

SUSTAINABILITY REPORT 2024



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WE SUPPORT



United Nations Global Compact (UNGC)

The Lactalis Group is also committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

We acknowledge that Lactalis Group participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under our parent's commitment. Therefore, we do not participate in UN Global Compact activities nor do we participate in activities of a Global Compact Local Network.



Acknowledgment of Country

Lactalis acknowledges the Traditional Owners and Custodians of the lands on which we live and operate. We pay our respects to Elders past, present and emerging and acknowledge their continuing connection to waters, skies, seas and country.

LACTALIS AUSTRALIA



Proudly Local, Globally Connected

Lactalis Australia is a proudly local, world-class dairy producer, delivering the goodness of dairy to Australian households for more than 90 years.

We are deeply committed to the future of Australia's dairy industry and our team of 2,500 people across 15 sites are working together, to achieve profitable and sustainable growth. Together, we aim to contribute meaningfully to the communities where we live and work, investing in innovation and modernising our facilities to ensure the future of Australian dairy.

As part of the Lactalis Group, a family-owned global dairy leader, we draw on shared values and global expertise. This connection allows us to unite international know-how with local capability to strengthen our positive impact across the globe.



in 2024



2,500

People employed



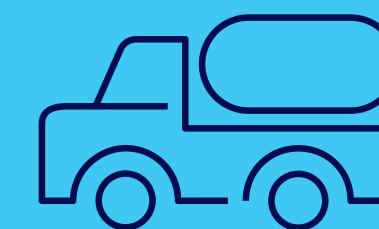
15

Sites



933m

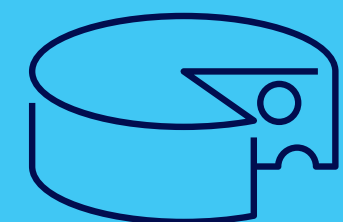
Litres of milk



365

Farms that supplied milk*

*from direct supplying farms



855,000

Tonnes of product made

ABOUT THIS REPORT

At Lactalis Australia, we are committed to making a positive and lasting difference – for our people, our communities, and the planet.

This Sustainability Report outlines our key actions, achievements and progress from January to December 2024.

It is aligned with the Lactalis Group’s global sustainability ambitions and guided by the Group’s Corporate Social Responsibility (CSR) policy, which is structured around three key pillars:

- People & Community
- Authentic Products & Heritage
- Land & Resources

The report also reflects our commitment to the Ten Principles of the United Nations Global Compact, covering human rights, labour standards, environmental responsibility and anti-corruption practices.

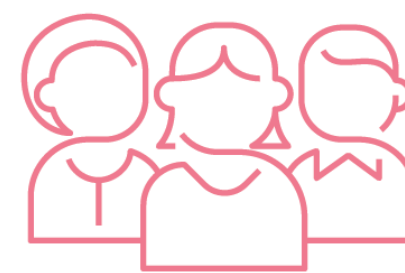
It addresses the topics most material to our stakeholders, including workplace health and safety, product quality and safety, environmental impact, and employee engagement.

Prepared ‘In Accordance’ with the Global Reporting Initiative (GRI) G4 Guidelines at a Core level¹, this report has not been externally assured.

Lactalis Australia is committed to annual reporting as we continue to strengthen transparency and accountability across all aspects of our sustainability journey.



OUR CSR POLICY: THREE PILLARS



People
People & Community



Products
Authentic Products & Heritage



Planet
Land & Resources

OUR 3 PRIORITIES

1. CIRCULAR ECONOMY & PACKAGING

Better packaging:

1. The Right Pack

Minimise intensity and maximise eco-design

2. Better Circularity

Incorporate more recycled materials

3. Educate

Consumers and partners to close the loop

2. CLIMATE

Lactalis Australia supports the Lactalis Group’s commitments². 2024 Group result - 13.5% reduction in scope 1&2 GHG emissions since 2019.

1. -25% of scope 1 & 2 emissions

Reduce our scope 1 and scope 2 emissions by at least 25% by the end of 2025 (base year: 2019)

2. -50% of scope 1 & 2 emissions

Reduce our scope 1 and scope 2 emissions by at least 50% by the end of 2033 (base year: 2019)

3. Support Pathway to Dairy Net Zero

Lactalis is part of the Pathways to Dairy Net Zero initiative⁴

3. ANIMAL WELFARE

Improving animal welfare is not only our responsibility but critical to our business performance.

1. By the end of 2023, 100% of our dairy technicians had completed training in animal welfare best practices.
2. 100% of our direct volumes will have on-farm assessments on animal welfare by the end of 2025.



A MESSAGE FROM OUR CEO

At Lactalis, we're here to do more than make great food. Our purpose in action is nurturing the future – through the way we care for the land, support our communities, and build a resilient dairy industry for generations to come.

If you've had a morning coffee, packed a lunchbox, or shared a cheese platter with friends, chances are you've enjoyed something we've made. That's something we're proud of – not just because it tastes good, but because it reflects the care and commitment behind it.

Over the years, I've visited farms across the country – from Western Australia to Queensland and plenty in between. What always sticks with me isn't just the scale of the work, but the people behind it. These farmers know their land like the back of their hand. They care about their community, their animals, their milk, and the legacy they're building. They're not in it for shortcuts. That kind of commitment is something you don't forget, and it's something we try to reflect in everything we do.

Our Products & Heritage:

Dairy is a big part of Aussie life. It's in our coffee, our cooking, our kids' lunchboxes. It's familiar, comforting, and – let's be honest – very delicious. We take a lot of pride in making products that people trust and enjoy, and that starts with good ingredients and a lot of care from paddock to fridge.

