



*Nurturing the future*

# CSR Report 2025



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# EDITORIAL



Dear readers,

Every company has its milestones, but some years serve as a powerful reminder of how far we've come.

2025 is one of them: it has been 25 years since I took over as CEO of Lactalis and committed the company to a decisive acceleration of its international development. We are proud to be the world's leading dairy group, to see our products enjoyed in 150 countries and produced in our dairies and cheese factories in nearly 50 countries by nearly 85,500 employees!

This leadership position means we have a responsibility towards our stakeholders: customers, consumers, partners and, above all, our employees. While we have never tried to be the loudest voice, our global strategy for preserving nature and its resources by minimizing our impact is essential to continuing to promote the benefits of dairy products and empower our teams and partners to ensure sustainable performance. It is the best expression of our purpose in action: Nurture the future.



**Sustainability is not a destination, it is a journey that we are taking together with ambition, commitment and determination.**

Since 2019, this consistency has enabled us to transform our ambitions into concrete and measurable actions. Our CSR Report details our progress in 2025, with transparency and rigor, and highlights the work that still lies ahead, by tracking more than twice as many key performance indicators (KPIs) as in 2024. This year has been marked by several high-impact projects across many of the group's countries, which you can learn more about in this report. From Croatia to India, from the United States to France, from Australia to Brazil, our CSR teams have combined innovation and social commitment. I would like to extend my warmest congratulations to the teams behind these projects around the world.

The results are there.

In terms of climate, we are unwavering in our commitment to reducing our greenhouse gas emissions. Since 2019, our direct Scope 1 and 2 emissions have decreased by over 20%.

Within our value chain, more than 28% of our non-FLAG Scope 3 suppliers have now set science-based targets, a key step toward achieving the 73.8% target by 2028.

Animal welfare has become a well-established focus: since 2021, more than 18,000 dairy farmers in 21 countries have received support in this critical area from our team of dairy technicians, who are regularly trained using the CowSignals® method. With regard to our packaging, progress is being made toward a circular economy: by 2025, we will have successfully

implemented more than 40 projects aimed at reducing packaging weight, incorporating recycled materials and improving recyclability. Almost a third of the materials used are now recycled and more than 80% of our packaging is recyclable "by design."

For me, the standout CSR milestone of 2025 was the international recognition of this progress: the group is now in the top 20% of most advanced companies worldwide for animal welfare (BBFAW), earned a B rating from CDP Climate, and ranks among the top 30% of EcoVadis-assessed companies.

These results are encouraging, as they reflect a clear improvement compared to previous years. They validate our strategy, and our tangible progress is a significant milestone. But a milestone is only a milestone, and I would like to take this opportunity to thank all the teams committed to continuing on this path, in a spirit of continuous improvement, guided by our ambition and pragmatism. Our leadership position, our global reach and our in-depth knowledge of the regions where we operate are powerful drivers of change that create value for our group and all our stakeholders.

This is how we're moving toward greater sustainability.

It's *Our Sustainable Way to go*.

In 2026, we will continue to implement decarbonization roadmaps, support our suppliers, initiate the transition that will lead us to a 30.3% reduction in FLAG Scope 3 emissions by 2030, and step up our efforts regarding water, biodiversity and packaging.

Lactalis continues to move forward with determination and transparency. Our transformation is based on a simple conviction: there is no profitability in the long term without responsibility. These last few years, marked by increasing climatic and economic uncertainties, have demonstrated the group's ability to move forward steadily without ever compromising the values that define us. Our progress has not been cyclical: it is structural, rooted in the long term and shared by all of our employees and partners. I wish to thank them all.

I wish you all an enjoyable read.

**Emmanuel Besnier,**  
CEO of Lactalis

**WE SUPPORT**





**Agnès  
BAUDET-BARBEZANT**

Group General Manager for  
Quality, CSR & Crisis  
Management

2025 marks a pivotal stage in our CSR journey and was a year of accelerated progress. We have now laid the foundations of a strategy structured around three pillars: preserving nature and its resources to limit our impact on the planet and guarantee our long-term performance; promoting the benefits of dairy products to contribute to accessible and sustainable nutritional diets; empowering our teams, partners and communities where we live to help them thrive. For the past five years, we have been ramping up our efforts in key issues: climate, packaging circularity, animal welfare and diversity. In 2025, we took a further step forward by analyzing our Impacts, Risks and Opportunities (IRO) and transforming our ambitions into measurable results!

For the Climate, we are continuing to reduce our emissions. Since 2019, our direct Scope 1 and 2 emissions have decreased by 20.5%, with significant progress in several countries, up to -71.4% in Spain!

Among this year's many projects, two stand out: the roll out of XTL renewable diesel within Lactalis Logistics and Transport France, avoiding 34,000 metric tons of CO<sub>2</sub> equivalents, which equates to an 8% reduction in Lactalis France's Scope 1 and 2 emissions.

The second example is Lactalis Do Brasil's commitment to more sustainable wood management, strengthening the traceability of wood energy and increasing the share of wood from managed forest rotations. Together, the local team and the group have carried out considerable work that has led to a 25% reduction in biogenic emissions in Brazil, amounting to nearly 83,000 tCO<sub>2</sub>e compared to 2019. This pilot project, which is essential for our group objectives, is intended to be gradually rolled out in all countries facing similar challenges.

Our actions are intensifying across our entire value chain. 28.5% of our non-FLAG Scope 3 suppliers had science-based targets in 2025. More than 13,000 audits have been carried out since 2023 on farms in 14 countries to measure FLAG emissions. The roll out of reduction measures continued, with a -3.3% decrease of these FLAG emissions compared to 2021.

Animal welfare promotion continues its momentum: all of our 250 dairy technicians in 21 countries are regularly trained using the CowSignals® method, and by the end of 2025, around 85% of our direct farmers in 11 pilot countries and 45% in 10 other countries had been audited.

The circular economy is a top priority for us. While packaging remains essential, in particular to protect our sensitive dairy products and avoid food waste, it also puts pressure on resources, the climate and ecosystems. That's why I'm proud of the results achieved by a dedicated team of buyers, R&D and marketing specialists, while fully recognizing the complexity of the task: by 2025, 32.9% of materials used were recycled and 82.2% of packaging was recyclable by design. We reduced our PVC tonnages by 50% compared to 2021.



**We have seen the birth of a CSR community united by a common purpose, driven by our values and ready to act.**

Finally, together with the HR team, we were committed to revitalizing our social initiatives by establishing the global Diversity, Equity and Inclusion (DEI) network: 60 ambassadors in 30 countries, three major international events, training on inclusive recruitment, increased engagement on disability issues, an introduction to intergenerational challenges, and the fight against gender-based violence. The inclusion of CSR training in the training catalog confirms that these topics are now integral to the group's overall strategy.

All these 2025 results are now internationally recognized, which is a real source of pride for the whole team. The time has come to embody this ambition in a signature that reflects our commitment and our approach to moving forward with determination, credibility and humility toward ever greater sustainability:

*Our Sustainable Way to go*

The global context is a cause for concern: climate trajectory towards global warming of around +2.8°C<sup>(1)</sup> increasing pressure on water resources, collapse of biodiversity. The challenges are immense. And so is our determination. We don't have all the answers today, but we have the will, the means and the responsibility to act. This is why, in 2026, we will strengthen our commitments, continue our actions and publish our Water and Biodiversity Policies.

This is a collective journey, and our first CSR seminar was a powerful reminder of that. For three days, our CSR community shared learnings, convictions and energy. We have seen the birth of a community united by a common purpose, driven by our values and ready to act. None of our results would be possible without the commitment of these CSR and Technical Expert Services, both in the countries where we operate and at headquarters. I would like to express my sincere and heartfelt thanks to them. Together, we can turn these challenges into opportunities by staying the course: *Our Sustainable Way to go*.

1) By 2100 with current policies, according to UNEP's 2025 report ("*Emissions Gap*").

# 1. PRESENTATION OF LACTALIS



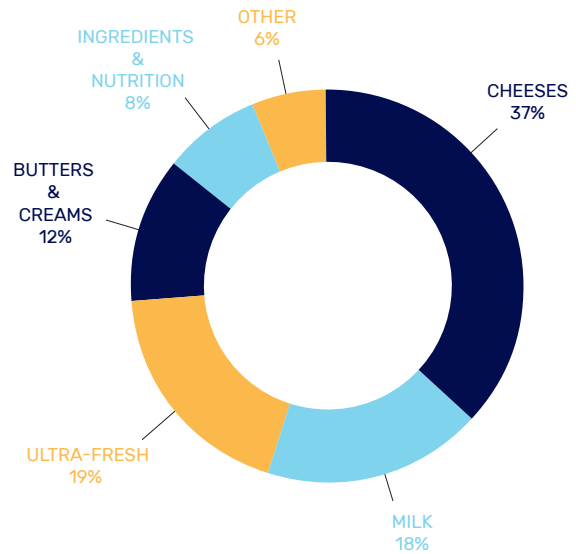
## 1. PRESENTATION OF LACTALIS

Created in 1933 by André Besnier in Laval, Lactalis has been a family business for three generations. Lactalis is developing its activities to respond to its mission: to offer healthy, tasty and affordable products every day that bring us closer together. Driven by a passion for dairy, Lactalis strives to cultivate dairy know-how all over the world, as well as a wide range of tastes and products with high nutritional value. Lactalis intends to preserve, promote and share these with as many people as possible.

Lactalis has been developing dairy and cheese know-how since the company was founded, strengthening this expertise as it has grown. It offers consumers a wide range of dairy products in all categories: cheeses, liquid milk, yogurts, ultra-fresh dairy products, butters and creams, powdered formula and milk for infants and adults, clinical nutrition products and dairy ingredients.

In 2025, Lactalis collected more than 23 billion liters of raw milk from around 300,000 <sup>(1)</sup>partenering farmers. Processing was carried out at 267 production sites located in 49 countries. Lactalis has nearly 85,500 employees worldwide and generated revenue of €31.2 billion in 2025.

### Breakdown of consolidated revenue by category



**€31.2**  
billion in revenue

**23.1**  
billion liters  
of milk collected

**+2.9%**  
revenue growth

**85,500**  
employees

**No. 1**

- Global dairy company
- Global group in the cheese market
- Global group in butter and cream
- Global player in PDOs and raw milk cheeses

**No. 2**

- Global group in the ultra-fresh dairy products market
- Global group in the liquid milk market

**No. 9**  
Global food company

1) Estimate of the number of partenering farmers reviewed in 2025, according to a more precise methodology.

**Breakdown of consolidated revenue by geographical area**



**In 2025, Lactalis continued to strengthen its international presence.**

**UNITED STATES**

**GENERAL MILLS YOGURT BUSINESS**

On June 30, 2025, Lactalis took another step forward in its expansion across the Atlantic by finalizing the acquisition of General Mills' yogurt business in the United States, which had been announced the previous year. This strategic transaction strengthens its presence in a particularly dynamic market and confirms our growth ambitions in the United States, the group's second largest market.

Nearly 1,000 employees from the dairies in Murfreesboro (Tennessee) and Reed City (Michigan), as well as the head office in Minneapolis (Minnesota), have joined Lactalis USA. Their know-how, combined with the heritage of emblematic brands – Yoplait®, Go-Gurt®, Oui®, Mountain High®, ratio – consolidates Lactalis' position in the ultra-fresh market and will support the development of a local and innovative offer.

This integration created "Midwest Yogurt," Lactalis' new division dedicated to managing and developing yogurt activities in the USA, reflecting the desire to make this expansion a lasting part of the American dairy landscape.

**URUGUAY**

**GRANJA POCHA**

In 2025, Lactalis acquired Granja Pocha, a Uruguayan family business located in Juan Lacaze which, like the group, has been built around strong local roots and know-how passed down from generation to generation. Known for its cheeses, yogurts, desserts and dulce de leche marketed under the Colonial brand, it processes nearly 60 million liters of milk each year and occupies an important place in the local dairy landscape.

Granja Pocha's 160 employees have joined the teams of Lactalis Uruguay, which has moved to a new production site. This integration strengthens Lactalis' presence in the Uruguayan market, supports the production of local cheeses and fresh products, and expands its offer, while preserving the country's dairy tradition.

**PORTUGAL**

**QUEIJOS TAVARES**

In 2025, Lactalis welcomed Queijos Tavares, a family-owned dairy group founded in 1996 and specializing in cow's, sheep's and goat's cheeses. Located between Seia and Fundão, in the heart of a region where cheese-making traditions play a prominent role, the group markets well-known brands such as Seia do Tavares, Serras de Penela, Damar and Monte da Soalheira, combining traditional expertise with innovation.

The 120 employees of Queijos Tavares have joined Lactalis Portugal, which now has two additional sites. This acquisition will enable us to expand the production and marketing of regional cheeses, broaden Lactalis' local product range and build on the momentum generated by the acquisition of Sequeira & Sequeira, thereby strengthening the group's presence in Portugal.

**SOUTH AFRICA**

**CREMORA**

In April 2025, Lactalis expanded its presence in South Africa with the acquisition of Cremora, an iconic brand of coffee creamer that has been a staple in South African households for nearly 80 years. The acquisition of Cremora was accompanied by the addition of the Babelegi and Potchefstroom sites, which now strengthen our local presence and bring the total number of manufacturing sites in the country to seven. Nearly 300 employees have joined the local teams, further strengthening the momentum surrounding a now more diverse brand portfolio. The acquisition of Cremora supports the development of products that complement traditional dairy offerings and strengthens Lactalis' presence in a market with strong demand.

## 2025 CSR PERFORMANCE

Our areas of intervention	Indicator name	Targets	2024 Results	2025 Results	Trend vs. 2024	Validation of the objective *	Contribution to the SDGs
<b>PRESERVE NATURE AND RESOURCES</b>							
Climate	Percentage change in emissions related to Lactalis' SBTi commitment on Scopes 1 and 2 (including biogenic emissions) between 2019 and 2025 (%)	<b>-46.2%</b> by 2030	<b>-13.7%</b>	<b>-20.5%</b>			
	Percentage of suppliers (in emissions) with science-based commitments validated by SBTi, linked to Lactalis' SBTi commitment on Scope 3 non-FLAG (%)	<b>73.8%</b> by 2028	<b>24%</b>	<b>28.5%</b>			
	Percentage change in emissions related to Lactalis' SBTi commitment on Scope 3 FLAG (raw cow's milk collected) between 2021 and 2025 (%)	<b>-30.3%</b> by 2028	<b>-5.0%</b>	<b>-3.3%</b>			
Biodiversity	Percentage of the palm oil and derivatives volumes purchased worldwide RSPO Mass Balance or Segregated Certified (%)	<b>100%</b> by the end of 2025	<b>92.1%</b>	<b>95.2%</b>			
Circular economy	Percentage of recycled materials in our packaging (%)	<b>&gt;30%</b>	<b>32.3%</b>	<b>32.9%</b>			
	Metric tons of PVC in packaging (tons)	Aiming for elimination by 2025	<b>866.0</b>	<b>752.9</b>			
	Percentage of packaging recyclable by design (%)	Aiming for <b>100%</b> by 2025	<b>82.8%</b>	<b>82.2%</b>			
	Percentage of virgin paper and board packaging covered by sustainable certification (%)	<b>100%</b> by 2023	<b>95.9%</b>	<b>98.1%</b>			
Animal welfare	Percentage of direct annual volume of collected cow raw milk in the 11 pilot countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once every 3 years) (%)	<b>100%</b> by 2025	<b>55.3%</b>	<b>89.7%</b>			
	Percentage of annual volume of purchased shell eggs worldwide coming from cage-free systems (%)	<b>100%</b> by the end of 2025	<b>100%</b>	<b>100%</b>			
	Percentage of annual volume of purchased egg products worldwide coming from cage-free systems (%)	<b>100%</b> by the end of 2025	<b>92.0%</b>	<b>92.7%</b>			
<b>LEVERAGE DAIRY GOODNESS</b>							
Food safety and quality	Percentage of industrial activities certified according to at least one of the five certificates: ISO 22000, FSSC 22000, IFS, BRC or SQF (%)	<b>100%</b> by 2026	<b>88%</b>	<b>89%</b>			
<b>EMPOWER OUR PEOPLE, PARTNERS AND COMMUNITIES</b>							
Diversity, equity and inclusion	Percentage of women in leadership positions (%)	Aiming for a balance in leadership positions by 2033	<b>27.7%</b>	<b>28.3%</b>			

\* The target is considered met once 98% of the stated value has been reached (tolerance: 2%).

