the basis of the extent of their commitment to achieving Baladna's best interests. The board itself conducts evaluations semi-annually and annually on the Board's overall performance.
Disclosure 2-19 Remuneration policies	Baladna Annual Report 2025, page 128
Disclosure 2-20 Process to determine remuneration	Baladna Annual Report 2025, page 128
Disclosure 2-21 Annual total compensation ratio	Baladna Annual Report 2025, pages 150, 159, 219

Strategy, Policies, and Practices

Disclosure 2-22 Statement on sustainable development strategy	Baladna's senior executive body is committed to embedding sustainability as a core element of the company's long-term vision. We are actively developing a comprehensive sustainability framework that will strengthen our environmental stewardship and ensure that sustainable practices are integrated across all aspects of our operations.
Disclosure 2-23 Policy commitments	Baladna Annual Report 2025, pages 44–47, 76–91
Disclosure 2-24 Embedding policy commitments	The company has a robust internal control system to ensure that the Board and management are able to fulfill the company's business objectives. An effective internal control framework contributes to safeguarding shareholders' investment and the company's assets. The objective of Baladna's internal control framework is to ensure that internal controls are established, that policies and procedures are properly documented, maintained, and adhered to, and are incorporated by the company within its normal management and governance processes.
Disclosure 2-25 Processes to remediate negative impacts	Page: 88-89
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	The Nomination and Remuneration Committee does request advice from management and third-party independent sources as appropriate, to ensure that its decisions are fully informed given the internal and external environment.
Disclosure 2-27 Compliance with laws and regulations	No fines have been imposed on the company. There are no instances of significant non-compliance.
Disclosure 2-28 Membership associations	- GORD - Gulf Organization for Research and Development - The Bel Group - The Ministry of Municipality

Stakeholder Engagement

Disclosure 2-29 Approach to stakeholder engagement	Page: 20-21
Disclosure 2-30 Collective bargaining agreements	Qatari law contains no provisions for collective bargaining and is therefore not applicable to the company.

GRI Material Topics 2025

GRI Reference Number	Reference Title	Location and Notes	Material Topic
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Baladna Annual Report 2025, page 220	Sustainable Growth
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Food Security / Sustainable Growth
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Page: 56-57	Water and Effluents
303-2	Management of water discharge-related impacts	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Water and Effluents
303-3	Water withdrawal	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Water and Effluents
303-4	Water discharge	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Water and Effluents
303-5	Water consumption	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Water and Effluents
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Biodiversity and Sustainable Agriculture
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Page: 49	Climate, Energy, Emissions

305-2	Energy indirect (Scope 2) GHG emissions	Page: 49	Climate, Energy, Emissions
305-3	Other indirect (Scope 3) GHG emissions	Page: 49	Climate, Energy, Emissions
305-4	GHG emissions intensity	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Climate, Energy, Emissions
305-5	Reduction of GHG emissions	Page: 48-55	Climate, Energy, Emissions
305-6	Emissions of ozone-depleting substances (ODS)	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Climate, Energy, Emissions
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Climate, Energy, Emissions
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Page: 66-69	Circularity and Waste
306-2	Management of significant waste-related impacts	Page: 66-69	Circularity and Waste
306-3	Waste generated	Page: 68	Circularity and Waste
306-4	Waste diverted from disposal	Page: 68	Circularity and Waste
306-5	Waste directed to disposal	Page: 68	Circularity and Waste
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Corporate Culture, Business Ethics and Compliance
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Page: 82-83	Labor Rights and Ethical Procurement

GRI 403: Occupational Health and Safety 2018

403-1	Occupational health and safety management system	Page: 88-89	Health, Safety and Wellbeing
403-2	Hazard identification, risk management, and incident investigation	Page: 88-89	Health, Safety and Wellbeing
403-4	Worker participation, consultation, and communication on occupational health and safety	Page: 88-89	Health, Safety and Wellbeing
403-5	Worker training on occupational health and safety	Page: 88-89	Health, Safety and Wellbeing
403-6	Promotion of worker health	Page: 88-89	Health, Safety and Wellbeing
403-7	Prevention and mitigation of occupational health and safety	Page: 88-89	Health, Safety and Wellbeing
403-8	Workers covered by an occupational health and safety management system	Page: 88-89	Health, Safety and Wellbeing

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	Page: 85	Labor Rights and Ethical Procurement
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GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	Page: 90-93	Community Impact
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GRI 414: Supplier Social Assessment 2016

414-1	New suppliers that were screened using social criteria	Future improvement: We are actively working to improve the level of disclosure related to this topic.	Labor Rights and Ethical Procurement
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GRI 415: Public Policy 2016

415-1	Political contributions	Page: 96-103	Corporate Culture, Business Ethics and Compliance
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GRI 416: Customer Health and Safety 2016

416-1	Topic management disclosures (assessment and improvement of health and safety of products and life cycle stages)	Page: 72-79	Food Quality, Safety and Information
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page: 72-79 There are no disclosures for non-compliance.	Food Quality, Safety and Information

GRI 419: Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area	Future improvement: We are actively working to improve the level of disclosure related to this topic.:	Corporate Culture, Business Ethics and Compliance
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Topics that are not covered by the GRI

Animal welfare	Page: 60-65	Animal Welfare
Healthy and Affordable Food (Food Security)	Page: 30-39	Food Security

Alignment to UN SDGs

SDG	Our Contribution	SDG Indicator	Location and Notes
	No Poverty Provide sustainable employment opportunities throughout our value chain.	1.2	Pages 82-87
	Zero Hunger Play a crucial role in Qatar's food security through sustainable growth.	2.2 2.4	Pages 34-39
	Good Health and Wellbeing Produce healthy and nutritious consumables. Developing Baladna food nutrition criteria.	3.4	Pages 34-37
	Quality Education Collaborated with educational partners to educate students about food security.	4.7	Pages 90-93
	Gender Equality Increasing women's participation in the workforces.	5.5	Pages 82-87
	Clean Water and Sanitation Increased treated wastewater usage for agriculture. Reducing impact of production on water ecosystems.	6.3 6.4	Pages 56-57
	Decent Work and Economic Growth Providing a safe working environment to all employees.	8.8	Pages 88-89
	Industry, Innovation and Infrastructure Updated waste treatment plant to treat more water. Collaborating with universities to research relevant technological innovations.	9.4 9.5 9.b	Pages 66-69, 90-93

SDG	Our Contribution	SDG Indicator	Location and Notes
	Reduced Inequalities Ensuring equal opportunity for employees irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status, and protect them through HR policies.	10.2 10.3 10.4	Pages 82-87
	Sustainable Cities and Communities Closed the water lagoons to get rid of resulting odors and unpleasant air quality, and developed the water treatment plant to recycle waste water.	11.6	Pages 56-57
	Responsible Consumption and Production Reduction of food waste in the supply chain process. Reduction of waste generation in operations and food packaging.	12.3 12.4 12.5	Pages 66-69
	Climate Action Developed a strategy to take actions to mitigate impacts of climate change and reduce carbon footprint.	13.1	Pages 48-55
	Life on Land Developed a solid waste management system to effectively manage and reduce solid waste from inland ecosystems.	15.1	Pages 66-69
	Partnerships for the Goals Extended our expertise and resources to countries such as Malaysia, Uzbekistan, and the Philippines. Through strategic partnerships and knowledge sharing, we assist these nations in developing their own sustainable agricultural practices and achieving greater self-sufficiency in food production. Launched Industry-Academia partnership model with formal collaborations with universities, such as BUC (Barzan University College).	17.7 17.14 17.17 17.19	Pages 44-45, 90-93



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