Our People & Communities:

I believe eating well should be simple and enjoyable. That's why we focus on making food that tastes great and fits into a balanced lifestyle. We're not about cutting everything out – we're about getting the balance right and making sure people can enjoy what they eat without overthinking it.

Our Land & Resources:

We know we've got a responsibility to do things the right way – not just for today, but for the long haul. That means cutting waste, lowering our footprint, and working closely with our farmers and suppliers to keep improving. We're not perfect, but we're always pushing to do better.

We're part of the UN Global Compact and the Australian Dairy Sustainability Framework because we believe in being open about what we're doing and where we're heading. This report is one way we keep ourselves honest – and show you the progress we're making.

Thanks for taking the time to read it. We're proud of what we've done so far, and we're even more excited about what's ahead.



MAL CARSELDINE

**Chief Executive Officer
Lactalis Australia**

WE SUPPORT



The Lactalis Group is also committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

SUSTAINABILITY STEER CO PANEL



MAL CARSELDINE
Chief Executive Officer



KIRSTY FAIRBANK
General Manager, Quality & CSR



RAMESH KATARIA
General Manager, Industrial



ANGELA BURR
General Manager, Communications & Corporate Responsibility



LEVENT OZCAN
General Manager, Supply Chain



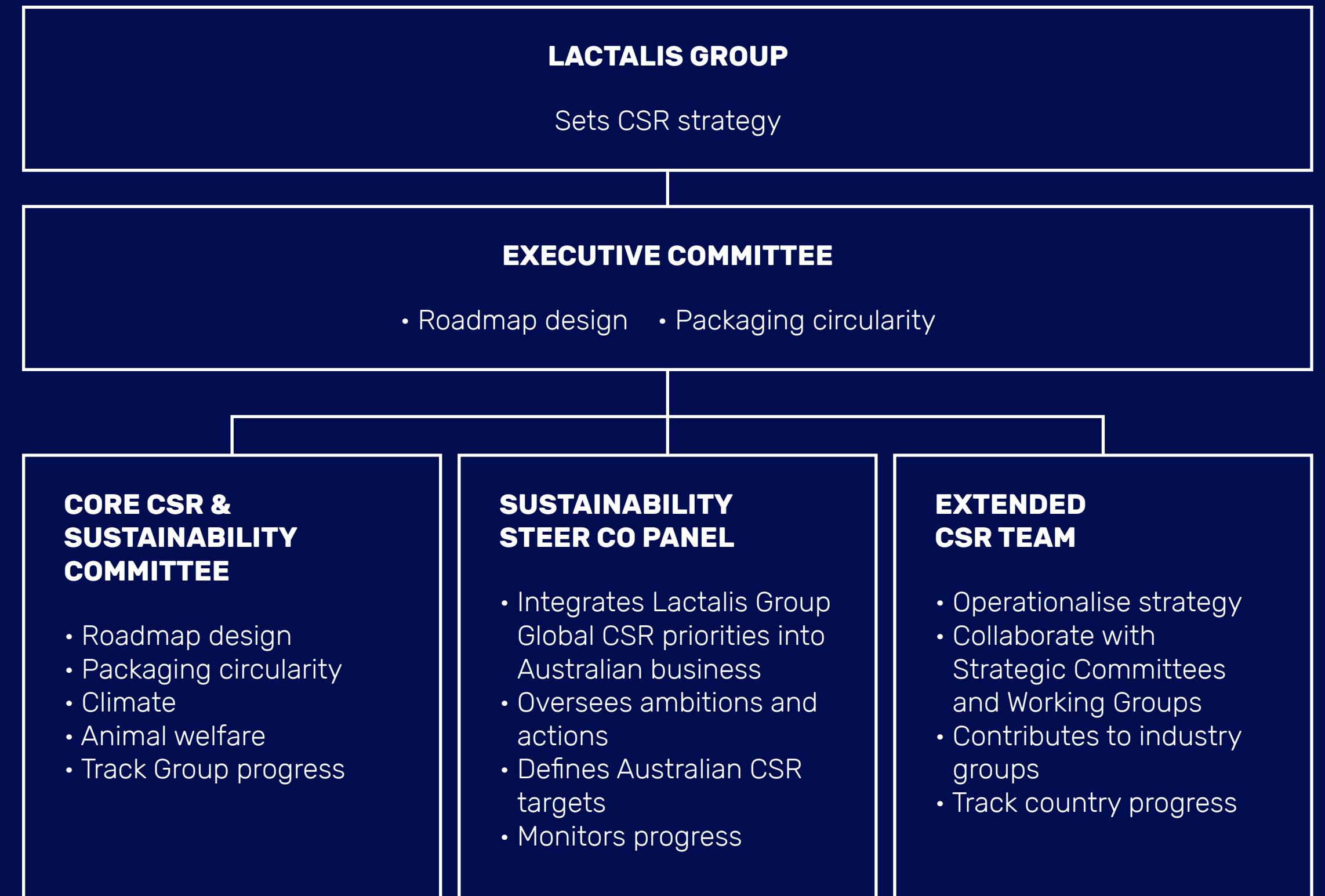
TIFFANY MILHENCH
General Manager, Human Resources



LORRAINE LOVATT
Head of Health Safety & Loss Prevention

CSR STRATEGY

Lactalis Australia's Corporate Social Responsibility (CSR) strategy is led by our Sustainability Steer Co Panel.