## 1.1 STRATEGIC PILLARS AND OUTLOOK

Lactalis seeks to offer the pleasure and nutritional benefits of dairy products to as many people as possible. The dairy sector also offers prospects for development around which Lactalis intends to mobilize its talent and stakeholders for profitable and responsible growth. These elements have structured the definition of Lactalis' corporate project for 2033, the 100<sup>th</sup> anniversary of its creation. This strategy is divided into four pillars: people, products, performance and the planet.

### 1.1.1 CONSUMPTION OF DAIRY PRODUCTS WORLDWIDE

Dairy products enjoy a positive image around the world, particularly in emerging countries, where their consumption is essential to providing the population with essential nutrients at an affordable cost. The main categories each have their own image: nutrition and health for milk, pleasure and know-how for cheese, and taste and enjoyment for chilled dairy products.

Lactalis remains convinced that dairy products are a fundamental part of a healthy and sustainable diet (for all ages), and that there is no plant-based nutritional alternative to dairy products. Lactalis believes that dairy and plant-based products are complementary, and each have their own place as part of a balanced diet.



### 1.1.2 GROWTH DRIVERS AND OPPORTUNITIES

The global dairy market has three main growth drivers over the medium and long term:

1. the increase in the world's population:

The dairy market is expected to continue growing thanks to the increase in the global population, which the United Nations estimates will grow by 560 million people by 2033. At that date, 58% of this population will be in Asia and 21% in Africa.

By combining the increase in population and *per capita* consumption, the dairy products market will continue its dynamic in terms of volume, with an average annual increase of close to 2%, mainly in emerging countries (particularly India, Pakistan, Brazil and African countries). Global milk production is therefore expected to grow by 1.5% per year over the next ten years;

2. the increase in market value:

By 2033, the dairy products market is expected to increase in value by more than 4%. However, it is difficult to quantify the impact of current inflation levels on this valuation.

3. the emergence of new consumer trends:

The coming years will see the emergence of new consumer trends with growth in cheese, butter and ultra-fresh. These new trends are generated by significant changes in the structure of the population. In Europe for example, the growing proportion of seniors will require an expanded offering of adapted recipes to meet their needs for key nutrients. The increase in the number of singles and urban dwellers will change the offering and distribution channels.

#### OUR PURPOSE IN ACTION "NURTURE THE FUTURE"

On the group's 90<sup>th</sup> anniversary, Lactalis unveiled its purpose of "Nurture the future."

By setting this ambition for itself, Lactalis is clarifying the role it wants to play in the world. The company is opting to nurture a responsible future by committing to offering the best, locally sourced dairy products to help everyone grow.

Since 1933, Lactalis has made its choice of dairy products. Based on a pioneering intuition, the company decided to organize the collection of the milk, its processing and its packaging, and created a reliable and efficient model that has enabled as many people as possible to enjoy the unparalleled benefits of dairy products.

By continuing to innovate from generation to generation, Lactalis has developed, refined and shared its expert know-how to develop dairy traditions and bring into homes around the world, through a unique portfolio of brands, which is deeply rooted in the daily lives of consumers.

Faced with increasingly critical demographic, health and environmental issues, Lactalis is convinced that dairy products have a role to play in current and future diets. As the world leader and leading expert, Lactalis has a responsibility to nurture the future.

## 1.2 LACTALIS' BUSINESS MODEL

CREATING VALUE FOR ALL SINCE 1933, WITH A HANDS-ON APPROACH

### RESOURCES

#### Employees

Passionate women and men, recognized for their expertise, with a key role in rural development

**85.500 employees**

#### Iconic brands

A unique portfolio of iconic and historic international and local brands. Brands synonymous with quality, taste, pleasure and sharing

**Over 250 brands (of which 31 with revenue > €100 million)**

#### Purchased goods & services

A close relationship with our global and local suppliers and partnering farmers

**23.1 billion liters of milk collected**

#### Natural resources

A resource use strategy based on the principles of moderation, efficiency and transition

**267 production sites**

#### Operations & innovation

Robust quality processes. An industrial DNA preserving and transmitting world dairy cultures and know-how. Operations with local positive socio-economic impact. An innovation strategy for our consumers and to reduce our environmental impacts

**World leader in PDOs (39)**

#### Sales channels

An omni-channel sales strategy, sharing dairy cultures with local & export customers

#### Family shareholding

A family shareholding ensuring stability, an agile entrepreneurial spirit and a long-term strategy

**100% of the shareholding held by the founding family**

### MISSION

**A family company offering healthy, tasty, and accessible products that bring us closer together every day**



### VALUES

#### Ambition

Setting higher goals in the daily management of the business, and continually developing its professional and individual capabilities

#### Commitment

Showing true entrepreneurship, both individually and collectively. Being reliable, accountable and loyal

#### Simplicity

Acting with transparency, pragmatism and an open mind, while working effectively and being results-oriented

# AMBITION

## PROFITABLE AND RESPONSIBLE GROWTH

### THE ECOSYSTEM AND SHARED VALUES

#### Employees

A safe, caring and attractive working environment, a demanding health and safety policy, social dialog, competitive salaries and benefits, and a talent development policy

#### Consumers & Customers

A Quality organization ensuring food safety. A wide range of healthy, tasty and accessible dairy products, mostly made of milk. Helping consumers to adopt balanced diets worldwide *via* innovative sales channels and services

#### Industry

A leader engaged with national dairy federations to collectively develop qualitative and sustainable standards, and shape the future of our industry

#### Farmers

A close and most often direct relationship with some 300,000 partenering farmers in nearly 50 countries. Technical advice for a sustainable production of quality milk. 650+ intermediate milk collection centers in remote rural areas

#### Suppliers

A ripple effect for the activity of global and local suppliers through the group's international operations, and exploration of partnerships favorable to innovation

#### Environment

Resource-efficient processes, contributing to our mission to feed the world with sustainable nutrition

### MAIN AMBITIONS

#### For operations

**Economically profitable** activities, favoring **continuous development** of our local communities and territories

#### For employees

**Zero** work-related accidents, **Zero** occupational diseases

Aiming for a **gender balance** in management positions by 2033

Managerial survey in all **countries**

#### For consumers

**100% of packaging** will bear waste management information by 2025 <sup>(1)</sup>

**100% of industrial activities** certified according to at least 1 of the 5 certificates (ISO 22000, FSSC 22000, IFS, BRC, SQF) by 2026

#### For stakeholders

Increased **dialog** and **partnerships** with our stakeholders

#### For the planet

**-46.2% GHG emissions** <sup>(2)</sup> by the end of 2030 (Scopes 1 and 2) <sup>(3)</sup>

**-30.3% GHG emissions** by the end of 2030 (Scope 3 FLAG) <sup>(4)</sup> <sup>(5)</sup> <sup>(6)</sup>

**73.8%** of our suppliers and customers <sup>(7)</sup> in terms of emissions with science-based climate targets by 2028 (non-FLAG Scope 3) <sup>(8)</sup>

**Carbon Net Zero** by 2050 <sup>(9)</sup>

**Zero deforestation** by the end of 2025

100% of current and future packaging solutions for pillar products and packaging for product innovations screened using an **eco-design tool** by 2025 <sup>(1)</sup>

Minimum **30% recycled materials** in our packaging <sup>(1)</sup>

Aiming for the **elimination of PVC** in our packaging by 2025 <sup>(1)</sup>

Aiming for **100% recyclable packaging** by design in 2025 <sup>(1)</sup>

Aiming for **100% recyclable packaging** in practice in 2033 <sup>(10)</sup>

**100% of virgin paper and board** covered by sustainable certification by the end of 2023 <sup>(1)</sup>

**100% of direct milk volumes assessed** on animal welfare by 2025 in 11 pilot countries <sup>(11)</sup> and by 2027 in 10 additional countries <sup>(12)</sup>

**100% of dairy technicians trained** in animal welfare by 2024 in the 11 pilot countries and the 10 additional countries

**100% of volumes of shell eggs and egg products** used in recipes coming from cage free systems by the end of 2025

(1) Ambition on a set of 23 countries accounting for 85% of Lactalis revenue in 2019.

(2) Greenhouse gases.

(3) Base year 2019

(4) FLAG: Forest, Land & Agriculture.

(5) Commitment to 67% of Lactalis Scope 3 FLAG GHG emissions.

(6) Base year 2021.

(7) Covering purchased goods and services, capital goods, fuel and energy activities, transport and distribution, as well as the transformation of sold products.

(8) Commitment to 67% of Lactalis Scope 3 non-FLAG GHG emissions.

(9) Contributing to the achievement of carbon neutrality on a global scale.

(10) Ambition for countries with an Extended Producer Responsibility EPR scheme, amid a set of 23 countries accounting for 85% of Lactalis revenue in 2019. All acquisitions since December 2019 are excluded at this stage.

(11) Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi subsidiary acquired in 2023), Spain, Sweden, the United Kingdom and the United States (excluding the Midwest Yogurt subsidiary acquired in 2025).

(12) Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding Sequeira subsidiaries acquired in 2024 and Tavares subsidiaries acquired in 2025), Romania, Slovenia, South Africa (excluding the Cremora subsidiary acquired in 2025), Switzerland and Turkey.

### 1.3 CSR STRATEGY



**Accountability** is one of the guiding principles of our strategy. It guides our commitments to **the women and men** of our company, as well as our actions toward **nature and the resources** that are essential to our performance and to everyone's future. It is also expressed through our products, which must be safe, healthy and accessible. In an increasingly demanding global environment, we have developed a robust and coherent CSR program that is fully integrated into our corporate strategy. This program enables us to take concrete, measurable and sustainable action in support of our mission and our stakeholders.

#### 2025, A RENEWED MOMENTUM

For many years, Lactalis has been promoting sustainable development. **2021 was a year of acceleration:** we developed our CSR governance and prioritized our efforts in 3 areas where we could make a real difference: **combating climate change, promoting animal welfare and advancing the circularity of our packaging.** **Four years later, we have achieved our first structuring objectives** and we have seen our efforts recognized by **external reference standards.**

In the  
**top 20%**  
of the most advanced food companies on animal welfare



**BBFAW**  
Business Benchmark on Farm Animal Welfare

*Independent global benchmark on animal welfare*

Score B  
on the CDP Climate



**CDP**  
DRIVING SUSTAINABLE ECONOMIES

*Independent global reference framework for climate action and environmental disclosure, by an independent nonprofit organization – grading from A to F*

In the  
**top 30%**  
of all companies assessed across all industries



**ecovadis**

*Independent global assessment of overall Corporate Social Responsibility (CSR) performance*

**2025 was therefore a pivotal year. It was also the year of renewed momentum.** Building on this solid foundation, we have developed a comprehensive CSR program that connects people, the planet and our business operations under a **shared vision called *Our Sustainable Way to go.***

**We see this CSR program as a collective action plan for the benefit of all our stakeholders that:**

- provides a safe, caring and meaningful working environment for **our teams**;

- supports **farmers, our partners and our suppliers** in improving their practices, sharing clear expectations and a common vision;
- being a reliable CSR partner for **our customers**;
- offering **our consumers** products that are aligned with their values and can play a role in their efforts toward responsible consumption.

# Our Sustainable Way *to go*

## OUR CSR AMBITION

### LEAD WITH RESPONSIBILITY TO NURTURE THE FUTURE

**We act to preserve nature and resources and leverage dairy goodness while empowering our people, partners and communities.**  
**We build on our global scale and deep local roots.**  
**Together, in every country, we are committed to ensure the sustainability of our activities and the well-being of future generations.**

01



**Preserve**  
*nature and resources*

Combating climate change, preserving natural resources and protecting ecosystems are both our responsibility and a matter of business continuity. From global policies to their local implementation, we progressively improve our practices, combining ambition and pragmatism, to reduce our impacts in each territory.

**Our priorities:**

- Fight against climate change and deforestation
- Promote animal welfare
- Develop packaging circularity and reduce waste
- Preserve biodiversity
- Steward sustainable water management

02



**Leverage**  
*dairy goodness*

We are driven by a passion for dairy products. Their safety, quality and taste are at the heart of what we do. Dairy products play a key role in balanced and affordable diets in many countries. We continuously improve their nutritional profile and adapt them to local habits and culinary traditions, while ensuring clear information for consumers.

**Our priorities:**

- Guarantee the safety, quality and superiority of our products
- Contribute to healthy, affordable and accessible diets
- Adopt responsible marketing practices

03



**Empower**  
*our people, partners and communities*

People are at the center of our strategy and long-term success. We aim to provide safe, engaging and inclusive working environments. Beyond our teams, we promote respect for human rights across our value chain and contribute to the vitality of the regions where we operate through local initiatives and partnerships

**Our priorities:**

- Commit to health and safety, training and well-being at work
- Promote diversity, equity and inclusion
- Uphold ethics and human rights
- Support the development of communities and territories

**This is how we are moving toward sustainability.**  
**This is how we nurture the future.**



*Nurturing the future*

## 1.4 HIGHLIGHTS IN 2025

In 2025, our teams around the world successfully completed numerous projects. This selection highlights a few key initiatives that illustrate the diversity and impact of our commitments.

### Lactel, a leading and committed brand


Certified CSR program, strengthening the differentiation of the brand and its impact on millions of consumers.

   see p. 127

### Biomass boilers

Installation of two biomass boilers at the Mayenne and Craon sites, generating an annual reduction of around 35,600 tCO<sub>2</sub>e.




 see p. 38

### FRANCE

#### Deployment of renewable diesel towards XTL

Complete transition of logistics flows XTL, avoiding more than 34,000 tonnes of CO<sub>2</sub> equivalent in 2025.

 see p. 39

#### Reduction of water withdrawals

The management and optimization actions implemented at Vitré have made it possible to reduce water withdrawal by 12% compared to 2021.

 see p. 53

### UNITED KINGDOM

#### Community action


Community engagement program to strengthen employee pride and involvement.



### ITALY

#### Logistical support for the food bank

Provision of trucks and volunteers to participate in the national food collection.

 see p. 81

### MEXICO

#### Employee support


The EDUC'ALAT program to support employees in obtaining an official diploma and strengthen their long-term employability.

 see p. 89

### BRAZIL

#### "Field Days" with farmers

Field training sessions for partnering farmers on animal welfare best practices.

 see p. 124

#### Climate-sensitive wood management project

Implementation of a traceability system for biomass wood flows to monitor forest rotation cycles and verify the balance between harvesting and regrowth

 see p. 38

 Animal welfare

 Biodiversity


 Climate Scopes 1-2-3 FLAG & non FLAG

 Supporting local communities

 Food loss and waste & waste management

 Responsible packaging

 Water

 Our employees

**SWEDEN** 

**Individualized counseling program**


Personalized support for farmers as part of the Sustainable Dairy Farm initiative, based on their carbon footprint and integrating animal welfare and biodiversity.

 see p. 40

**CZECH REPUBLIC** 

**Lighter Kunin pots**


The weight of Kunin pots has been reduced to decrease plastic use and lower production costs.

 see p. 76

**ROMANIA** 

**New glass bottles**

220 grams less glass per liter, a modernized design, and better visibility on store shelves.

 see p. 76

**CROATIA** 

**"Don't waste food"**

A program to combat food waste that combines logistics optimization, donations, and awareness-raising actions.

  see p. 81



**TURKEY** 

**Solar Energy in Tire**

Reduction of CO<sub>2</sub> emissions through investments in renewable energy.


 see p. 38



**INDIA** 

**Local and sustainable access to drinking water**


Providing safe drinking water systems to communities.

 see p. 127

**AUSTRALIA** 


**Food Autonomy Improvement Program**

Support for dairy farms in feed autonomy and ration optimization, in order to improve feed efficiency and reduce the carbon intensity of the milk produced.

 see p. 40

**Digital access to training**

Deployment of the Learning Factory to offer plant and warehouse employees easier access to digital training via dedicated computer kiosks.

 see p. 90

**SLOVENIA** 

**Competition for the "Best Stable"**

An animal welfare contest aimed at raising awareness among livestock farmers and the general public about this issue.

 see p. 123



## 2. GENERAL INFORMATION



## 2.1 BASIS FOR PREPARING THE REPORT

The CSR report covers the fiscal year from January 1 to December 31, 2025, in line with previous reports. This report is prepared on a voluntary basis, in anticipation of the requirements of the Corporate Sustainability Reporting Directive (CSRD).