OUR PURPOSE IN ACTION

Nurturing the Future

In 2023, to mark our 90th anniversary, the Lactalis Group announced its global Purpose in Action: "Nurturing the Future."

This ambition reflects our commitment to offering high-quality, locally sourced dairy products that support health, wellbeing and sustainable growth.

At Lactalis Australia, we embrace this purpose through our trusted brands, long-standing dairy expertise and dedication to innovation.

We know that earning the trust of our employees, customers, consumers and community partners is vital to long-term success. That's why we remain focused on delivering real, measurable progress as we nurture a more sustainable future – together.

As both a global leader and local producer, we are proud to play our part in shaping a responsible, future-focused dairy industry.



Making a Commitment to Talented Individuals

- Preserving our business lines and handing down expertise
- Championing excellence and celebrating personal initiative
- Advocating for internal promotion
- Providing fulfilling working conditions for all



Serving People Around the World

- Providing access to healthy and exceptionally nutritious products
- Delivering the highest possible standard of quality
- Offering affordable products to all

Transforming our Business

- Modernising our industrial tools
- Optimising the performance of our processes and our ways of working together
- Reducing our environmental impact
- Preserving our resources



Sharing Flavours

- Preserving culinary and gastronomic traditions
- Promoting the dairy industry's wealth of expertise
- Expanding our product ranges to cater to all expectations and needs

Being Open & Outward-Looking

- Forging stronger ties with our stakeholders
- Addressing consumers' changing needs
- Helping drive improvement within the sector, both upstream and downstream

Revitalising the Region

- Advocating for local production
- Preserving local know-how and safeguarding Protected Designation of Origin (PDOs)
- Supporting local employment and the local economic fabric
- Strengthening local communities

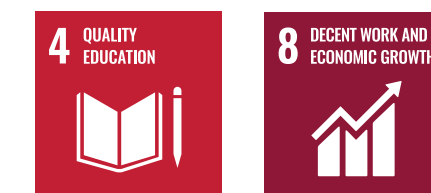


Supporting our Partners

- Supporting their businesses
- Helping them adopt more responsible and efficient farming practices
- Ensuring animal welfare



PEOPLE



OUR PEOPLE

Lactalis Australia is passionate about engaging its people and offers limitless opportunities.

Joining Lactalis means joining a family-business with global scale, with 270 production sites across 51 countries.

Lactalis Australia recognises our success is deeply rooted in the commitment of our people. The Lactalis Experience reflects our pledge to our 2,500 Australian employees to offer professional opportunities to derive pride and pleasure from, and develop world-class expertise.

At Lactalis Australia we are committed to retaining and investing in our talent.

Nurture the Future

Our Nurture the Future Purpose in Action reflects our commitment to empowering our people. By championing excellence, investing in training, and fostering a sense of ownership, we help our team members build rewarding careers that meet both individual and collective aspirations.

Our investment in learning and development has grown consistently, reflecting our continued focus on three core pillars:

- Compliance** – driving health, safety, and quality
- Technical Expertise** – boosting business performance
- People Leadership** – developing the leaders of tomorrow

Graduate Program

In 2024, our two-year Graduate Program continued to offer future leaders learning opportunities across multiple areas of our operations. At the end of the year, we welcomed 19 new Graduates into the program, and proudly transitioned 8 Graduates from previous intakes into permanent roles within Lactalis.



Harmony Day

We are proud to celebrate the rich cultural diversity across our business, with more than 80 nationalities represented, and over 70 languages spoken.

Harmony Day gave us the opportunity to recognise and embrace this diversity, bringing our teams together across multiple sites through our shared passion for food. We encouraged team members to bring a dish from their country of origin, creating a chance to share cultural traditions, build connection, and strengthen understanding across our workplace.

Results from our voluntary 2024 Engagement Survey:

- 87%** Company Participation (+1% pt from 2023)
- 68%** Company Engagement (+1% pt from 2023)
- 70%** Company Enablement (+6% pt from 2023)

Learning & development investment from 2023 to 2024:

7

Courses in 2024

900+

Hours of learning in 2024

In 2024

+13%

investment growth on 2023

In 2023

+27%

investment growth on 2022

DIVERSITY & INCLUSION

A snapshot on gender in 2024:

43%

of Lactalis leaders are women, up from 40% in 2023

We continued our partnership with the National Association of Women in Operations (NAWO), Australia's peak body for championing women in operational environments. In addition, our membership with Women in Technology, provides support for more than 450 women across operations, supply chain, technical, and IT functions. These memberships offer access to professional development, networking, and mentoring opportunities.

The Lactalis Group is keen to recognise and promote all talents, regardless of their gender, disability, age, family situation, social or cultural origin, religion, sexual orientation or political or trade union opinion.

We believe in fostering a safe and inclusive workplace culture where everyone feels valued, respected, and empowered to reach their full potential.

In 2023–2024, Lactalis Australia was proud to be recognised as an Inclusive Employer by the Diversity Council of Australia – an acknowledgment of our ongoing commitment to building an environment where all team members can bring their whole selves to work.

We understand the value that diversity brings to our business and the importance of attracting and retaining employees from a wide range of backgrounds. We are building on our strong foundations through a clear Diversity, Equity and Inclusion roadmap, focused on three key areas:

This roadmap has 3 main interest areas:

1. Gender
2. Culture and Ethnicity (including Indigenous)
3. LGBTQIA+



**INCLUSIVE
EMPLOYER
2023 - 2024**



HEALTH, SAFETY & WELLBEING

The health, safety and wellbeing of our team continues to be our top priority.



SDG Contributions



HEALTH & SAFETY

3,958

observations recorded

1,530

health safety audits & inspections completed

5,001

interactions recorded

1,673

hazards reported

239

risk assessments completed

TRIFR

Dec 2024 **9.6**

Dec 2023 **7.6**

8.8 - industry benchmark

Safety remains our top priority. In 2024, our Total Recordable Injury Frequency Rate increased above last year and the industry benchmark set by Safework Australia (8.8).

We're committed to learning from every incident, improving our safety practices, and making sure everyone goes home safe each day.

WELLNESS

x2 half days

paid CSR leave to support charities of choice

LACTALIS WALK CHALLENGE

To boost employee wellbeing, safety, and engagement with Lactalis, we launched a National Walking Challenge that inspired teamwork, healthy competition, and learning about our 24 sites and products.

Over six weeks, employees from across the country joined this inclusive event, starting in Darwin - our longest-running site with 63 years of operation. Participants fuelled up with Territory's Own Ice Coffee, Paul's Orange Fruit Drink, and Paul's Skinny Milk as they embarked on this nationwide journey.

A total of 467 employees formed 50 teams, with 18 completing the challenge, collectively walking 191 million steps - the equivalent distance from Darwin around the country to our Osborne Park site.

The leaderboard was competitive, driving team spirit and camaraderie. This initiative strengthened connections across Lactalis sites, encouraged a focus on fitness, and showcased the power of teamwork, with the top 10 team members walking nearly 8,000 kilometers in total.





PARTNERS & COMMUNITY ENGAGEMENT

Committed to community, Lactalis delivers the goodness of dairy and has done so for over 90 years.

In 2024, we were privileged to be able to support communities across Australia through a number of initiatives - from volunteering to donations. Our team actively participates in giving back, with many taking advantage of their two half-days dedicated to CSR volunteering for causes they are personally passionate about.

Fighting hunger by donating food with Foodbank

We're proud to play a role in easing food insecurity, which affects 1 in 6 Australians.

In 2024, our partnership with Foodbank Australia helped provide the equivalent of 92 million meals, with our milk, yoghurt, and desserts supporting households in need. Partnerships like this reflect our values, and we're committed to continuing this impact in 2025.



Foodbank WA's School Breakfast Program

Foodbank WA's School Breakfast Program is the largest initiative of its kind in Western Australia.

In 2024, 16,200 litres of Harvey Fresh milk were donated, helping to fuel students and start the day with a nutritious meal.





PARTNERS & COMMUNITY ENGAGEMENT

‘Lovin’ from the Oven’ event with Ronald McDonald House Charities

Ronald McDonald House Charities help families stay together and close to essential care when a child is diagnosed with a serious illness. Our WA team was proud to participate in the ‘Lovin’ from the Oven’ event, preparing meals for families staying at Ronald McDonald House. Lactalis Australia contributed to the menu, supporting the RMHC team in their inspiring work.



Donating to the Michah Project

We are inspired by the generosity, energy and commitment our team shows in supporting local communities. During the festive season, our Brisbane team donated 480 litres of long-life milk to Micah Projects, an organisation providing support to Australians experiencing homelessness, domestic violence, mental illness and poverty, for inclusion in Christmas hampers and crisis packs, providing practical assistance to those in need.

Volunteering for World Clean Up Day

In September we celebrated World Clean Up Day – an annual global social action program aimed at combating the global waste problem. This is the fourth consecutive year our people have joined together to help make the world a cleaner place, with our teams across Scoresby (VIC), Rowville (VIC), Lidcombe (NSW) and South Brisbane (QLD) removing over 2,600 pieces of litter from the environment.

As part of the day, we also partnered with Mobile Muster, introducing collection boxes so employees could safely discard old mobile phones, wearables, and accessories.





PRODUCTS

PASSION FOR TASTE

Great taste starts with our people. Our Passion for Taste program brings teams together to make sure every product we create is something Australians can enjoy and trust.

In 2024, we expanded the program across our sites, involving employees and consumers in shaping what's next. From expert tasters to consumers, hundreds of people helped us test and improve our dairy products –making sure they're not just good, but great and loved.

Our Passion for Taste program is one we are very proud of and gives us the confidence we have products everyone loves.

.....
Key achievements in 2024 include:

- 13 consumer sensory research projects conducted (up from 7 in 2023) across yoghurt, milk, cheese, custard, and desserts
 - 5 external consumer preference studies on our existing product range
 - Consumer sensory research during product development for our new cross-category Pauls PLUS+ Protein range in yoghurts and desserts
 - "Blind" preference testing with Australian consumers to ensure our new Pauls PLUS+ Protein products will be the best-tasting in the market
-



SDG Contributions



IN 2024

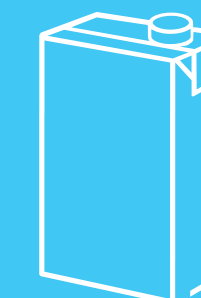
our innovation team conducted 13 consumer sensory research projects across:



YOGHURT



MILK



CUSTARD



CHEESE



DESSERTS



CONSUMER-LED INNOVATION

JALNA A2 PROTEIN YOGHURT

Jalna's A2 Protein All Natural Yoghurt was a direct response to consumer demand for dairy products containing only the A2 beta-casein protein.

Made from fresh milk from Jalna's own farm in the Goulburn Valley Victoria, all natural ingredients and at least 1 billion probiotics per serve.