The sustainability reporting scope corresponds to that established in Lactalis' financial statements. However, Lactalis is gradually integrating the new entities included in the consolidated financial scope into its sustainability reporting framework based on the maturity level of the entities in question. The scope of consolidation of KPIs is detailed in section 7. / Methodological note, p. 148. When an acquisition is made, the entities concerned are included in the CSR reporting process within a maximum of three years after they join the group.

For the preparation of this CSR report, Lactalis conducted a double materiality analysis to identify material sustainability matters with regard to its business model and value chain. In line with this analysis, the report presents relevant information covering the entire value chain.

The published information is supplemented by the methodological note, which specifies the definition and calculation methodology for each indicator, its scope and its coverage rate. It also describes the origin and consolidation of the data, as well as the procedures for control, verification and comparability.

## 2.2 GOVERNANCE

The governance bodies of B.S.A., the parent company of Lactalis, are the Chairperson, the Management Board and the Supervisory Board.

- The administrative body is the Management Board. Its members are appointed by the Supervisory Board. The Management Board sets the strategic direction for B.S.A.'s operations and ensures their implementation in accordance with the company's best interests, while taking into account the social and environmental implications of its activities. It is permanently involved in Lactalis' sustainability matters through its Chairperson, who participates in all stages of the process for identifying priority sustainability matters and approves the inclusion of new issues on the agenda as well as the strategy.
- The supervisory body is embodied by the Supervisory Board: its primary role is to oversee the management of Lactalis Management Board, particularly with regard to the proper implementation of the company's strategy, including non-financial and sustainability aspects.

### The composition and diversity of the members of B.S.A's administrative, management and supervisory bodies

	<b>2025</b>
Number of non-executive members	4
Number of executive members	1
Number of employee representatives	0
Percentage of women (%)	40%
Percentage of men (%)	60%
Percentage of independent members on the Supervisory Board (%)	33%

Lactalis' CSR governance is structured as follows:

- the Chairperson of the Management Board is the highest decision-making person on CSR strategy. He is involved at all stages of the selection of priority sustainability matters and validates new matters for consideration and the strategy. He is updated on a monthly basis on the progress of projects and receives a comprehensive half-yearly update on the CSR strategy during the Headquarters Committees, in which the Chief Operating Officer is involved;
- the Group Management Committee (CODIR) is the company's second-highest decision-making body on the CSR strategy. It discusses and validates the strategy proposals for each matter. It is informed on a half-yearly basis of the implementation of the CSR roadmaps for each matter and the associated performance;
- the Group General Manager for Quality, CSR & Crisis Management reports directly to the CEO of Lactalis and is in charge of proposing a CSR strategy for the company, in collaboration with the Group CSR Department.
- the Group CSR Department:
  - coordinates the implementation of Lactalis' CSR strategy and its update with the Technical Experts departments.
  - ensures the consistency of methods and reporting processes, the deployment of cross-functional tools and the monitoring of performance indicators,
  - coordinates the entire non-financial information and performance auditing process,
  - manages an international network of internal CSR referents,
  - ensures and develops dialog and transparency with internal and external stakeholders. In particular, it is responsible for developing and facilitating an internal CSR culture, notably through training and the organization of events and webinars.

## 2. GENERAL INFORMATION

For each sustainability matter, the Group CSR Department leads or co-leads Corporate working committees, which are often multifunctional. For each matter:

- an Operational Working Group, led by the CSR manager responsible for the relevant area, conducts a forward-looking analysis and develops proposals for strategies, policies, action plans and reporting methods. It brings together members of the Group CSR Department and Technical Experts from other departments. In line with Lactalis' strong local roots, the working groups regularly bring together Technical Experts from each country;
- a Strategic Committee discusses and validates these proposals and submits them to the Group Management Committee for approval. It is made up of the operational working group's coordinators, the Group General Manager for Quality, CSR & Crisis Management, and the General Managers of the Technical Experts Services involved.

In particular, Strategic Committees have been established to monitor progress toward the objectives and ensure the proper implementation of Lactalis' CSR strategy, focusing on priority issues such as climate, packaging circularity, animal welfare, water and biodiversity.

### A NETWORK OF CSR REFERENTS, SUPPORTING OPERATIONAL DEPLOYMENT AT LOCAL LEVEL

The Group CSR Department coordinates and leads an international network of CSR referents in the main countries and subsidiaries.

21 countries are represented in this network; they represent the bulk of Lactalis' activities and its impact by issue. The CSR referents are responsible locally for:

- establishing CSR governance involving the local General Manager and his or her Management Committee;
- developing a CSR strategy tailored to the local context and aligned with the group's commitments, in collaboration with the General Manager and the Management Committee of the country or the subsidiary;
- coordinating the implementation of roadmaps by issue and ensuring the reporting of the indicators required to monitor the commitments;
- developing and facilitating an internal CSR culture.



### DIALOG WITH EMPLOYEE REPRESENTATIVES

In addition to these bodies, Lactalis relies on structured social dialog mechanisms, which contribute to identifying, monitoring and managing the social impacts related to its activities.

- In France:
  - the France General Manager chairs the Lactalis France Committee, which meets once a year. This employee representative body is composed of 30 employee representatives from industrial sites and head offices in France. During meetings of this committee, information relating to the group's social situation, such as the social report, is presented to the employee representatives. The Director of Human Resources France and the Director of Social Relations France also participate in this body;
  - the Lactalis Group Social Committee, the body that negotiates collective agreements, meets approximately every six weeks. It is chaired by the Group Social Relations Director and brings together 15 employee representatives.
- At European level, Lactalis has a European Social Dialog Body, chaired by the Group Social Relations Director. The Chief Operating Officer, the Group Human Resources Director, as well as other members of the Management Committee take part in this body to share information on Lactalis' strategy, organization and developments with European employee representatives.

## 2. GENERAL INFORMATION

### INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Lactalis' operational bodies and CEO receive information on the CSR strategy, the implementation of roadmaps by issue, as well as the associated performance. This information includes:

- the progress of priority CSR projects;
- the key performance indicators (KPIs) consolidated at group level;
- the main risks and opportunities related to sustainability matters;
- proposals for changes to the strategy and action plans.

The Strategic Committees dedicated to priority sustainability matters meet twice a year to examine and discuss the proposals resulting from the operational working groups.

In addition, a consolidated CSR dashboard is presented once a year to the Group Management Committee, in line with the current frequency of calculation of performance indicators, which is carried out annually.

### INTEGRATION OF SUSTAINABILITY-RELATED RESULTS IN INCENTIVE SCHEMES

The company's compensation policy is jointly approved by the Group Compensation and Benefits Director and the Group Human Resources Director.

As of the reporting date, no targets explicitly linked to sustainability performance (CSR) have been incorporated into Lactalis' variable compensation schemes.

However, some local entities have chosen to incorporate specific sustainability targets into variable compensation schemes, depending on their local priorities and operational context.

### STATEMENT ON DUE DILIGENCE

As a major player in the dairy industry, Lactalis has an important responsibility for the proper conduct of business and affirms its desire to act in compliance with the laws and regulations in force, and in particular the law of March 27, 2017, on the duty of care of parent companies.

The vigilance plan is published in the CSR report and links with the various actions presented in this report.

Elements of due diligence	Related paragraphs
<b>Embedding due diligence in governance, strategy and business model</b>	See 2.2 / Governance p. 17 See 2.3 / Strategy p. 21 See 6. / 2025 Vigilance plan p. 128
<b>Collaborating with affected stakeholders at all stages of due diligence</b>	See 2.3 / Strategy p. 21 See 6.4 / Stakeholder dialog p. 129
<b>Identifying and assessing adverse impacts</b>	See 2.4 / Impact, risk and opportunity management p. 24 See 6.5 / Mapping risks related to human rights, Health & Safety and the environment p 129
<b>Implementing actions to remedy negative impacts</b>	See "Impacts, Risks and Opportunities" in each section See "Mitigating Risk and Preventing Serious Harm" section of the published 2025 Vigilance Plan on p. 137
<b>Tracking the effectiveness of these efforts and communicating</b>	See "Indicators and objectives" in each section, and sections 6.9 and 6.10 of the 2025 Vigilance Plan, p. 145

## RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

### Sustainability information management method and systems

Lactalis has set up procedures for risk management and steering of sustainability information based on Lactalis' CSR method and structured governance. These procedures aim to guarantee the reliability, consistency and relevance of the information published.

This CSR method is based on a regular assessment of the situation to date with regard to the main sustainability matters (initial status - T0). Based on this assessment, Lactalis:

- identifies key actions likely to have a significant impact;
- analyzes the expected impacts as well as the associated costs; and
- validates its policies and commitments accordingly.

Roadmaps are then developed at country level to ensure that operational implementation is aligned with the group's guidelines.

The implementation of these roadmaps is tracked using key performance indicators (KPIs), which are consolidated and monitored in a dashboard. These indicators make it possible to monitor the progress of actions, assess performance by issue and identify any gaps. The results of this monitoring are presented once a year to the Group Management Committee and, if necessary, lead to adjustments in terms of actions, priorities or resources when the observed results do not meet the established objectives.

### Sustainability risk assessment method

See 2.4 / Impact, risk and opportunity management, p. 24.

### Principal risks identified and mitigation arrangements

In this context, Lactalis identifies the main risks related to sustainability and the quality of the associated information.

See Summary table of material impacts, risks and opportunities, p. 27

When specific risks are identified, audits are carried out to assess the practices and robustness of the systems in place. This is particularly the case for high-stakes topics such as:

- animal welfare;
- food quality and safety;
- occupational Health & Safety (OHS);
- as well as greenhouse gas emissions, in particular Scope 3 emissions related to agricultural activities (FLAG).

For other topics, risk management is mainly based on improvement action plans and the monitoring of established KPIs.

In the context of voluntary verifications, the information listed in p. 162 (9. / Audit report) is audited in order to identify the risks specific to CSR reporting, particularly in terms of the reliability, completeness and traceability of data.

### Integration of conclusions and communication to the relevant bodies

The conclusions resulting from the analysis of impacts, risks and opportunities are integrated into Lactalis' internal procedures. When this analysis highlights significant issues not covered by existing policies, new projects are launched to establish appropriate policies and monitoring mechanisms, which may lead to new assessments of the situation to date (T0) and the addition of new performance indicators to the group dashboard.

The conclusions of audits and risk assessments are communicated to the countries concerned and to corporate Technical Experts. Local entities are responsible for implementing the recommendations and action plans established, with the support of corporate Technical Experts where appropriate.

## 2.3 STRATEGY

### STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Lactalis' strategy is based on profitable and responsible growth, aiming to reconcile economic performance and long-term value creation while addressing the sustainability matters specific to the dairy sector. In a context of transition in production and distribution systems, and as a world leader in dairy products, Lactalis believes that creating sustainable value for the company and its stakeholders depends on its ability to integrate these matters into the core of its business model and strategic decisions.

For several years now, sustainability has been an integral part of the company's strategy and business model, helping to guide and shape them. In 2021, this commitment to sustainable development was strengthened by structuring our CSR governance and sustainability approach around three priority areas: climate action, promoting animal welfare and advancing the circular economy.

In 2025, after two years of work and reflection on the double materiality analysis, and in a context of changing regulatory requirements, Lactalis reviewed and adjusted its CSR strategy. This initiative was carried out using a collaborative and pragmatic approach, guided by a commitment to continuous improvement and incremental learning.

The redefined CSR strategy, *Our Sustainable Way to go*, is based on a holistic roadmap aligned with the United Nations Sustainable Development Goals and the 10 principles of the United Nations Global Compact, of which Lactalis is a member.

In this regard, Lactalis structures its action around three pillars:

- **Preserve nature and resources**

Combating climate change, conserving natural resources and water, protecting ecosystems and promoting circularity in packaging are both a social responsibility and essential to the company's long-term sustainability. Lactalis ensures that it deploys ambitious environmental policies, adapted to local realities, in a logic of continuous improvement aimed at reducing its impacts in each region.

- **Leverage dairy goodness**

A passion for dairy products drives all of Lactalis' activities. Product safety, quality and taste are of the utmost importance. Dairy products play an essential role in balanced diets that are accessible to all in many countries. Lactalis strives to constantly improve the nutritional profile of its products by adapting them to local culinary habits and traditions, while ensuring transparent information for consumers.

- **Empower our people, partners and communities**

People are at the heart of Lactalis' strategy and long-term performance. Lactalis ensures safe, inclusive working environments that promote engagement. In addition to its teams, Lactalis works to respect human rights throughout its value chain and contributes to the dynamism of the regions in which it operates through local initiatives and partnerships.

## 2. GENERAL INFORMATION

### INTERESTS AND VIEWS OF STAKEHOLDERS

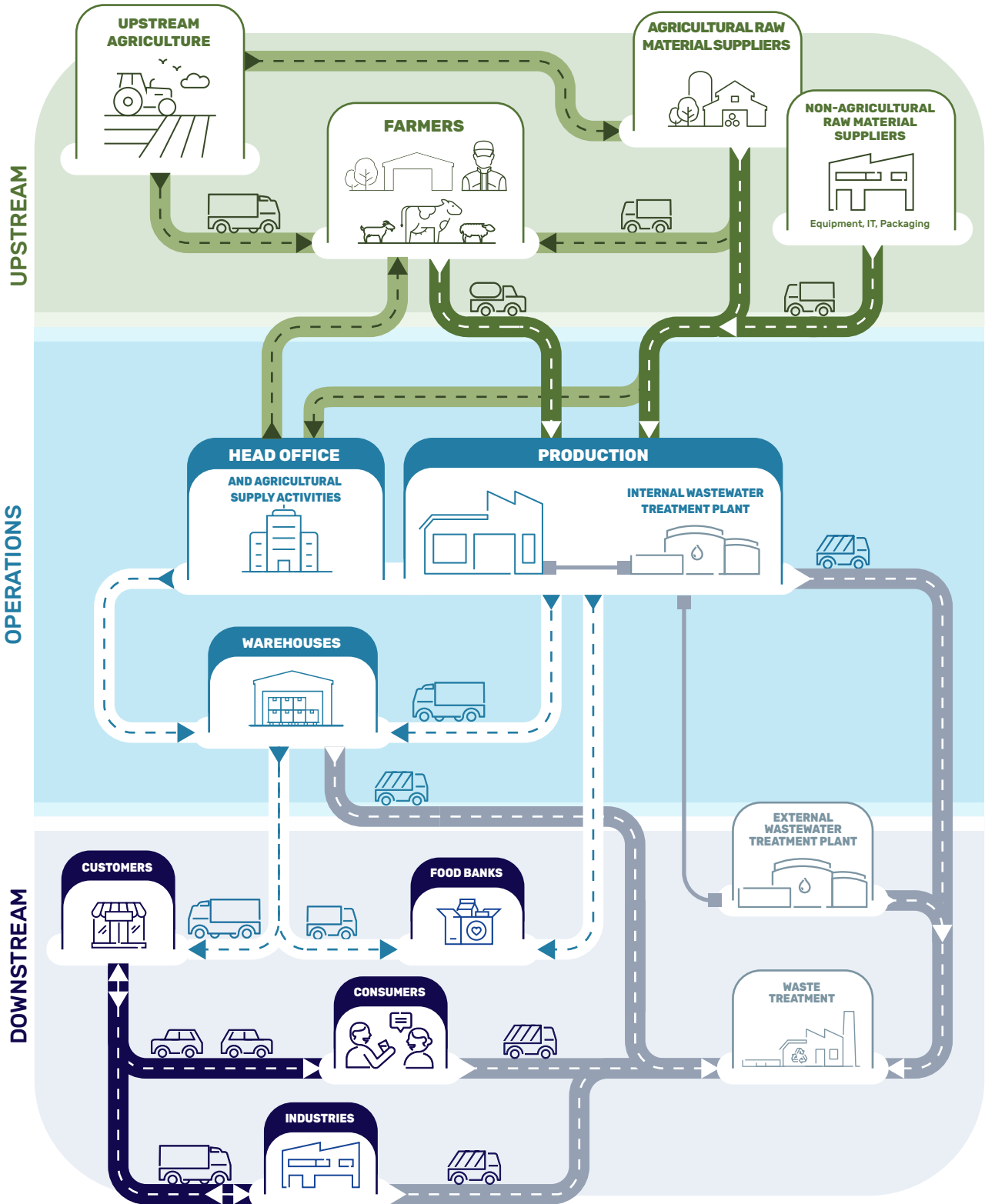
Lactalis is committed to adapting to the new expectations of consumers, customers, employees, suppliers and partnering farmers, as well as changes in the political and regulatory environment, and society in general.