It's then naturally set in the pot for a uniquely thick and delicious yoghurt.



LEMNOS HALOUMI BURGER PATTIES

Lemnos Haloumi Burger Patties were launched to meet the consumer need for simple high protein meal options.

Crafted in Australia from just a few high quality ingredients, Lemnos Haloumi Burger Patties contain 17 g of protein per serve, are high in calcium and contain no artificial flavors or colours.

Perfect for vegetarians and those wanting meat-free meals every now and then.

ICE BREAK STRONG ESPRESSO WITH PROTEIN 500 ML

Ice Break Strong Espresso with Protein delivers what consumers are asking for – stronger coffee with 30 g of protein per serve, no added sugar and a bold flavour.

The 500 mL bottle is built for convenience—perfect for powering through busy days or on-the-go energy recharge with real coffee and real benefits.



NUTRITION

Our nutrition portfolio remains a core focus, with 2024 seeing the delivery of several initiatives supported by rigorous R&D and testing to maintain the quality and taste our consumers love.

This year we launched Pauls PLUS+ Protein, a new range of flavoured and unflavoured milks, yoghurts, and desserts made with natural dairy proteins. We also expanded our high-protein options across Ice Break and OAK Plus, recognising growing consumer demand for protein-rich products.

We contributed to a global research collaboration on the nutritional role of lactose, which highlighted its unique benefits such as supporting mineral absorption, appetite regulation, and gut health⁶. To meet the needs of consumers who are sensitive to lactose, we also expanded our lactose free product range, including new options like Ice Break Triple Shot.

In line with our health commitments, we continued reducing sugar across our portfolio – offering natural white milks and yoghurts, no-added-sugar products, and indulgent flavoured ranges – ensuring choice for every consumer.

Through these initiatives, we remain committed to improving nutritional credentials across our portfolio as part of our long-term commitment to a healthier future.

In 2024, we removed

5.4 tonnes

of sugar* across our product ranges

*Sugar reduction without compromising taste, and achieving cleaner labels across several recipes.



SDG Contributions



BENEFITS OF DAIRY PROTEIN

Complete and high-quality protein

Contains all 9 essential amino acids

Necessary for normal growth and development of children and adolescents

Contributes to both the maintenance & growth of muscle mass

Contributes to the maintenance of normal bones

Necessary for tissue building and repair

Highly digestible and bioavailable

NATURAL HIGH PROTEIN DAIRY NUTRITION

Consumers seek protein rich foods for its many benefits and to fulfill individual nutritional needs, including building and maintaining muscle mass, but often have to compromise on taste. However, many find current dairy products lacking in taste and often have to compromise for the protein benefits.

In 2024, Pauls launched the PLUS+ Protein range, believing that consumers shouldn't have to compromise on taste to get the extra protein they need. This range in both pots and pouches includes everyday Aussie dairy favourites, boosted with natural high protein dairy, ensuring they are both nutritious and delicious.



Pauls PLUS+ Protein Yoghurt

Contains a minimum of 15 grams of natural dairy protein and no added sugar. The range features smooth, thick, and creamy yoghurt with delicious fruit flavours as well as a chocolate variety and all less than 100 calories per pot and pouch ensuring a satisfying taste experience without compromising on health benefits.



Pauls PLUS+ Protein Desserts

A delicious twist on traditional dairy treats, each pot contains 16 grams of natural dairy protein, no added sugar and less than 1 g of fat. With a variety of flavours, these dairy snacks are designed to satisfy taste buds while supporting a healthy diet.



Pauls PLUS+ Protein White Milk

A convenient and nutritious way to boost protein intake. Each 300 mL serving contains 16 grams of natural dairy protein, making it an easy addition to a healthy diet or a simple swap from other milks to deliver more protein in the diet.

SDG Contributions



ANIMAL WELFARE

As the world’s leading dairy group, we pay special attention to all the animals in our supply chain.

Animal welfare is a cornerstone for the sustainability of our activities. We are working with our direct partnering farms on a process of continuous improvement – beginning with on-farm assessments and training our Farm Supplier Services team in animal welfare.

As all of our partnering farms know, there is a close link between animal welfare and milk production.

Animal welfare governance happens across three levels:

1. The Lactalis Group’s Management Committee (GMC) – responsible for successful implementation of the Lactalis Group Animal Welfare Policy.
2. The Animal Welfare Committee (AWC) – proposes policy to GMC, monitors and coordinates actions and results.
3. Country Milk Supply Departments – implement actions and report to the AWC.

By the end of 2024

58%

of our current direct supplying milk volume had been assessed on animal welfare



SDG Contributions



Calf Disbudding

In 2024, we approached Dairy Australia to seek support in increasing the adoption of best practices for calf disbudding. This initiative was driven by insights from our CSR assessments, which highlighted the opportunity for improved animal welfare in this area. Dairy Australia confirmed similar trends in their own data, recognising it as a key area to lift standards industry-wide.

In response, Dairy Australia initiated a project co-sponsored by Lactalis Australia, aimed at supporting farmers to improve animal welfare outcomes through greater uptake of best-practice disbudding.

Through farmer consultation, key barriers to adoption were identified and used to shape the development of new resources. A comprehensive suite of practical tools is now available to help farmers implement best-practice disbudding in line with industry expectations—particularly focusing on options and training for those undertaking DIY disbudding.

A cornerstone of the project was the creation of a hands-on, on-farm workshop designed to build farmer confidence and capability in disbudding techniques and pain management. This workshop is now available for delivery across

the sector by Dairy Australia Regional Teams, offering consistent and engaging training nationwide.

Updated resources – including training videos and printable guides – can be accessed from the Dairy Australia website:

dairyaustralia.com.au/animals/calf-rearing/disbudding/resources

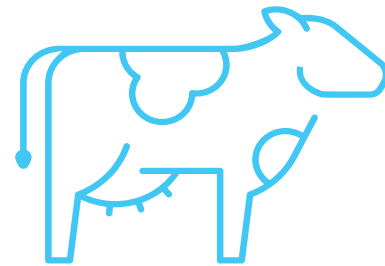


MILK SUPPLY

Farmers supply their milk to Lactalis Australia for use in fresh milk products or for processing into milk solids used in our well-known cheeses, yoghurts and desserts. In 2024, the national milk pool was competitive.

In line with the Dairy Code⁵, all milk is purchased under formal milk supply agreements. We are committed to transparency, with our standard agreements published on our corporate website.

We are also developing a policy to address Scope 3 (farm) emissions and are exploring a range of projects aimed at reducing greenhouse gas (GHG) emissions on farms.



274

Average number of calves born per farm in 2024



276

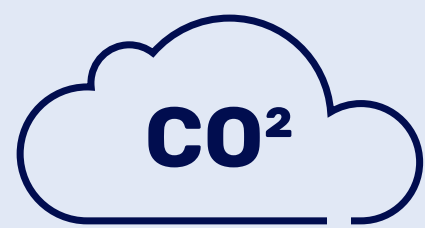
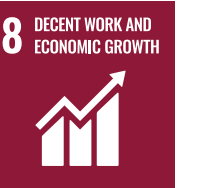
Average number of lactating cows per farm in 2024



2,094,562

Average annual milk production per farm in 2024

SDG Contributions



Average net carbon footprint

1.05

kg CO2e/kg FPCM

average net carbon footprint related to dairy production per kg of Fat and Protein Corrected Milk (FPCM) per farm

91%

of direct supplying farms have at least one piece of equipment on farm to either reduce energy consumption and/or produce renewable energy

44%

of direct supplying farms have implemented at least one piece of equipment to produce renewable energy or biogas

68%

of directing supplying farms have had their carbon footprint assessed by Lactalis since 2022

0%

of farms assessed in 2024 were using feed which may contain palm oil or soy coming from deforested areas





RESPONSIBLE SOURCING

As a manufacturer of high-quality milk and dairy products, our corporate responsibility extends to our supplier network.

Our supplier standards cover our ethical, social and environment requirements of business conduct.

FOOD SAFETY & QUALITY

Our industry is built around milk - the unique, natural ingredient that demands specific conditions to be safely enjoyed.

The safety, wholesomeness and nutritional value of our dairy products are of paramount importance. Our company Quality Policy complies with National and State Health Department Food Standards.

This is supported through our robust Quality and Food Safety program, which includes:

- Adherence to global best practice standards
- A detailed supplier and co-manufacturer auditing program
- Internal audits across all parts of the business: raw milk collection, industrial, warehousing and the supply chain
- Close tracking of lead and lag food safety and quality KPIs
- Strong action planning to ensure we fix any quality non-conformances
- Investment in the quality capital program
- Annual food safety culture survey to track progress

We continue our commitment to our Act for Quality strategy, embedding food safety and quality culture best practices across the business.

100%

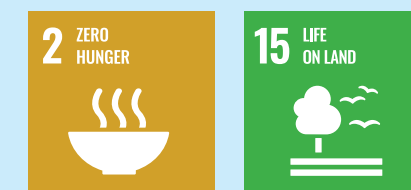
of manufacturing facilities accredited to Global Food Safety Initiative (GFSI) recognised standards

50%

reduction in market events (recalls & withdrawals) from 2023

15%

reduction in consumer complaints since 2023



SDG Contributions

Our Vision

To produce and deliver everyday, everywhere a safe and tasty product and a superior experience for our consumers and clients.

Our Ambition

At Lactalis, quality and food safety is an absolute priority with quality being a shared mindset for all of us at all times. It is recognised by everyone: consumers, customers, employees and key partners (suppliers, authorities).

Our Strategic Pillars

1. Drive food safety and compliance to ensure business continuity and reputation
2. Contribute to external and internal growth and deliver superiority overall
3. Drive efficiency: best quality at the best cost and optimise tools and processes
4. Strengthen expertise and leadership and develop a quality culture

Our Mindset

- Influence & engage
- Act as one team & speak as one voice
- Collaborate & break silos to build trust
- Challenge the status quo & think outside of the box

PLANET



WATER

Water is a shared precious resource, central at every step of the dairy value chain. We understand our responsibility to minimise our water usage.

We are inspired to use water more efficiently, without affecting product quality.

- Ongoing water saving and efficiency programs
- Reusing water where safe and appropriate
- Promptly finding and repairing leaks
- Investing in water efficient equipment when upgrading infrastructure
- Daily water usage tracking

A WORD ON WATER USAGE

Water consumption per tonne decreased by 0.27 cubic metres, a 9.3% improvement, showing better water efficiency in operations.

2024 Project Outcomes:

1. Water sustainability efforts are centred on reducing consumption through leak prevention, and non-product uses for reuse, and recycling.
2. Improved monitoring to detect abnormal usage patterns.
3. These initiatives support long-term water stewardship goals and help mitigate operational risks in water-stressed regions.

Water usage decreased by

-2.2%

Compared to 2023

SDG
Contributions



ENERGY

We're committed to reducing energy use and improving efficiency across our supply chain. Maintaining consistent, safe food temperatures is essential to preserving dairy quality and preventing waste.