For this reason, Lactalis maintains close, honest and transparent dialog with its stakeholders, an essential condition for the conduct of its activities and the achievement of its objectives. As such, Lactalis has involved them in its double materiality analysis.

#### Lactalis' stakeholders



Diagram of Lactalis' value chain



## 2.4 IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### GLOBAL APPROACH

Between 2023 and 2025, Lactalis revised its materiality analysis to meet the new regulatory requirements imposed by the European Corporate Sustainability Reporting Directive (CSRD) and the associated European standards (ESRS), published in the Official Journal of the European Union in December 2023.

The objective of the double materiality analysis is to identify sustainability matters that reflect both:

- impact materiality, *i.e.*, the material, potential or actual, positive or negative, impacts of Lactalis' activities and its value chain on people and the environment in the short, medium and long term;
- financial materiality, *i.e.*, the material, potential or actual, positive (opportunities) or negative (risks) financial effects related to sustainable development that affect Lactalis' financial performance.

These impacts, risks and opportunities (IROs) are assessed on a raw basis, *i.e.*, without taking into account the strategies, policies and action plans already put in place by Lactalis to limit these negative impacts and risks, or to encourage these positive impacts and opportunities.

The analysis covers Lactalis' entire consolidated scope and takes into account its entire value chain (upstream, in-house operations and downstream), including stakeholders who may be affected by its activities. The initiative was led by members of the Group CSR Department responsible for CSRD matters, with support from an external consulting firm, and was structured around the following steps:

- identification of relevant sustainability matters;
- preliminary rating and rating based on relevant sustainability matters;
- validation of the double materiality matrix;
- characterization of impacts, risks and opportunities.

These different steps are presented below.

### IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS

The exercise made it possible to identify and prioritize the relevant sustainability matters to be analyzed, an essential step that forms the basis for the double materiality analysis and related reporting, which is conducted in several phases:

1. Integration of ESRS with the sustainability matters pre-identified by Lactalis to guarantee continuity with existing company policies.

The most important social and environmental issues for Lactalis are already addressed in pre-existing policies. In particular, this step has made it possible to identify Lactalis' social responsibility issues that were not listed by the ESRS 1, but which are nevertheless major concerns for Lactalis. These issues have therefore been added to the double materiality analysis.

2. In-depth review of the topics and sub-topics listed in ESRS 1 – Appendix A.

The review of all the topics and sub-topics listed in the CSRD ESRS 1 ensured that no material topics were excluded from the double materiality analysis and that Lactalis met all regulatory requirements. To reflect the company's operational reality, groupings, divisions and changes in the names of topics have been carried out. For example, the topics "Water Resources" and "Water Pollution" have been combined into a single topic, "Water Resources," which is discussed in 3.3 / Water resources, p.49.

3. Critical review of peer practices and recognized industry standards (World Bank, SASB, GRI).

This review of sector-specific practices confirmed that all material topics relevant to Lactalis were taken into account and assessed in the double materiality analysis.

37 relevant topics were identified to be assessed in the double materiality exercise. The specific issue of marine resource extraction and use, as well as discharges into the ocean, was deemed irrelevant to the assessment because Lactalis's activities primarily impact terrestrial ecosystems and freshwater bodies.

## PRELIMINARY RATING AND RATING BASED ON RELEVANT SUSTAINABILITY MATTERS

A rating scale was established by Lactalis, in conjunction with the Technical Expert Services concerned, and validated by the steering committee in charge of the project. This scale ranges from 1 to 4, with a materiality threshold set at 2.5/4. Impact materiality and financial materiality are calculated by averaging the following criteria:

### 1. Impact materiality:

- the magnitude of the impact, which indicates the extent to which the impact is negative or beneficial for the population or the environment. The higher the magnitude rating, the more the population or the environment is affected (positively or negatively);
- the extent of the impact, which indicates how widespread the negative or positive impact is (magnitude of the damage to the environment, geographical scope or number of people affected). The higher the scope score, the greater the number of people or ecosystems impacted;
- the irreversibility of the impact (for negative impacts only), which indicates whether it is possible, and to what extent, to remedy the negative impact. The higher the irreversibility score, the more difficult it is to mitigate the consequences of the impact;
- the probability of the impact (for potential impacts only), which indicates whether the impact is likely to occur. The higher the probability score, the more certain it is that the impact will take place.

### 2. Financial materiality:

- the potential magnitude of the financial impact of risks and opportunities, which indicates how significant the financial impact is for Lactalis. The higher the magnitude score, the greater the financial impact;
- the probability of risks and opportunities, which indicates whether the risk or opportunity is likely to occur. The higher the probability score, the more certain it is that the risk or opportunity will occur.

Based on internal Lactalis documents (policies, action plans and indicator tracking documents), industry data and literature reviews, each of the issues examined was preliminarily assessed to determine its materiality and prioritize them. The list of identified topics and their preliminary ratings were compiled by the Group CSR team, which submitted them for review by the Technical Expert Services before confirming them with the most relevant General Managers, who meet as part of the CSRD Strategic Committee.

This work was then made available to internal and external stakeholders for readjustment:

- 15 expert internal stakeholders: Operations, France and Northern Europe Divisions, Purchasing, Legal Affairs, Milk Collection, Marketing, Logistics, Industrial, Employee Representatives, Human Resources, Quality and CSR, Finance, Management Control;
- 9 external stakeholders, including representatives of farmers and customers, as well as a bank, supplier, customer, NGO, representative of a United Nations initiative and an environmental organization.

During the interviews with these stakeholders, a selection of sustainability topics was presented to the participants based on their areas of expertise. Stakeholders were thus able to provide feedback on the preliminary rating and offer a qualitative and/or quantitative assessment of the materiality of the impact and the financial materiality of these topics.

Their feedback was used to adjust and validate the final rating. As a result, the following issues were recognized as material:

- E1: Climate change (mitigation, adaptation, resilience), Energy consumption and management;
- E2: Soil pollution, Air pollution;
- E3: Water resources, including Water pollution (consumption, discharges, withdrawals);
- E4: Biodiversity and ecosystems;
- E5: Packaging circularity, Food loss and waste, Waste management;
- S1: Health & Safety of employees, Human rights violations and incidents within the workforce, Employee well-being at work, Talent retention and attractiveness, Employee training and skills development, Diversity and inclusion in the workforce, Social dialog and labor relations within the workforce, Secure employment within the workforce;
- S2: Human rights violations and incidents in the value chain, Working conditions and well-being at work in the value chain, Value sharing and fair payment practices in the value chain;
- S4: Product safety, Nutritional quality of products, Consumer education, Responsible marketing practices;
- G1: Corporate governance, Animal welfare, Attractiveness of the agricultural sector, Value chain transparency and commitment, Stakeholder engagement, Political engagement and lobbying activities, Business ethics, Territorial and rural development and Lactalis' economic contribution.

Finally, the following topics were assessed as non-material:

- S3: Communities' economic, social and cultural rights
- G1: Project financing, Protection of whistleblowers, Corporate culture and leadership.

## VALIDATION OF THE DOUBLE MATERIALITY MATRIX

A workshop to validate the double materiality matrix was organized in 2024, involving representatives of the key Lactalis Technical Expert Services. The aim of this workshop was to confirm the materiality threshold chosen and ensure the overall coherence of the matrix by verifying the materiality of the topics studied and their relative positioning.

The results of this workshop were then presented to the Group Management Committee for final validation.

Lactalis will carry out an in-depth review of the double materiality analysis on a regular basis in order to take into account any significant event or change in circumstances that may modify the results (such as changes in Lactalis' activities, structure or value chain).

## CHARACTERIZATION OF IMPACTS, RISKS AND OPPORTUNITIES

Each sustainability topic was then broken down into impacts, risks and opportunities. During the preliminary rating phase, examples of impacts, risks and opportunities (IROs) were identified to help with the rating of sustainability topics, based on interviews with Lactalis' operational teams and external stakeholders, as well as an analysis of existing documentation.

In 2025, the list of IROs was reviewed in order to characterize them more precisely and ensure the level of granularity required by ESRS standards in identifying the people, geographies, operations, commodities, products and time horizons most exposed to each impact, risk or opportunity.

To this end, additional studies have been carried out on climate, pollution, water resources, biodiversity, Lactalis employees and workers in the value chain. With regard to the circular economy and consumers, the studies conducted were primarily based on existing policies, action plans, data and studies. All of this work was carried out in collaboration with the operational teams, who were consulted during interviews to more accurately characterize the identified IROs and again during the final presentations. Details of this work are presented in the dedicated sections of this report.

Each IRO was then rated, following the methodology indicated in the "Preliminary rating and rating based on relevant sustainability matters" section, in order to establish its individual materiality and possibly adjust the overall rating of the issue to which it relates.

Following this work, any minor changes in the rating were reviewed and approved by the CSR managers responsible for the matter.

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

### Summary table of material impacts, risks and opportunities

Issue	Type of IRO	Position in the value chain	Time horizon	Location in the CSR report
<b>CLIMATE CHANGE</b>				
Climate change (mitigation, adaptation and resilience)	NI	Upstream, operations, downstream	ST/MT	See p. 31 3.1 / Climate change
	R	Upstream, operations, downstream	ST/MT/LT	
Energy consumption and management	R	Upstream, operations	ST/MT	
<b>POLLUTION</b>				
Soil pollution	NI	Upstream, operations, downstream	ST/MT/LT	See p. 43 3.2 / Pollution
	R	Upstream, operations	ST/MT/LT	
Air pollution	NI	Upstream, operations, downstream	ST/MT/LT	
	R	Upstream, operations	ST/MT/LT	
<b>WATER RESOURCES</b>				
Water resources, including Water pollution	NI	Upstream, operations, downstream	ST/MT/LT	See p. 49 3.3 / Water resources
	R	Upstream, operations, downstream	ST/MT	
<b>BIODIVERSITY</b>				
Biodiversity and ecosystems	NI	Upstream, operations	ST/MT/LT	See p. 56 3.4 / Biodiversity
	PI	Upstream	MT/LT	
	R	Upstream	MT/LT	
	O	Upstream, downstream	ST/MT/LT	
<b>RESOURCE USE AND CIRCULAR ECONOMY</b>				
Packaging circularity	NI	Upstream, downstream	ST	See p. 69 3.5 / Resource use and circular economy
	PI	Upstream, downstream	LT	
	R	Upstream, operations, downstream	ST/LT	
Food loss and waste	NI	Upstream, operations, downstream	ST/MT	
	PI	Operations, downstream	ST/MT	
	O	Operations, downstream	ST/MT	
Waste management	NI	Upstream, operations, downstream	ST	
	PI	Upstream, operations, downstream	ST	
	R	Operations, downstream	ST	
	O	Operations, downstream	ST/MT	

2. GENERAL INFORMATION

Issue	Type of IRO	Position in the value chain	Time horizon	Location in the CSR report
<b>OWN WORKFORCE</b>				
Human rights violations and incidents within the workforce	NI	Operations	ST/MT	See p. 83 4.1 / Own workforce
	R	Operations, downstream	ST/MT	
Health & Safety of employees	NI	Operations	ST	
	R	Operations	ST/MT	
Diversity and inclusion in the workforce	NI	Operations	ST/MT	
Employee training and skills development	PI	Operations	ST/MT	
	R	Operations	ST/MT	
Employee well-being at work	NI	Operations	ST/MT	
	R	Operations	ST/MT	
Talent retention and attractiveness	PI	Operations	ST/MT	
	R	Operations	ST/MT	
	O	Operations	ST/MT	
Social dialog and labor relations within the workforce	NI	Operations	ST/MT	
	R	Operations	ST/MT	
Secure employment within the workforce	PI	Operations	ST/MT/LT	
<b>WORKERS IN THE VALUE CHAIN</b>				
Human rights violations and incidents in the value chain	NI	Upstream	ST/MT/LT	See p. 96 4.2 / Workers in the value chain
Value sharing and fair payment practices in the value chain	PI	Upstream	MT/LT	
	R	Upstream	ST/MT	
	O	Upstream	ST/MT	
Working conditions and well-being at work in the value chain	NI	Upstream	ST/MT	

## 2. GENERAL INFORMATION

Issue	Type of IRO	Position in the value chain	Time horizon	Location in the CSR report	
<b>CONSUMERS</b>					
Product safety	NI	Downstream	ST/MT	See p. 100 4.3 / Consumers	
	R	Operations, downstream	ST/MT		
	O	Downstream	ST/MT		
Nutritional quality of products	NI	Downstream	ST/MT		
	PI	Downstream	ST/MT		
	R	Downstream	ST/MT		
Responsible marketing practices	R	Downstream	ST		
Consumer education	O	Downstream	MT		
<b>BUSINESS CONDUCT</b>					
Value chain transparency and engagement	PI	Upstream, operations, downstream	MT		See p. 112 5. / Information on governance
	R	Upstream, operations, downstream	MT		
	O	Upstream	ST		
Political engagement and lobbying activities	O	Upstream, operations, downstream	ST/MT		
Business ethics	NI	Upstream, operations, downstream	ST/MT		
Animal welfare	NI	Upstream	ST/MT		
	R	Upstream	ST/MT		
	O	Upstream	ST/MT		
Attractiveness of the agricultural sector	PI	Upstream	MT		
Corporate governance	PI	Operations	ST/MT		
	R	Operations	ST/MT		
Stakeholder engagement	PI	Upstream, operations, downstream	ST/MT		
	R	Upstream, operations, downstream	ST/MT		
Territorial and rural development and Lactalis' economic contribution	PI	Upstream	ST/MT/LT		
	R	Upstream, downstream	ST/LT		
	O	Upstream, operations	ST/MT/LT		

Legend: short-term (ST); medium term (MT); long-term (LT);  
impact, risk, opportunity (IRO); positive impact (PI); negative impact (NI).

# 3. ENVIRONMENTAL INFORMATION



## 3.1 CLIMATE CHANGE

Climate change is one of the greatest challenges of this century. In the absence of a rapid reversal of emissions trajectories, the scientific literature warns of major risks: erosion of biodiversity, weakening of food safety and lasting disruption of human activities by 2100. The effects of climate change are already visible - higher temperatures, increasingly frequent droughts and more intense storms - and are impacting the daily lives of regions.

These findings call for a coordinated mobilization of individuals, public authorities and companies to cut greenhouse gas (GHG) emissions and mitigate the effects of climate change. In this context, tackling climate change and adapting its activities to this new paradigm have been identified as a CSR priority for Lactalis.

The food and beverage sector - and its agricultural components upstream - plays a key role in cutting emissions and strengthening the resilience of production systems throughout the value chain. As one of the world's leading agri-food companies and a leader in the dairy sector, Lactalis intends to use its size as a driver for climate action: identifying partners and solutions that have proven their worth locally, then helping them expand internationally, accelerating the transition to less carbon-intensive and more resilient production models.

### STRATEGY

The group's purpose in action, "Nurture the future," reflects Lactalis' commitment to making a sustainable contribution to climate transition. The company is therefore aligning its climate strategy with a trajectory compatible with the Paris Agreement, aiming for net-zero emissions by 2050, with targets validated by the Science Based Targets initiative (SBTi) in mid-2024.

This strategy is based on a progressive and pragmatic approach: first, activating the levers over which the group has strong control, then expanding efforts through cooperation with suppliers, customers and all partners across the value chain. Thanks to the involvement of 85,500 group employees, this approach aims to sustainably transform operations and structure a credible and recognized climate trajectory over the long term.

Lactalis' Climate Transition Plan, scheduled for publication in 2026, will provide a more detailed explanation of how the Lactalis' climate strategy is structured and implemented across the entire value chain. This document will specify the directions taken - short-, medium- and long-term actions, dedicated governance, methods for monitoring the trajectory - and will explain the operational implementation of the commitments in industrial activities, supply systems and support for partners. It will provide a clear and homogeneous framework intended to strengthen the readability of the approach and to meet the growing demands for transparency. In the meantime, this CSR report outlines the essential components that will shape the forthcoming plan.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

Lactalis has made climate action, the adaptation of its activities and the resilience of its business model strategic priorities. Indeed, the agri-food sector and agricultural activities are considered to be a major driver for adaptation throughout the value chain. As a world leader in the dairy sector, Lactalis has the opportunity to play a key role in climate action and accelerate the transition toward lower-carbon production models.

The main sources of Lactalis' GHG emissions are concentrated in Scope 3 (95% of total GHG emissions), mainly from upstream dairy: 85% are FLAG emissions <sup>(1)</sup>, 90% of which come from milk production at partner farms. These findings shape Lactalis' climate roadmap and guide its strategic priorities to reduce its carbon footprint while strengthening the resilience of its activities.

In order to identify the main physical risks, additional studies were carried out. These analyzes assessed the exposure of more than 2,000 assets to current and future natural disasters using a multi-hazard approach by 2030 and 2050, based on the RCP 4.5 and RCP 8.5 scenarios. The exposure to physical risks of priority raw materials such as milk, cocoa, palm oil, soybeans, paper and sugar cane, as well as fodder crops intended for livestock (rapeseed, soybean, corn and grassland) was analyzed.

Lactalis faces several major climate-related risks: the intensification of natural hazards (notably floods and storms), increasing water stress in regions critical to its industrial sites and agricultural suppliers, and rising temperatures that affect both milk production and the energy required for industrial cooling.

These climate risks can pose a threat to the entire agri-food value chain: security of supply, vulnerability of agricultural raw materials, exposure to natural hazards and regulatory issues. The priorities identified relate in particular to reducing greenhouse gas (GHG) emissions, anticipating and managing physical risks (floods, droughts, heat waves, storms, *etc.*), securing the milk and critical raw material (cocoa, palm oil, soybeans, paper, sugar cane) supply, as well as strengthening operational and logistical resilience.

Additional work is underway to identify the main transition risks and opportunities.

1) FLAG emissions: emissions related to forestry, land and agriculture.

Summary table of material impacts, risks and opportunities related to climate change

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>CLIMATE CHANGE: MITIGATION, ADAPTATION AND RESILIENCE</b>					
<b>Negative impact</b>	<p><b>Greenhouse gas emissions from upstream and downstream value chain activities</b></p> <p>Activities in the value chain generate greenhouse gas emissions that contribute significantly to climate change, degrade air quality and negatively impact ecosystems and human health.</p> <p>Emissions associated with upstream agriculture, especially dairy farms, as well as those from paper and cardboard packaging (FLAG emissions), represent 85% of Lactalis' overall emissions.</p> <p>They are related to:</p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions from all activities in the value chain (agricultural upstream with the use of agricultural machinery, deforestation, production, transport and distribution);</li> <li>• methane linked in particular to dairy farming;</li> <li>• nitrous oxide, particularly associated with the use of synthetic fertilizers.</li> </ul> <p>Other activities in the value chain, such as purchases of goods and services, outsourced transport and storage operations, and capital goods account for 10% of Lactalis' emissions.</p>	Upstream Downstream	ST/MT	Suppliers Farmers Distributors Consumers Society	Actual
<b>Negative impact</b>	<p><b>Greenhouse gas emissions from Lactalis' own operations</b></p> <p>Lactalis' production, transport and distribution operations account for 5% of its carbon footprint. These activities accelerate climate change, degrade air quality and negatively impact ecosystems as well as human health.</p>	Operations	ST/MT	Lactalis employees Society	Actual
<b>Risk</b>	<p><b>Operational risk related to climatic hazards and increased insurance costs</b></p> <p>Climate hazards impact Lactalis' direct operations as well as its agricultural supply chain. The degradation of climate-regulating ecosystem services, such as storm mitigation, local micro- and meso-climate regulation, flood prevention, and soil and sediment retention, could lead to rising climate-related insurance costs and higher sourcing costs for priority agricultural ingredients.</p>	Upstream Operations Operations	ST/MT	N/A	
<b>Risk</b>	<p><b>Reputational risk due to a perceived lack of climate ambition</b> if Lactalis' GHG-emission reduction goals fall short of those set by key competitors.</p>	Upstream Operations Downstream	ST/MT	N/A	
<b>Risk</b>	<p><b>Risk of disruption of the milk supply chain</b> due to lower yields and impoverishment of milk quality, due to water stress and rising temperatures in supply areas.</p> <p>The most at risk countries are the United States, Italy, Brazil, Australia, France, South Africa, Spain, Turkey, Canada, the Netherlands and Croatia, as well as certain production areas in India and Venezuela.</p>	Upstream	LT	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<b>Risk of supply chain disruption and raw materials price volatility</b> due to lower agricultural yields and loss of climate-suitable cropping areas as a result of rising temperatures, increased water stress, variations in rainfall, climate variability and soil degradation. The raw materials most at risk are cocoa, soybeans, palm oil, cane sugar and paper. The most at risk supply zones are West Africa (Côte d'Ivoire, Ghana), Ecuador, the United States, South America (Brazil, Argentina, Colombia), Australia, Southeast Asia (Indonesia, Malaysia), China and Japan.	Upstream	ST/MT	N/A	
<b>Risk</b>	<b>Slowdown or interruption of production activities</b> and/or material damage caused by climatic events such as <b>floods</b> (particularly in France, North America, Northern Europe and Asia-Oceania), <b>thunderstorms and severe storms</b> (hail, tornadoes, lightning, especially in Southern Europe and America), <b>forest fires</b> (especially in South America, Africa, the Middle East and Australia), <b>tropical and extratropical cyclones</b> (especially in Asia-Oceania), <b>heat waves</b> (especially in Australia, India, Brazil, the United States, Venezuela, Turkey, South Africa, Italy, Spain and France), <b>water stress</b> (particularly in Southern Europe, South Africa, India and California).	Operations	ST	N/A	
<b>Risk</b>	<b>Potential loss of market share due to increasing consumer demand for sustainably produced plant-based protein foods.</b> Failure to adapt to these evolving preferences, motivated by climate issues, could reduce revenue and weaken Lactalis' competitive position.	Downstream	MT/LT	N/A	
<b>Risk</b>	<b>Operational risk related to the strengthening of environmental regulations on methane emissions.</b> Tighter European regulations and stricter requirements for cutting methane emissions could lead to higher production costs and disrupt supply chain efficiency due to changes in livestock farming and feeding practices aimed at reducing methane emissions from livestock.	Upstream	MT/LT	N/A	
<b>ENERGY CONSUMPTION AND MANAGEMENT</b>					
<b>Risk</b>	Operational risk due to <b>Lactalis' energy dependence and its sensitivity to price fluctuations</b> , which may adversely affect the company's profitability.	Upstream Operational	ST/MT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

POLICY AND OBJECTIVES

**LACTALIS' CLIMATE OBJECTIVES HAVE BEEN VALIDATED BY THE SCIENCE BASED TARGETS INITIATIVE SINCE MID-2024**

Created in 2015, the Science-Based Targets initiative (SBTi) encourages companies to set science-based greenhouse gas emission reduction targets to fight climate change effectively.

In 2022, Lactalis signed a commitment letter to align its greenhouse gas emission reduction roadmap with the recommendations of the Science-Based Targets initiative (SBTi). The framework set by the SBTi complies with the scientific recommendations of the Paris Agreement to limit the increase in global temperatures to +1.5°C compared to pre-industrial levels.

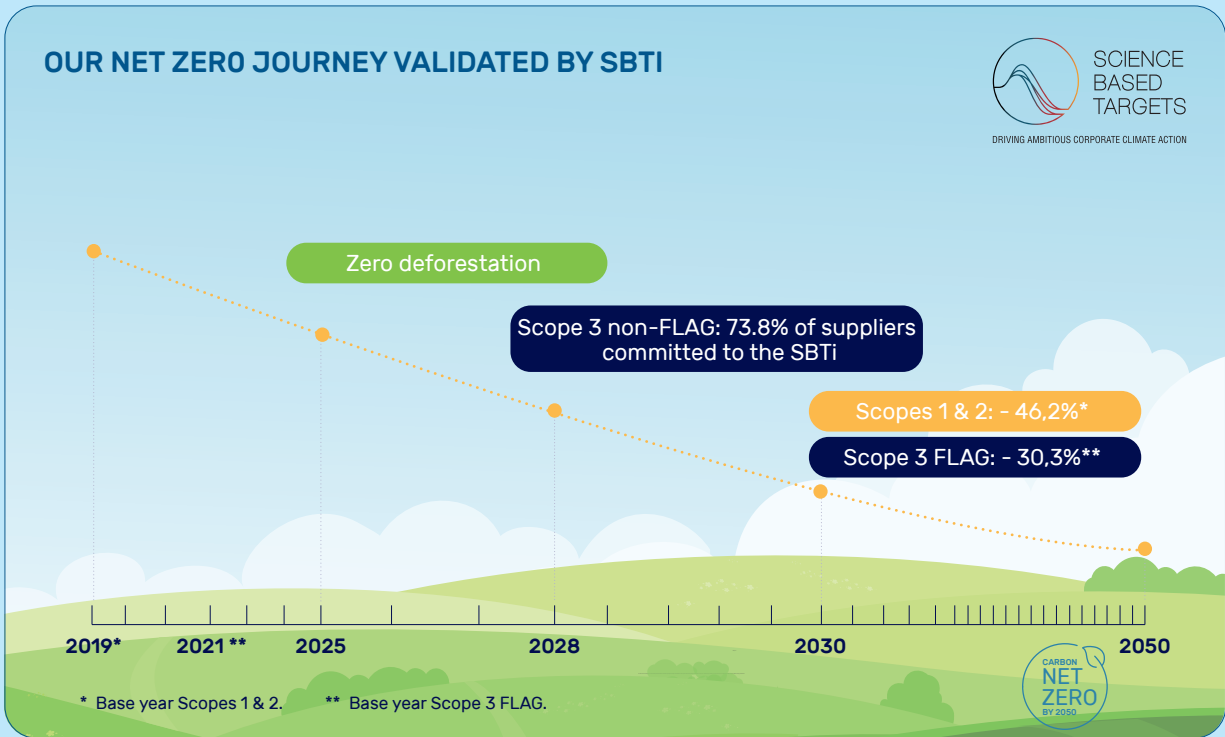
In July 2024, the SBTi officially validated Lactalis' GHG reduction targets, contributing to the international recognition of the group's approach.

In order to achieve its Net Zero ambition by 2050, the group is committed to the following targets:

1. reduce greenhouse gas emissions from the group's activities (Scopes 1 and 2):

- cut the group's Scopes 1 and 2 greenhouse gas emissions (including biogenic emissions) by at least 46.2% by 2030 (base year 2019);
2. lead the way in terms of decarbonization across the group's value chain (scope 3):
    - cut the group's absolute Scope 3 FLAG greenhouse gas emissions <sup>(1)</sup> by 30.3% by 2030 (base year 2021)<sup>(2)</sup>,
    - ensure that 73.8% of suppliers and customers <sup>(3)</sup> in terms of emissions have science-based climate targets by 2028<sup>(4)</sup>,
  3. no deforestation across the group's entire value chain by the end of 2025<sup>(5)</sup>.

These intermediate targets will help guide Lactalis' progress towards the target of net-zero emissions, thus enabling it to contribute to achieving carbon neutrality on a global scale. They will also make it possible to initiate actions now aimed at achieving the long-term roadmap. Combined, these actions will also boost the company's climate resilience.

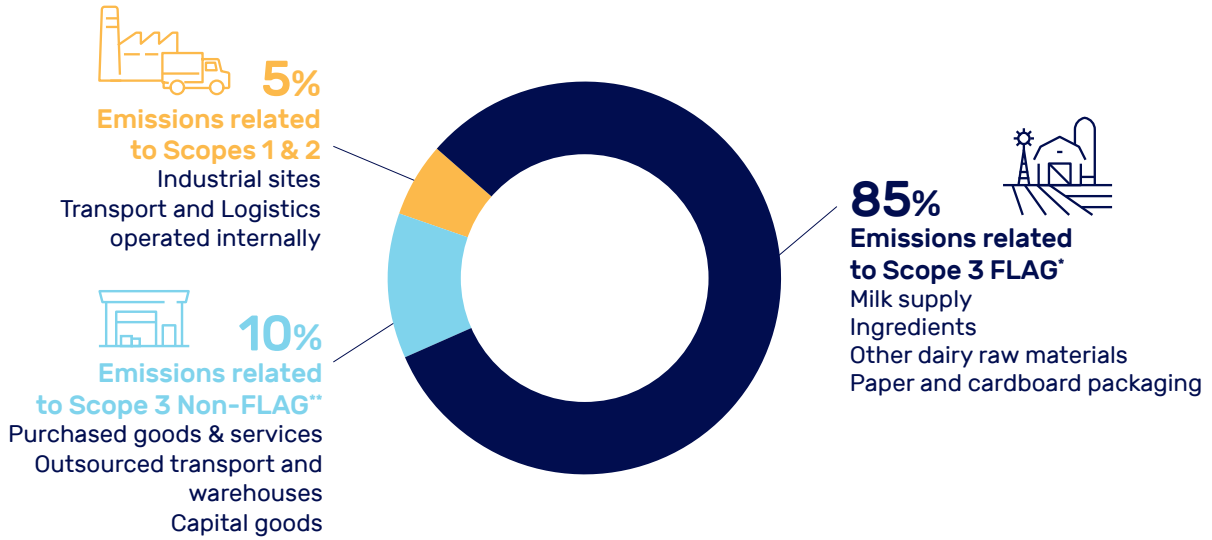


1) FLAG: Forest, Land & Agriculture  
 2) Commitment to 67% of Lactalis Scope 3 FLAG GHG emissions.  
 3) Covering purchased goods and services, capital goods, fuel and energy activities, transport and distribution, as well as the transformation of sold products.  
 4) Commitment to 67% of Lactalis Scope 3 non-FLAG GHG emissions.  
 5) Lactalis' Forest Policy and the associated action plan are presented in section 3.4 / Biodiversity.

**ACTION PLAN**

Lactalis measures its greenhouse gas emissions using the *GHG Protocol methodology*, on its whole perimeter and value chain. Lactalis' greenhouse gas emissions break down as follows:

**Breakdown of greenhouse gas emissions calculated according to the *GHG protocol methodology***



\* FLAG emissions = all emissions related to forestry, land and agriculture.  
 \*\* Non-FLAG emissions = all other types of emissions (industry, energy, etc.).

With 95% of the company's greenhouse gas emissions, Scope 3 is the most significant scope of emissions. Within this Scope 3, the so-called FLAG emissions are the most significant (85% of the group's carbon footprint) and approximately 90% come from the group's milk supply production (*i.e.*, the production of milk by partnering farmers upstream of Lactalis' activities).

Scope 3 non-FLAG emissions account for around 10% of the group's carbon footprint, mainly broken down into the following emissions categories:

- purchases of goods and services, which account for 43% of the group's Scope 3 non-FLAG emissions;
- transport and distribution upstream of the value chain, which account for approximately 15%;
- activities related to fuel and energy, which account for 10%;
- capital goods, which represent nearly 9%.

Lactalis has primarily focused on measuring the emissions from its industrial and logistics activities in Scopes 1 and 2 in its largest subsidiaries (see section 7. / Methodological note). The group's various entities thus have access to their emissions report for Scopes 1 and 2, and use these figures to build their climate roadmap in order to implement Lactalis' commitments on a local scale. Since 2023, the company has adopted a similar approach for its Scope 3 FLAG emissions. Lactalis is now continuing this work of specifying the measurement of its emissions on the rest of the value chain (Scope 3 non-FLAG), in order to enable Lactalis' various entities to have access to their local carbon footprint in the short term (Scopes 1, 2 and 3 combined).

All relevant teams and internal experts have been brought on board to achieve these climate objectives. The main countries and divisions establish roadmaps in collaboration with the central expert departments, taking into account their local context and opportunities. These roadmaps are then regularly reviewed and improved.

## INDUSTRIAL SITES AND ADJOINING WAREHOUSES

Scope 1 and 2 emissions from industrial sites and their warehouses, as well as from in-house logistics, represent almost 5% of Lactalis' carbon footprint.

To reduce these emissions, Lactalis implements a structured decarbonization roadmap across its sites. This roadmap is built on the company's short- and long-term pillars for action and is tailored to the specific context of each country (regulatory framework, operational or technological constraints in particular).

This approach is based on the group's energy management policy, which aims to anchor three complementary principles in site operations over the long term: reducing consumption through sobriety, improving energy efficiency through the optimization of processes and equipment, and accelerating the transition to low-carbon or renewable energies where local conditions allow.