We continue to explore emerging technologies in cold chain management that support energy reduction and our sustainability goals.

-1.4%

Less electricity was used in 2024

On average, we used 12.78 kWh less energy per tonne of product in 2024 than in 2023.

-1.5%

Less gas was used in 2024

Gas usage per tonne dropped by 0.07 GJ, an 8.7% reduction GJ per tonne of product in 2024 compared to 2023.

National Scope 1 & 2 Emissions

Year	Total Scope 1 & 2 Carbon Emissions (Tonnes)	Number of Industrial Sites
2019	141,746	15
2020	139,733	15
2021	132,599	15
2022	131,966	14
2023	126,210	14
2024*^	118,425	15

Disclaimer:

*In 2024, Lactalis has included specific depot operations under its operational control boundary for emission reporting.

^Fleet fuel conversion factors used come from several external databases and are communicated by an external service provider. Scope 2 emissions are presented using the market-based method.



SDG Contributions



ENERGY

As part of our commitment to continuous improvement, we are exploring emerging technologies that support energy efficiency and long-term sustainability.

A WORD ON ELECTRICITY USAGE

Our annual uplift in output has a direct relationship with electricity consumption, as higher production volumes typically drive increased energy demand. However, the scale of production growth also enabled improved electricity intensity metrics, indicating more efficient electricity use per tonne of product across operational sites.

2024 Project Outcomes:

- Electricity management efforts are focused on reducing peak demand, improving load distribution, and investigating increases in renewable integration.
- Projects include the development of a renewable energy research plan, power factor correction upgrades, and energy-efficient lighting replacements.

In 2024, total electricity consumption decreased by 1.4% compared to 2023. When normalised against production, electricity intensity improved from 147.15 kWh/t in 2023 to 134.37 kWh/t in 2024, a reduction of 8.7%.

A WORD ON GAS USAGE

Gas consumption did not scale linearly with production due to the concentration of thermal energy use in specific product lines, such as milk. As a result, gas intensity metrics showed only modest improvement, highlighting the need for targeted efficiency initiatives in high gas-consuming processes.

2024 Project Outcomes:

- Gas efficiency projects are targeting process optimisation and thermal system upgrades.
- Key initiatives include heat recovery systems, improved insulation of pipework and vessels, and improved boiler maintenance to enhance combustion efficiency.

In 2024, total gas consumption decreased by 1.5% compared to 2023. When normalised against production, gas intensity improved from 0.76 GJ/t in 2023 to 0.69 GJ/t in 2024, a reduction of 8.7%.

This indicates a meaningful improvement in thermal energy efficiency, achieved alongside increased production output.

Production volumes increased by

7.9%

in 2024 compared to 2023



CARBON NET ZERO 2050

Our Commitment to Emissions Reduction and Climate Action

We remain committed to reducing greenhouse gas emissions across our operations and supply chain. We support the industry-wide goal to reduce emissions intensity by 30% by 2030, as outlined in the Australian Dairy Industry Sustainability Framework⁷. This framework is internationally recognised and aligned with the United Nations Sustainable Development Goals (SDGs)⁸, sharing the same 2030 horizon.

We believe dairy plays a vital role in delivering nutrition. We are actively working to improve practices across our value chain, from farm to fridge. This includes energy efficiency, waste reduction, and responsible sourcing.

Lactalis is also a proud participant in the Pathways to Dairy Net Zero initiative and remains committed to achieving Carbon Net Zero by 2050. We continue to evaluate and adopt emerging technologies and strategies that support this long-term goal.

We've reduced our Scope 1 and Scope 2 emissions by

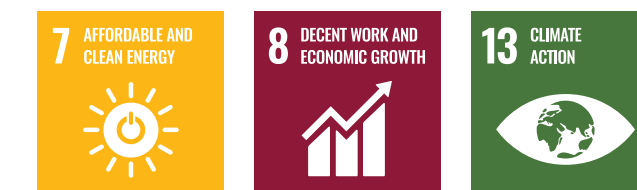
-19.7%

since 2019

**WE SUPPORT
PATHWAYS TO
DAIRY NET ZERO.**

SDG Contributions





TRANSPORT & LOGISTICS

Our carbon footprint reduction strategy continues with three time-sensitive goals.

1. Reducing transport activity (km travelled) through optimisation via fuller loads, order frequency reviews and larger carrying capacity trailers.
2. Improving transport energy efficiency through driver training and new generation trailers.
3. Reducing carbon intensity by integrating alternative fuel solutions.



Operation	Year	km	Fuel (L)	g CO2 _e /km
VIC Fleet	2020	1,799,235	1,087,259	1,632
	2021	1,826,577	1,062,105	1,570
	2022	2,273,784	1,111,131	1,319
	2023	1,832,573	1,004,330	1,480
	2024	1,631,569	776,771	1,285
NSW / SEQ Trailers	2020	2,160,298	445,347	557
	2021	3,789,622	331,798	236
	2022	4,325,092	319,275	199
	2023	3,916,699	340,413	235
	2024	3,512,169	305,254	235
Transport	2020	2,703,835	334,341	988
	2021	2,716,730	278,409	540
	2022	3,077,350	317,413	574
	2023	3,178,738	324,670	527
	2024	2,811,534	280,770	522

*The evolution of our internal carbon emissions footprint, as grams of CO2/km travelled.

CIRCULAR ECONOMY & PACKAGING

The nature of dairy means we must rely on packaging to safely house our nutritious products.