With this in mind, the operational implementation of the decarbonization trajectory at industrial sites and warehouses is based on four key pillars for action:

- **improving operational efficiency** by combining the deployment and implementation of best practices, the development of operational skills and the optimization of utilities, in particular through the deployment of energy recovery systems in all their forms;

- **transition to less carbon-intensive energy sources** by replacing high-emitting fuels with alternative options that are compatible with local technical constraints, thereby cutting emissions while maintaining operational continuity and performance;
- **promoting the transition to renewable heat sources** by replacing fossil fuels with low-carbon thermal solutions, such as biomass, solar thermal energy, heat recovery, or innovative heat production or storage technologies;
- **accelerating the transition to renewable electricity** by increasing the share of renewable electricity consumed by sites, developing on-site electricity production where possible - particularly through installing photovoltaic panels - and securing sustainable external supplies through long-term contracts (PPAs) or green electricity offers, in order to progressively increase the proportion of low-carbon electricity in each site's energy mix.



**Héliène SZMYTKA-JEHAN**

Energy Expert

**Bérénice de  
BEAUDRAP**CSR Project Manager -  
Climate

### How long have you been collaborating on Scopes 1 and 2, what are your respective roles, and how is your collaboration structured?

**B.d.B.:** The industrial and CSR teams have been working together on Scopes 1 and 2 since the launch of the approach. This coordination has made it possible to establish decarbonization roadmaps for 21 countries, representing nearly 90% of the group's emissions. In this context, my role is to measure emissions, manage the reduction trajectory and ensure alignment with international standards, in particular the *GHG Protocol* and the Science Based Target Initiative (*SBTi*). I also ensure consistency between the methodological framework and the action plans drawn up by the departments.

**H.S.J.:** I support industrial sites in developing their roadmaps and I centralize the decarbonization actions proposed by the sites. Along with my department's teams, we assess relevant technologies - photovoltaic, biomass, solar thermal, thermal batteries, *etc.* -, support sites in the technical and economic evaluation of their projects, and assist in structuring contractual arrangements in coordination with the Purchasing and Legal Departments. In conjunction with the CSR teams, we also ensure the methodological alignment of projects. This complementarity between technical expertise and climate expertise makes it possible to build realistic, technically feasible roadmaps that comply with international standards.

### What progress have you seen in the last three years?

**H.S.J.:** The centralization of industrial actions and projects, coupled with the projection of emission gains carried out with the CSR teams, now allows us to categorize actions by strategic decarbonization axis and impact.

Mastering the rules of the *GHG Protocol* facilitates the assessment of project sustainability from the design stage.

In 2025, we created and shared a booklet bringing together mature technologies for energy transition in order to support the emergence of new projects in countries. Lastly, awareness was strengthened through webinars for country CSR contacts, participation in the group's first CSR seminar and ongoing training for the industrial network on best practices. On the ground, this dynamic has resulted in the commissioning of structuring projects, such as installing two biomass boilers in France.

« Our complementarity between technical expertise and climate guarantees realistic and technically feasible roadmaps, while remaining aligned with international standards.

**B.d.B.:** Coordination with local teams has strengthened our understanding of the energy contexts specific to each country, an essential lever for tailoring our ambitions on a country-by-country basis. We are also seeing a growing CSR culture within industrial teams and, conversely, a better understanding of the technical realities of CSR, reinforcing synergies for long-term work on energy supply.

Furthermore, the introduction of a centralized, shared and continuously accessible database in 2025 represents a major step forward. It consolidates all projects and meets the information needs of both the industrial and CSR-Climate teams, thereby strengthening coordination across our departments.

### What will be the main challenges in 2026 and 2030?

**B.d.B.:** The first challenge is methodological. Standards are evolving very quickly (*GHG Protocol*, *SBTi*), forcing us to continuously adapt our strategy to achieve our 2050 ambition.

**H.S.J.:** The second is technological. Major projects are already underway for 2030; we must now prepare for the post-2030 era by identifying emerging technologies and deploying them at the right time, once their maturity and relevance have been proven.

**B.d.B.:** We must also continue deploying the roadmaps in all countries, including those where the local context (energy mix, regulations, *etc.*) makes implementation more challenging.

**H.S.J.:** Another major challenge is human and organizational: we need to strengthen the local network between CSR and Industry to replicate at country level the quality of collaboration achieved at group level.

**B.d.B.:** Finally, integrating new acquisitions remains a major structural challenge: we must ensure they fully adopt our energy-climate approach and meet the same level of ambition as already-committed sites.

### What about adaptation to climate change?

**B.d.B.:** In addition to reducing our emissions, the challenge is also to prepare our sites for the already visible impacts of climate change to strengthen the resilience of our infrastructures and ensure production continuity. In this respect, adaptation is a key pillar of our 2050 trajectory - one that is already taking shape today and will continue to expand in the years ahead.

### 3. ENVIRONMENTAL INFORMATION

In 2025, the implementation of this trajectory resulted in several significant achievements within the company, including:

- the organization of an initial two-day training session for Industrial Directors in Southern Europe, designed to deepen their knowledge of energy best practices and support the skills development of operational teams. A total of 53 employees from the area were trained in 2025, following on from the sessions already carried out in France and other countries. This momentum will continue in 2026, with 75 additional participants expected. The initiative illustrates the actions undertaken to improve operational efficiency and is the starting point of an expanded deployment plan, designed to gradually support all the Directors, Maintenance Managers and Energy Managers of industrial sites in the area;
- the commissioning of two biomass boilers in Mayenne and Craon in **France**, enabling the substitution of previously used fossil fuels, generating an annual reduction of around 35,600 tCO<sub>2</sub>e. These achievements support the transition to renewable heat sources, a trajectory that will continue in 2026 with new biomass boiler projects at the Villarrobledo and Granada sites in **Spain** and at the Corcieux site in **France**, delivering an estimated additional annual reduction of nearly 24,600 tCO<sub>2</sub>e;
- the rollout of photovoltaic installations in **Croatia, Italy, Spain** and **Turkey**, resulting in an expected annual reduction of around 4,200 tCO<sub>2</sub>e. This dynamic of transition to renewable electricity will continue to gain momentum in 2026 with new projects launched in **Germany**, the **United States**, **India** and **South Africa**, for an estimated annual reduction of around 26,200 tCO<sub>2</sub>e;
- the launch of a wood management project integrating climate-related considerations in **Brazil**. In this context, an initial approach to monitor woody biomass flows has been implemented to verify forest rotation practices and the harvesting/regrowth balance required to maintain the carbon cycle. Wood management is an important lever for Lactalis Do Brasil, as is it for the group as a whole: biogenic emissions associated with woody biomass representing nearly 78% of Lactalis Do Brasil's Scope 1 and 2 emissions (including biogenic emissions) and around 11% of Lactalis' Scope 1 and 2 emissions (including biogenic emissions) in 2019.

To structure this approach, a working group bringing together the CSR, Energy & Environment and Procurement departments was formed to define a common methodology, including the development of an audit framework based on recognized standards such as the *GHG Protocol* and the FSC's forest management principles. In 2025, a first pilot phase was conducted with a selection of Lactalis Do Brasil's most significant suppliers. As part of this process, on-site audits were conducted by independent audit firms, preceded by an in-depth document review and supplemented, where necessary, by verifications using high-resolution satellite imagery in order to confirm the continuity of forest rotation cycles and the balance between harvesting and regrowth. Written commitments were also obtained from the suppliers concerned, strengthening the overall assurance framework of this initial phase.

The results of this first pilot phase, which confirmed that 16 suppliers – representing 26.4% of Lactalis Do Brasil's woody biomass volumes – comply with rotation cycles and the harvesting/regrowth balance, constitute an encouraging step forward for the next phase of the initiative. As part of the group's *SBTi* commitment for Scopes 1 and 2 (including biogenic emissions), this first step enables a reduction in biogenic emissions of nearly 83,000 tCO<sub>2</sub>e, representing a reduction of more than 25% in Brazil's biogenic emissions compared to 2019.

In 2026, the group plans to extend the initiative to all wood suppliers in Brazil by progressively integrating these criteria into contracts in order to strengthen traceability and increase the share of wood sourced from controlled forest rotations.

In addition to these achievements, several projects are also under consideration for potential implementation in the coming years. These include biomass boiler projects in France, thermal batteries in Europe and the United States, as well as solar thermal and photovoltaic installations in Europe and the United States. These studies will make it possible to specify its feasibility and, in so doing, support the continuation of the decarbonization trajectory of industrial sites and warehouses.

#### TRANSPORT AND LOGISTICS

In-house logistics, alongside industrial sites and their warehouses, contribute to Scope 1 and 2 emissions, representing nearly 5% of Lactalis' carbon footprint. As an essential link in Lactalis' value chain – from milk collection from partnering farmers to the distribution of products to customers – these operations are subject to continuous efforts to optimize delivery routes, loads and distances traveled.

Building on these efforts and to further accelerate the reduction of associated emissions, specific trajectories are being deployed by the logistics teams, in line with Lactalis' climate commitments. This approach is based on common areas of action defined at group level and on strong local ownership, supported by the exchange of best practices and the development of team skills.

In this context, the decarbonization of our own transport is based on four complementary areas of action:

- **optimizing transport flows** by improving daily route planning, increasing loading efficiency and reducing the kilometers traveled – in particular by streamlining logistics networks and reducing empty runs;
- **rethinking fuel usage** by reducing consumption and gradually integrating lower-carbon alternatives, adapted to local contexts;
- **improving vehicles** by renewing fleets and equipping vehicles with technologies to limit emissions (telematics, speed limits, engine-idling reduction devices, smart equipment, etc.);
- **enhancing driving practices** by regularly training drivers in eco-driving and using digital tools to monitor and optimize practices.

### 3. ENVIRONMENTAL INFORMATION

In 2025, several initiatives carried out in the countries where Lactalis operates demonstrated the implementation of these key areas of action:

- in **Turkey**, the revision of the route plan – in line with the axis aimed at optimizing transport flows – has made it possible to reduce the number of stops, improve the load factor and optimize routes. These adjustments have led to a reduction in the distances traveled by more than 300,000 km, *i.e.* around 300 tCO<sub>2</sub>e in 2025, while maintaining the quality of the delivery service;
- at the same time, several countries have launched concrete projects to rethink their fuel usage:
  - in **France**, the widespread deployment of XTL to all internal tanks marks the culmination of several years of experimentation on the main logistics flows. This major change represents an estimated reduction of more than 34,000 tCO<sub>2</sub>e, *i.e.* around 8% of Scope 1 and 2 emissions within the Lactalis France scope.
  - similarly, Lactalis **Germany** has also adopted XTL for all its internal processes starting in January 2025, resulting in an estimated annual reduction of nearly 1,470 tCO<sub>2</sub>e.
  - in **Sweden**, the approach combines the use of alternative fuels – such as HVO – and the use of the CarbonGo solution to manage consumptions, for an expected impact of around 400 tCO<sub>2</sub>e/year;
- finally, in terms of eco-driving, several countries continued to roll out their approach in 2025. In **Poland**, 84 hours of training were provided to 24 drivers, supported by a system for monitoring driving styles. In **Romania**, an operational monitoring was also deployed in March 2025 following a testing phase with pilot drivers, making it possible to save more than 34,000 liters of fuel, *i.e.* nearly 90 tCO<sub>2</sub>e.

These initiatives, carried out in a variety of operational contexts, demonstrate the teams' ability to implement priorities for action and make measurable progress on our own transport operations. They are thus laying the groundwork for initiatives that will continue to be strengthened in the coming years.

#### MILK SUPPLY

Milk supply (*i.e.* milk production by Lactalis partnering farmers upstream of its activities), is the company's largest source of GHG emissions, accounting for around 75% of its total carbon footprint and around 90% of its Scope 3 FLAG emissions. It is therefore a key part of the group's climate action and Lactalis is actively working with its partnering farms to cut their GHG emissions.

Since 2023, this initiative has been guided by local roadmaps with a 2030 target, implemented specifically in 14 countries that account for a significant portion of collection volumes. By focusing efforts on raw cow's milk supply in these areas – which account for around 67% of its Scope 3 FLAG emissions – Lactalis applies a pragmatic prioritization strategy, beginning with actions where the potential impact is greatest. Co-developed by the CSR and Milk Supply teams, these roadmaps establish the main technical and organizational levers that can be mobilized to reduce emissions at farm level, while taking into account the diversity of livestock systems and local contexts. It should be noted that, beyond this priority, 7 other countries have already begun a similar process by conducting initial carbon assessments at farm level, thereby contributing to the gradual spread of this initiative.

In this context, the decarbonization of Lactalis' upstream milk supply is based on three complementary levers:

- **optimization**, which involves improving the efficiency of farming practices – feeding, herd management, fertilization – in order to cut the emissions produced on a daily basis, while generating potential technical and economic co-benefits for partnering farmers;
- **investment**, which is based on the deployment of key infrastructure and equipment contributing to sustainably reducing the carbon intensity of operations, particularly in terms of manure management or renewable energy production;
- **innovation**, which relies on the gradual introduction of high-potential solutions, such as precision farming tools, nutrient efficiency technologies and feed additives, in order to accelerate the reduction of emissions at farm level.

#### A common foundation to anchor action in the long term

To transform these levers into concrete actions at partner farm level, Lactalis is rolling out a common operational framework across all countries, structured around three key pillars: measuring the carbon footprint of partner farms, training dairy technicians on climate change, and setting up a network of pilot farms. This framework provides the necessary foundation for managing, sharing and disseminating best practices, regardless of local circumstances.

#### Measuring the carbon footprint to raise awareness and track progress

Lactalis believes that one of the first steps in raising farmers' awareness on climate change is to measure their carbon footprint. In 2025, the group therefore continued and widely extended carbon assessments, in particular through the use of the *Cool Farm Tool*. Lactalis dairy technicians thus assessed around 4,500 direct farmers <sup>(1)</sup> across countries covered by the Scope 3 FLAG reduction commitment (representing about 38% of direct farms in these countries).

In 2026, the group plans to continue this momentum with the objective of assessing approximately 33% of direct farmers in these 14 countries each year.

1) A farm supplying raw milk to Lactalis is considered as "direct" if a) there is an individual contract between Lactalis and the Farm Manager and/or b) Lactalis can individually propose to the Farm Manager a plan to improve their farming practices without having obtained the prior formal agreement of any third party (*e.g.* a cooperative). In all other cases, the farm is considered as "indirect" (this includes, in particular, farms delivering milk to Lactalis *via* brokers).

#### Training dairy technicians to share practices and encourage their adoption

Dairy technicians play a key role in the implementation of Lactalis' climate commitments at partnering farms level. In addition to their historical support missions – milk quality, volume monitoring, technical advice, and support for agricultural supplies – they now integrate decarbonization challenges into their interactions with farmers in order to encourage the adoption of low-carbon practices on farms.

To support this evolution, the Milk Supply and CSR teams developed and rolled out in 2025 a dedicated e-learning training program for dairy technicians. Designed as an immersive exchange with a farmer, this training is structured around three modules:

- Understanding Lactalis' climate strategy;
- Understanding the carbon footprint of a farm;
- Engaging farmers in reducing their footprint.

In 2025, nearly 200 technicians from the 14 committed countries completed this new training, representing around 85% of technicians in these countries.

In addition to this training, climate workshops are also organized locally by countries. These workshops provide dairy technicians with an opportunity to share field experiences, understand the group and country CSR strategies, discuss the local roadmap, learn how to interpret carbon assessments and identify relevant action levers. Practical sessions are also organized on pilot farms to provide concrete examples of decarbonization approaches. In 2025, two such workshops were held in Australia and Italy, with additional sessions planned for 2026.

#### Experimenting and accelerating deployment through pilot farms

Building on these actions, in 2025, Lactalis set up a network of pilot farms to accelerate the adoption of low-carbon practices across its partnering farms.

The goal of this project is to set up, in countries committed to reducing emissions, reference farms that will play a role in raising awareness among farmers, demonstrating low-carbon practices and collecting technical data. These farms will enable peer-to-peer communication between farmers on actions implemented, facilitate feedback sharing – in particular through field visits – and highlight both the benefits achieved and the challenges encountered.

To support the deployment of these pilot farms, Lactalis provided countries with several structuring resources in 2025: a guide to ensure consistent implementation, a clustering tool to identify farm profiles and priority practices, as well as tailored support to refine action plans and select candidate farms. As of the end of 2025, 48 potential pilot farms had been identified, covering 67% of the 14 committed countries.

The next steps in 2026 will focus on formalizing the commitment of identified farmers and co-developing the operational roadmap of each pilot farm. This approach will make it possible to gradually strengthen the network, promote the adoption of low-carbon practices and support the implementation of these measures on partner farms.

#### Targeted support to activate decarbonization levers at partner farms

In addition to rolling out this common framework, in 2025, Lactalis implemented several specific projects to support its partnering farmers in reducing their carbon footprint.

##### Technical support

Once the carbon footprints have been measured, Lactalis aims to provide partnering farmers with technical advice to help them implement concrete mitigation actions. This technical advice can be provided to the partnering farmers through different formats. For example:

- in the **United States**, to facilitate its partners' access to state and federal financing, the Stonyfield Division is working with the National Fish and Wildlife Foundation, the USDA <sup>(1)</sup> and several technical contractors to accelerate the adoption of environmental conservation practices on farms. As part of this initiative, local farmers are connected with engineers and experts who can identify priority areas for action on their farms, update nutrient and pasture management plans, and design effluent management systems or landscaping projects that qualify for public co-financing programs. This support should ultimately enable the concerned farms to improve their management of effluents and pasture, preserve water quality and contribute to efforts to reduce greenhouse gas emissions, while at the same time strengthening their competitiveness;
- in **Australia**, nine farms in the state of Victoria took part in 2025 in a food self-sufficiency program conducted in partnership with an external consultant. The project, rolled out over a full year, combined technical visits, soil and feed analyses, as well as work on ration sizing, in order to improve feed efficiency and reduce the carbon intensity of the milk produced. As a result of the program, several farms have made measurable progress, with production increases of up to 23% for volume, 15% for protein and 34% for fat. These insights, along with practical recommendations, were subsequently shared with all 338 Lactalis suppliers in Australia via the Farmer Newsletter. To further build on this momentum, a nutrition training course was also organized for field technicians, enabling them to better support partnering farmers and improve feed efficiency at farm level;
- in **Sweden**, Skånemejerier launched an individualized advisory program at the end of 2025 as part of the *Sustainable Dairy Farm initiative*, designed to support partnering farmers in reducing their carbon footprint while integrating animal welfare and biodiversity issues. Based on data from their carbon footprints, partnering farmers receive tailored support to identify, with the help of specialized advisors, improvement opportunities regarding the technical and economic efficiency of the farm, forage crops, feeding and herd management. Actions are defined directly on the farm and prioritized jointly with the partnering farmer, depending on agronomic and climate priorities. In the first few months, 78 out of 254 farms signed up for this program, which includes annual follow-up to support continuous progress.

1) In the context of the *Regional Conservation Partnership Program (RCP)* from the United States Department of Agriculture (USDA).

**Financial support**

Beyond technical support initiatives, Lactalis has launched several initiatives to provide financial support to partnering farmers in addressing climate change. For example:

- in the **Netherlands**, Lactalis provides financial support to its partnering farmers through an incentive scheme based on measurable CSR indicators, some of which focus specifically on the climate. Updated in 2025, this program uses official data from the national Kringloopwijzer system – verified by an external third party – to calculate an additional remuneration linked to farm performance in several areas: greenhouse gas emissions, energy and reduced dependency on imported raw materials. The objective is to encourage farms to move towards more efficient, lower-carbon production ;
- in **France**, the *Prime Culture Lait* launched in March 2025, rewards partnering farmers for their commitment to more sustainable production. By the end of 2025, 94% of eligible farmers – nearly 5,750 farms – benefited from this premium, which can reach up to €4.50 per 1,000 liters depending on their performance across three key criteria: carbon footprint, animal welfare and biodiversity. This initiative aims to support and encourage a sustainable transition at the heart of farms.

**NON-AGRICULTURAL SUPPLY CHAIN**

Scope 3 non-FLAG emissions from the group's non-agricultural supply chain represent nearly 12% of Lactalis' GHG emissions. They cover a variety of activities – purchases of packaging, ingredients and industrial equipment, outsourced transport and storage services in particular – and involve an extensive network of suppliers. These partners play an essential role for Lactalis in building a more sustainable and resilient supply chain.

To reduce these emissions, in 2024, Lactalis launched a structured approach to support its main non-agricultural suppliers, with the aim of encouraging them to set science-based reduction targets. Nearly 2,500 suppliers, who are among Lactalis' largest contributors in terms of emissions, are concerned by this commitment, which will last until the end of 2028.

In order to best support its suppliers, Lactalis has set up a specific working group on the topic, composed of CSR, procurement, equipment & engineering, and transport & logistics teams. This working group develops proposals for action plans, methodologies and tools to ensure consistent implementation in all the countries concerned.

Based on this, the company's supplier commitment is built around three complementary levers:

- **strengthening understanding of climate issues** by mobilizing internal teams and suppliers around a common knowledge base, in order to promote an informed and coherent dialog throughout the value chain;
- **supporting implementation** by providing shared tools and methodological support enabling suppliers to define science-based reduction trajectories;

- **transforming practices** by gradually developing collaborative projects aimed at enhancing low-carbon solutions, encouraging innovation and strengthening the integration of climate issues into purchasing decisions and supplier relations.

In 2025, the activation of these levers resulted in a series of concrete actions illustrating the operational implementation of this approach:

- several awareness-raising initiatives were carried out throughout the year to strengthen the understanding of climate-related issues. At the beginning of the year, around 10 webinar sessions were organized for internal teams and suppliers to inform all relevant stakeholders and clarify the expectations of this approach. This momentum continued throughout the year with the gradual rollout of practical materials to facilitate operational discussions. Towards the end of the year, an in-depth training session dedicated to CSR representatives from the main countries involved, including a practical workshop, further strengthened their role in supporting local teams. This CSR network, whose engagement continues to grow, is a key relay for sharing climate expectations and gradually structuring a dialog with suppliers at local level;
- to support the transition from awareness to action, the group introduced a collaborative platform at the end of 2024 to simplify discussions with suppliers on climate issues. Rolled out in early 2025 to the internal teams and suppliers concerned, this tool centralizes the information collected, facilitates data sharing and improves coordination of internal actions. It also enables a climate questionnaire to be sent to the relevant suppliers each year to track their progress and, if necessary, initiate a tailored support pathway, following a “support-first” approach. In addition, to better support internal teams in their interactions with suppliers, a communication guide has been developed for release in the first half of 2026. This document proposes a harmonized communication framework, outlines key messages, and offers practical guidance for structuring discussions on climate-related topics. It will be regularly updated to reflect evolving needs and the ongoing development of the approach;
- finally, beyond setting science-based targets, Lactalis aims to progressively translate suppliers' commitments into measurable emission reductions through the implementation of collaborative projects, thereby gradually transforming practices. In 2025, this approach remained at an early exploratory stage. For example, in the United States, the logistics teams partnered with Swift Transportation to mobilize an electric fleet on short-distance routes, from the Ontario site (California) to customers in the south of the state. This first pilot aims to assess the emission savings on local deliveries, the operating constraints and the conditions required for scaling up the initiative before any broader deployment.

### 3. ENVIRONMENTAL INFORMATION

## RESULTS

	<b>2024*</b>	<b>2025</b>
<b>Energy</b>		
Energy consumption (kWh LHV/kg finished products)	0.77	<b>0.76</b>
Total energy consumption from fossil and nuclear sources related to own operations (MWh)	9,113,302	<b>8,868,019</b>
Percentage of total energy consumption from fossil and nuclear sources (%)	83.8%	<b>82.2%</b>
Consumption of coal and derivatives (MWh)	660,323	<b>675,466</b>
Consumption of crude oil and petroleum products (MWh)	776,870	<b>655,518</b>
Natural gas consumption (MWh)	5,022,670	<b>5,028,012</b>
Fuel consumption from other fossil sources (MWh)	142,461	<b>148,167</b>
Consumption of purchased or acquired electricity, heat and steam from fossil and nuclear sources (MWh)	2,510,977	<b>2,360,855</b>
Percentage of total energy consumption from nuclear sources (%)	N/A	<b>5.9%</b>
Total energy consumption from renewable sources (MWh)	1,758,332	<b>1,915,592</b>
Percentage of total energy consumption from renewable sources (%)	16.2%	<b>17.8%</b>
Consumption of fuel from renewable sources (MWh)	1,223,666	<b>1,250,027</b>
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	519,200	<b>639,824</b>
Consumption of self-generated non-fuel renewable energy (MWh)	15,466	<b>25,741</b>
<b>Climate</b>		
Gross Scope 1 greenhouse gas emissions (tCO <sub>2</sub> e)	1,463,246	<b>1,458,700</b>
Gross Scope 2 greenhouse gas emissions - Location Based (tCO <sub>2</sub> e)	673,802	<b>671,808</b>
Gross Scope 2 greenhouse gas emissions - Market based (tCO <sub>2</sub> e)	668,619	<b>597,961</b>
Scopes 1 and 2 greenhouse gas emissions from the consolidated accounting group - Market based (tCO <sub>2</sub> e)	2,131,865	<b>2,056,661</b>
Biogenic CO <sub>2</sub> emissions not included in Scope 1 greenhouse gas emissions, reported according to the <i>GHG Protocol methodology</i> (tCO <sub>2</sub> e)	407,183	<b>382,601</b>
Biogenic CO <sub>2</sub> emissions not included in Scope 1 greenhouse gas emissions, included in Lactalis' <i>SBTi</i> trajectory (tCO <sub>2</sub> e)	364,335	<b>241,003</b>
Percentage change in emissions related to Lactalis' <i>SBTi</i> commitment on Scopes 1 and 2 (including biogenic emissions) between 2019 and 2025 (%)	-13.7%	<b>-20.5%</b>
Gross greenhouse gas emissions from Scope 3 FLAG (collected raw cow's milk) related to Lactalis' <i>SBTi</i> commitment on Scope 3 FLAG (tCO <sub>2</sub> e)	25,358,420	<b>25,804,467</b>
Percentage change in emissions related to Lactalis' <i>SBTi</i> commitment on Scope 3 FLAG (raw cow's milk collected) between 2021 and 2025 (%)	-5.0%	<b>-3.3%</b>
Percentage of suppliers (in emissions) with science-based targets validated by <i>SBTi</i> , linked to Lactalis' <i>SBTi</i> commitment on Scope 3 non-FLAG (%)	24%	<b>28.5%</b>

\* The emissions for 2024 have been recalculated on the same reporting scope as those of 2025 in order to be comparable (see methodological note).

### 3. ENVIRONMENTAL INFORMATION

In 2025, the group's climate performance showed mixed trends across emissions scopes.

On Scopes 1 and 2, a clear improvement is observed between 2024 and 2025, enabling the group to achieve a -20.5% reduction in emissions compared to 2019. This significant decrease is notably driven by the implementation of new structuring projects in 2025, such as the development of a pilot project on wood management in Brazil, the rollout of alternative fuels such as XTL, and the commissioning of biomass boilers in France.

Conversely, the performance of Scope 3 FLAG shows a decline between 2024 and 2025, mainly due to the increase in cow's milk volumes in Brazil in 2025. The reduction in these emissions at group level thus stands at -3.3% at the end of 2025 compared to 2021.

Finally, on Scope 3 non-FLAG, Lactalis continues to build on the momentum established with its partners by strengthening its supplier engagement approach. In 2025, 28.5% of the concerned suppliers had science-based climate targets, reflecting the ongoing awareness-raising efforts undertaken in recent years.

## 3.2 POLLUTION

Pollution, whether diffuse or accidental, can have a lasting effect on natural environments as well as human health. In a context where regulatory requirements are being strengthened, Lactalis is taking a gradual approach to reduce its impacts on air, water and soil.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

Pollution prevention is one of the pillars of Lactalis' Energy & Environment Policy, which applies to industrial sites.

A complementary study was conducted to identify the main impacts, risks and opportunities across the Lactalis value chain, based on interviews with the relevant teams, literature reviews and a study on Lactalis' impacts on biodiversity, including pollution, carried out with the ENCORE <sup>(1)</sup> and IBAT <sup>(2)</sup> tools and the WWF Biodiversity Risk Filter <sup>(3)</sup>

The IROs relating to air and soil pollution are listed in this section.

The IROs relating to water pollution are presented in section 3.3 / Water resources, p. 49.

The IROs relating to water pollution from packaging are presented in section 3.5 / Resource use and circular economy, p. 69.

In the agricultural sector, the use of inputs (fertilizers and pesticides) is the primary source of air and soil pollution, posing risks to soil fertility, the environment and human health.

At Lactalis' operating sites, accidental legionella contamination is the main source of air pollution, which can pose significant reputational risks for the group.

Road and sea freight operations for the transport of finished products are sources of air pollution, particularly related to driving diesel-powered vehicles and the emission of air pollutants such as NOx and SOx from ships. This pollution affects the environment and the health of populations.

1) October 2024 release.

2) Tool used in March 2025.

3) Biodiversity Risk Filter 2.0.

3. ENVIRONMENTAL INFORMATION

Summary table of material impacts, risks and opportunities related to pollution

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>AIR POLLUTION</b>					
<b>Negative impact</b>	<p><b>Air pollution from the use of chemical fertilizers in upstream agriculture</b></p> <p>Nitrates and ammonia, toxic substances released into the air during the manufacture of fertilizers or when they are applied, can contribute to air contamination, in particular by leading to the formation of particulate matter (PM10) that is harmful to ecosystems and human health.</p>	Upstream	ST/MT/LT	Suppliers Farmers Society	Actual
<b>Negative impact</b>	<p><b>Air pollution from the use of pesticides in upstream agriculture</b></p> <p>Pesticides used in the production of agricultural raw materials used by Lactalis (e.g.: corn production for feeding dairy cows producing the milk collected by the group, growing sugar cane, sugar beet or fruit used as ingredients by the group), can volatilize and disperse in the air, contributing to air pollution and exposing ecosystems and populations to harmful chemicals.</p>	Upstream	ST/MT/LT	Suppliers Farmers Society	Actual
<b>Negative impact</b>	<p><b>Air pollution from the use of diesel vehicles</b></p> <p>Due to the use of diesel vehicles for transportation activities, including the transportation of dairy products, pollutants such as nitrogen oxides, fine particulate matter, carbon monoxide and volatile organic compounds are emitted, contributing to local air pollution, environmental degradation and potential risks to human health.</p>	Upstream Operations Downstream	ST/MT/LT	Suppliers Employees	Actual
<b>Negative impact</b>	<p><b>Air pollution from shipping emissions</b></p> <p>Shipping emits air pollutants such as NOx and SOx, which degrade air quality and contribute to serious health problems for coastal societies.</p>	Downstream	ST/MT/LT	Suppliers Society	Actual
<b>Negative impact</b>	<p><b>Air pollution due to legionella contamination in cooling towers and hot water circuits</b></p> <p>Due to the growth of Legionella bacteria in hot water systems used for cleaning or storage, such as truck washes or storage tanks, as well as in cooling towers, inadequate maintenance can lead to contamination risks and expose employees to potentially fatal respiratory infections.</p>	Operations	ST/MT/LT	Employees	Potential

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<p><b>Risk to brand, business divisions and products due to pollution at operational sites</b></p> <p>Such incidents could harm Lactalis' image and undermine the credibility of certain divisions and products, potentially leading to consumer boycotts, a loss of confidence and negative impacts on sales and brand value.</p>	Operations	ST/MT/LT	N/A	
<b>SOIL POLLUTION</b>					
<b>Negative impact</b>	<p><b>Soil pollution due to the use of chemical fertilizers in upstream agriculture</b></p> <p>Nitrates and ammonia, toxic substances released during the manufacture of fertilizers or when they are applied, can lead to soil contamination, particularly through leaching.</p> <p>Nutritional imbalances caused by the use of fertilizers in agriculture, particularly in corn cultivation, degrade soil quality and threaten the stability of ecosystems.</p>	Upstream	ST/MT/LT	Suppliers Farmers	Actual
<b>Negative impact</b>	<p><b>Soil pollution due to the use of pesticides in upstream agriculture</b></p> <p>Pesticides used in the production of agricultural raw materials used by Lactalis (e.g., the production of corn for feeding the dairy cows that supply the group's milk, as well as the cultivation of sugar cane, sugar beet or fruit used as ingredients by the group), can introduce toxic chemicals into the soil, harming biodiversity and ecosystem health.</p>	Upstream	ST/MT/LT	Suppliers Farmers Society	Actual
<b>Negative impact</b>	<p><b>Soil pollution from oil and fuel leaks in road accidents or milk storage operations</b></p> <p>Fuel and oil leaks, whether caused by vehicle accidents or by overflows and leaks from fuel oil tanks used for heating, generators or refueling, can lead to soil degradation and long-term harm to surrounding ecosystems.</p>	Upstream Operations Downstream	ST/MT/LT	Employees Suppliers	Potential
<b>Risk</b>	<p><b>Risk to brand, business divisions and products due to pollution and degradation of ecosystems in all direct company activities</b></p> <p>Such incidents could harm Lactalis' image and undermine the credibility of certain divisions and products, potentially leading to consumer boycotts, a loss of confidence and negative impacts on sales and brand value.</p>	Operations	ST/MT/LT	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
Risk	<p><b>Risk to brand image, business divisions and products due to pollution and degradation of ecosystems in upstream agriculture</b></p> <p>Such incidents could weaken Lactalis' credibility as a responsible company, reducing consumer and stakeholder confidence as well as brand value.</p>	Upstream	ST/MT/LT	N/A	
Risk	<p><b>Risk of increased costs due to lower agricultural yields resulting from significant pollution exposure</b></p> <p>Soil pollution can reduce soil productivity or directly contaminate upstream crops, leading to lower yields of raw materials. This reduction in available supply may increase purchasing costs and limit supply, which ultimately impacts Lactalis' revenues.</p>	Upstream	ST/MT/LT	N/A	

**WATER POLLUTION**

The IROs relating to water pollution are discussed in section 3.3 / Water resources, p. 49.