We remain committed to innovative packaging solutions that reduce plastics. We continue to evolve the “right packaging”, better circularity and educate consumers on recycling.

OUR LACTALIS GROUP COMMITMENTS

At least **30% of recycled material** in our packaging at consolidated Group level

We aim for **100% recyclable packaging** by design in 2025[†]

(Status 2024: 94%)

We aim for **100% recyclable packaging** in practice in 2033 for countries with an Extended Producer Responsibility scheme

(EPR)^{*}
(Status 2019: 89%)^{**}

We aim to **eliminate PVC** from our packaging by 2025[^]

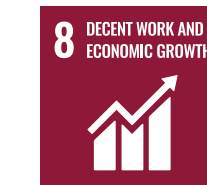
^{*} Ambition on a set of 23 countries accounting for 85% of Lactalis Group turnover in 2019. All acquisitions since December 2019 excluded at this stage.

^{**} Calculated scope 2019: France, Spain, Germany, Belgium, Sweden.

[^] Ambition set at Lactalis Group level. All acquisitions since December 2019 excluded at this stage.

[†] In Australia, the recyclability of some products is dependent on the availability of specific collection points and recycling facilities.

SDG Contributions



In 2024, we reduced plastic by

27.24 tonnes

The majority of plastic reduction in 2024 was achieved through the carry-over of 2023 initiatives, with additional savings from new 2024 initiatives (8.59T).



FOOD WASTE

We are proud to continue our partnership with Foodbank Australia, which in 2024 sourced the equivalent of 92 million meals, helping households across the country put food on the table.

Hunger remains a harsh reality for many families facing difficult choices. Through our donations of fresh milk, yoghurt, and desserts, we support Foodbank's vital work, ensuring fewer empty plates and showing communities they are seen and cared for.

Supporting local communities through partnerships like this is at the heart of our values, and we look forward to continuing this impact in 2025.

SDG Contributions



Thank you Lactalis Australia

In 2024, you've helped us source...



2,230,164

equivalent in meals for people in need

The faces of hunger in Australia are changing and the need for food relief continues unabated. Thanks to your generosity and support, we sourced the equivalent of 92 million meals (51 million kilograms of food and groceries) in 2024 with fresh fruit and vegetables, protein, pantry staples and groceries making its way to households right across Australia. We simply couldn't do it without you.

"If we weren't going to Foodbank, we'd be living off chips, 79 cent biscuits, and 50 cent wafers. We just wouldn't be getting the quality I'm able to offer the girls by shopping with Foodbank."



Feeding Australians in need **every day**



Helping to achieve

SUSTAINABLE DEVELOPMENT GOALS



In 2024, we helped with sourcing

2.23m

in equivalent meals for Australians in need

Source: Foodbank Australia

We donated

230,000L

of milk to Foodbank



RESOURCES & REFERENCES

ABOUT THIS REPORT

This is Lactalis Australia's 2024 Sustainability Report.

It aims to address some of the major challenges that the food and beverage industry is facing. As Australia's dairy industry leader, we recognise that it is important that Lactalis Australia plays a role in raising awareness about key sustainability issues.

The Report provides an overview of Lactalis Australia's key sustainability actions and performance for the period January to December 2024. The Report has been prepared 'In Accordance' with the Global Reporting Initiative's (GRI) G4 Guidelines at a Core level. The Report has not been externally assured. We intend to continue to report on an annual basis.

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4. Pathways to Dairy Net Zero, Pathways to Dairy Net Zero, accessed 10 July 2025, <<https://pathwaystodairynetzero.org>>
5. Australian Competition & Consumer Commission, Dairy Code Of Conduct, accessed 10 July 2025, <<https://www.accc.gov.au/business/industry-codes/dairy-code-of-conduct>>
6. Augusto Anguita-Ruiz, Hassan Vatanparast, Corinna Walsh, Giovanni Barbara, Sharon Natoli, Bronwyn Eisenhauer, Jaime Ramirez-Mayans, G. Harvey Anderson, Mathilde Guerville, Amandine Ligneul & Angel Gil (27 Feb 2025): Alternative biological functions of lactose: a narrative review, Critical Reviews in Food Science and Nutrition. <https://doi.org/10.1080/10408398.2025.2470394>
7. Australian Dairy Farmers, Australian Dairy Industry Sustainability Framework, accessed 10 July 2025, <<https://australiandairyfarmers.com.au/adsf/>>
8. United Nations Department of Economic and Social Affairs Sustainable Development, Sustainable Development Goals, accessed 10 July 2025, <<https://unstats.un.org/sdgs/report/2022/>>

MATERIALITY ASSESSMENT

A review of material issues has been undertaken to inform the development of the framework of this report.

This included reviews of:

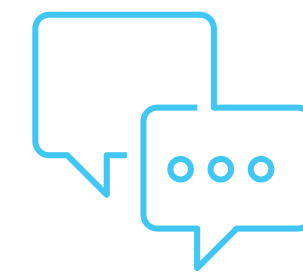
- Direct financial impacts (e.g. Risk register)
- Policy commitments
- Peers and their positions on issues (e.g. Dairy Australia Sustainability Committee)
- Societal norms and expectations and applicable laws (e.g. Laws, regulations, guidelines, standards, and voluntary agreements)
- Stakeholder concerns (internal, industry and external)

In preparing the 2024 report a limited review of material issues was tested to ensure currency and relevance.



ANY QUESTIONS?

We appreciate feedback and are happy to answer questions about this report or our approach to sustainability.



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