The IROs relating to water pollution from packaging are discussed in section 3.5 / Resource use and circular economy, p. 69.

Legend: short-term (ST); medium-term (MT); long-term (LT).

**APPROACH**

Policies and action plans relating to IROs on air, soil and water pollution are addressed in different parts of this report:

Type of IRO	Description of the IRO	Position in the value chain	Referral to policies and action plans linked to the IRO
<b>AIR POLLUTION</b>			
Negative impact	<p><b>Air pollution from the use of chemical fertilizers in upstream agriculture</b></p> <p>Nitrates and ammonia, toxic substances released into the air during the manufacture of fertilizers or when they are applied, can contribute to air contamination, in particular by leading to the formation of particulate matter (PM10) that is harmful to ecosystems and human health.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.
Negative impact	<p><b>Air pollution from the use of pesticides in upstream agriculture</b></p> <p>Pesticides used in the production of agricultural raw materials used by Lactalis (e.g., production of corn for feeding dairy cows that supply the group's milk, or the cultivation of sugar cane, sugar beet or fruit used as ingredients by the group) can volatilize and disperse into the air, contributing to air pollution and exposing ecosystems and populations to harmful chemicals.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Referral to policies and action plans linked to the IRO
Negative impact	<p><b>Air pollution from the use of diesel vehicles</b></p> <p>Due to the use of diesel vehicles for transportation activities, including the transportation of dairy products, pollutants such as nitrogen oxides, fine particulate matter, carbon monoxide and volatile organic compounds are emitted, contributing to local air pollution, environmental degradation and potential risks to human health.</p> <p>Similarly, Lactalis' fleet of nearly 8,000 vehicles generates a significant environmental burden by emitting substantial amounts of these pollutants.</p>	Upstream Operations Downstream	See section 3.1 / Climate change, p. 31.
Negative impact	<p><b>Air pollution from shipping emissions</b></p> <p>Shipping emits air pollutants such as NOx and SOx, which degrade air quality and contribute to serious health problems for coastal societies.</p>	Downstream	See section 3.1 / Climate change, p. 31.
Negative impact	<p><b>Air pollution due to legionella contamination in cleaning operations, storage systems and cooling towers</b></p> <p>Due to the growth of Legionella bacteria in hot water systems used for cleaning or storage, such as truck washes or storage tanks, as well as in cooling towers, inadequate maintenance can lead to contamination risks and expose employees to potentially fatal respiratory infections.</p>	Operations	Information on the policies and action plans related to this impact will be provided in a later publication.
Risk	<p><b>Risk to the brand, business divisions and products resulting from pollution and ecosystem degradation at operational sites</b></p> <p>Such incidents could harm Lactalis' image and undermine the credibility of certain divisions and products, potentially leading to consumer boycotts, a loss of confidence and negative impacts on sales and brand value.</p>	Operations	See sections 3.3 / Water resources, 3.1 / Climate change and 3.4 / Biodiversity, p. 49, 31, 56.
<b>SOIL POLLUTION</b>			
Negative impact	<p><b>Soil pollution due to the use of chemical fertilizers in upstream agriculture</b></p> <p>Nitrates and ammonia, toxic substances released during the manufacture of fertilizers or when they are applied, can lead to soil contamination, particularly through leaching.</p> <p>Nutritional imbalances caused by the use of fertilizers in agriculture, particularly in corn cultivation, degrade soil quality and threaten the stability of ecosystems.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Referral to policies and action plans linked to the IRO
Negative impact	<p><b>Soil pollution due to the use of pesticides in upstream agriculture</b></p> <p>Pesticides used in the production of agricultural raw materials used by Lactalis (e.g., the production of corn for feeding the dairy cows that supply the group's milk, as well as the cultivation of sugar cane, sugar beet or fruit used as ingredients by the group), can introduce toxic chemicals into the soil, harming biodiversity and ecosystem health.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.
Negative impact	<p><b>Soil pollution from oil and fuel leaks in road accidents or milk storage operations</b></p> <p>Fuel and oil leaks, whether caused by vehicle accidents or by overflows and leaks from fuel oil tanks used for heating, generators or refueling, can lead to soil degradation and long-term harm to surrounding ecosystems.</p>	Upstream Operations Downstream	Information on the policies and action plans related to this impact will be provided in a later publication.
Risk	<p><b>Risk to brand, business divisions and products due to pollution and degradation of ecosystems in all direct company activities</b></p> <p>Such incidents could harm Lactalis' image and undermine the credibility of certain divisions and products, potentially leading to consumer boycotts, a loss of confidence and negative impacts on sales and brand value.</p>	Operations	See section 3.4 / Biodiversity, p. 56.
Risk	<p><b>Risk to brand image, business divisions and products due to pollution and degradation of ecosystems in upstream agriculture</b></p> <p>Such incidents could weaken Lactalis' credibility as a responsible company, reducing consumer and stakeholder confidence as well as brand value.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.
Risk	<p><b>Risk of increased costs due to lower agricultural yields resulting from significant pollution exposure</b></p> <p>Soil pollution can reduce soil productivity or directly contaminate upstream crops and raw materials, leading to lower yields of these raw materials. This reduction in available supply may increase purchasing costs and limit supply, which ultimately impacts Lactalis' revenues.</p>	Upstream	See section 3.4 / Biodiversity, p. 56.

**WATER POLLUTION**

The IROs relating to water pollution are discussed in section 3.3 / Water resources, p. 49.

The IROs relating to water pollution from packaging are discussed in section 3.5 / Resource use and circular economy, p. 69.

Legend: short-term (ST); medium-term (MT); long-term (LT).

### 3.3 WATER RESOURCES

Water is an essential resource for Lactalis' operations and those of its entire value chain. Without water, none of the company's activities are possible: it is impossible to produce milk, a living resource directly dependent on animals' hydration and availability of fodder; it is impossible to process this milk in factories, whose operation relies on water, particularly for cleaning, heat production (steam) or cooling (cooling towers). Water is therefore essential to Lactalis's business continuity, product safety and ability to supply the markets.

However, this resource is both limited and increasingly constrained. Only a very small fraction of the water present on Earth is actually available for human uses, and this availability is declining due to the combined effects of population growth, rising energy, agricultural and industrial demands, and disruptions to the water cycle. Climate change is exacerbating these tensions: it is altering the spatial and temporal distribution of precipitation, increasing evapotranspiration and intensifying extreme weather events. These pressures lead to water stress, i.e., an imbalance between water demand and the amount of water available.

These disturbances are already being seen in more frequent and intense climatic hazards, such as prolonged periods of drought, heat waves and flash floods, which directly affect the regions where Lactalis operates. They also impact the availability of water for crops, reducing agricultural yields and exacerbating risks to the supply of milk and other agricultural raw materials. For a global agri-food sector, this development represents a major challenge: preserving access to water while limiting its impact on ecosystems.

In addition to these availability issues, there is the worrying deterioration in water quality. The intensification of agriculture, increasing urbanization, industrial waste, erosion and run-off accentuated by extreme weather events contribute to the contamination of waterways and groundwater. Deterioration in water quality affects the entire value chain: it compromises crop irrigation, degrades soils and reduces agricultural yields; it weakens animal health and can alter milk quality; it complicates and increases the cost of treatment processes at plants while heightening the risk of non-compliance; finally, it damages aquatic ecosystems, restricts uses for local communities and intensifies pressure on the resource.

Availability and quality of water thus become two aspects that are inseparable from territories' water resilience. For a global agri-food leader such as Lactalis, preserving this resource means not only reducing its dependence on it, but also actively contributing to the conservation of aquatic environments, the reduction of discharges and the protection of the watersheds where its operations are located.

#### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

As water resources are a highly material issue for Lactalis, additional studies were carried out using WRI's Aqueduct tools <sup>(1)</sup> and the Water Risk Filter <sup>(2)</sup> in order to identify the production sites, dairy farms, commodities and supply countries most exposed to water-related risks across the value chain, both today and by 2050 under a Business-as-Usual scenario.

The specific issues of water pollution were studied *via* the Water Risk Filter analysis as part of the work carried out on water resources, but also *via* a literature search as part of the study carried out on pollution.

#### Quantitative water resource management

##### Milk supply

The analysis of upstream milk exposure to water stress was carried out in 2025, and covers nearly 20,000 dairy farms and milk collection points in 17 countries: France, Brazil, Italy, United States, South Africa, India, Australia, Poland, United Kingdom, Belgium, Germany, Romania, Slovenia, Portugal, Czech Republic, Croatia and Spain. For 5 other countries, in the absence of precise data on farm locations, the analysis relied on the location of the major dairy regions (Canada) or that of Lactalis' operating sites (Turkey, Sweden, Switzerland, the Netherlands). To supplement the assessment of water stress risk for dairy farms, the study also took into account the water footprint of milk (national average as calculated by the Water Footprint Network).

The watersheds most exposed to the risks of water pollution and water stress are located in four priority regions: the Mediterranean rim, India, South Africa and Southeast Australia. In total, 15% of the dairy farms or collection points studied are located in extreme or very high water stress areas, and this portion is projected to double by 2050 according to the Business-as-Usual scenario.

61% of the dairy farms and collection points studied are located in areas with a high or very high risk of water pollution. The most exposed watersheds are found in India, Turkey and Europe. According to the Business-as-Usual scenario, this proportion would rise to 83% in 2050.

##### Other agricultural commodities excluding milk

The exposure analysis of other commodities was carried out in 2025 and covers 16 commodities and their 45 countries of origin: paper/cardboard, cane sugar, beet sugar, palm oil, cocoa, coffee, strawberry, apple, orange, peach, raspberry, mango, blueberry, vanilla, pineapple and banana. In order to prioritize the raw materials at highest risk, the company factored in the water footprint of their production by country (national average as calculated by the Water Footprint Network) and purchase volumes in its analysis.

1) Aqueduct 4.0.

2) Water Risk Filter 2.0.

### 3. ENVIRONMENTAL INFORMATION

Vanilla, cocoa and coffee are the commodities with the highest water footprint, but cane sugar and beet sugar are most exposed to the risks of water stress and poor water quality.

#### **Production sites**

The exposure analysis of operational sites to water stress was carried out in 2025 and covers all of the company's production sites.

Lactalis has developed a score to assess the risk of water scarcity at industrial sites. This score is based on indicators from the Aqueduct database related to surface water and groundwater. The assessment of risk to surface water is based in particular on the annual water stress score projected for 2050 (Business-as-Usual scenario) and the current risk of drought, as well as on the water stress score observed during the most critical month. The groundwater risk analysis takes into account historical changes in piezometric levels. All of these parameters make it possible to obtain a consolidated view of the water vulnerability of sites and to better guide action plans.

#### **Qualitative water resource management**

##### **Upstream agriculture (milk and other agricultural commodities)**

This is the stage of the value chain with the greatest impact in terms of water pollution. The main source of water pollution in upstream dairy and other agricultural commodities purchased by the group is due to the use of inputs (fertilizers, pesticides, etc.) that can be leached into surface water or infiltrate into groundwater.

##### **Production sites**

The exposure analysis of operational sites to water pollution was carried out at all of the company's production sites in 2025. The study identified the countries, watersheds and sites most at risk of poor water quality.

The main source of water pollution linked to Lactalis' activities at its operational sites is due to the discharge of effluents rich in organic matter. Most of these effluents are treated by internal or external wastewater treatment plants.

The IROs relating to water pollution are presented in this section.

The IROs relating to water pollution from packaging are presented in section 3.5/ Resource use and circular economy.

### 3. ENVIRONMENTAL INFORMATION

Summary table of material impacts, risks and opportunities related to water resources

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
Negative impact	<p><b>Depletion of water resources</b> caused by Lactalis' activities, whether directly (industrial operations) or indirectly (production of milk and other raw materials). Water resources are unevenly available on Earth. Overconsumption of water resources increases the pressure on the resource and the competition between the different needs of the population. A significant portion of the group's direct and indirect activities are located in areas at risk of water stress. Milk in particular accounts for around 95% of the indirect water footprint of raw materials purchased by Lactalis, due to the volumes of blue, green and grey water required for livestock, pasture and fodder production.</p>	Upstream Operations	ST/MT	Suppliers Farmers and Society	Actual
Negative impact	<p><b>Pollution of water resources</b> caused by Lactalis' activities, directly (industrial operations, logistics operations) or indirectly (production of raw materials, end-of-life of packaging). The main sources of water pollution are linked to upstream agriculture (<i>via</i> chemical pesticides, herbicides and fertilizers, as well as chemical and biological contaminants related to manure management); discharges from industrial operations (organic matter, nitrogen, phosphorus, <i>etc.</i>); transportation (NOx and SOx emissions, fuel and oil leaks); at the end of the packaging's life (plastic pollution).</p>	Upstream Operations Downstream	ST/MT/LT	Suppliers Farmers and Society	Actual
Risk	<p><b>Loss of income due to a decline in milk production and other agricultural commodities</b> caused by <b>water stress</b>, leading to supply shortages or higher purchase prices for raw materials. Water stress has a negative impact on milk production, as dairy cows need 60 to 120 L of water per day on average, and up to 200 L on warmer days. Low water intake is linked to low feed intake, which decreases milk production and increases the risk of disease. Water stress can also lead to a decrease in grassland production and forage or cereal harvests, impacting livestock feed.</p>	Upstream	ST/MT	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
Risk	<b>Loss of income</b> due to <b>contamination of milk and other agricultural commodities</b> or a <b>decline in production</b> caused by <b>water pollution</b> , causing supply difficulties or an increase in the purchase price of raw materials. If this contamination is transmitted to finished products, it can also impact consumers and cause recalls. Chemicals, pesticides and microplastics can contaminate milk and dairy products, making them unfit for human consumption and leading to a loss of income.	Upstream Downstream	ST/MT	N/A	
Risk	<b>Legal risk</b> related to a <b>proven case of water scarcity</b> resulting from <b>Lactalis' activities</b> .	Upstream Operations	ST/MT	N/A	
Risk	<b>Legal risk</b> related to a <b>proven case of water pollution due to Lactalis' direct and indirect activities</b> , such as water pollution caused by discharging untreated wastewater or other solid and plastic waste.	Upstream Operations	ST/MT	N/A	
Risk	<b>Reputational risk related to the pollution of water resources</b> in agricultural upstream activities, operations or the supply chain, potentially resulting in product contamination. Risk to the brand image, business divisions and products in the event of water or product contamination in upstream activities, operations or the supply chain. Such incidents could undermine the company's credibility as a responsible business, thereby reducing consumer and stakeholder confidence as well as overall brand value.	Upstream Operations Downstream	ST/MT	N/A	
Risk	<b>Operational slowdowns or shutdowns resulting from water shortages</b> , such as lack of supply or regulatory limits on water use.	Operations	ST/MT	N/A	
Risk	<b>Operational slowdowns or shutdowns caused by rising water pollution</b> that makes it impossible for sites to obtain the necessary water quality.	Operations	ST/MT	N/A	
Risk	<b>Increase in investments and maintenance costs related to the treatment of polluted or poor quality water</b> to obtain the water quality required for food production or for discharges to the natural environment.	Operations	ST/MT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

## APPROACH

A first global estimate of water dependence across the entire value chain was carried out in 2025. The results of this study provide a valuable order of magnitude: approximately 99% of the water used across Lactalis' value chain is linked to the purchase of agricultural raw materials and primarily milk, as well as sugar, fruit, and the paper, cardboard and wood energy used for packaging and operations. This data confirms that Lactalis' water challenges go far beyond the scope of its plants and require an integrated approach covering the entire supply chain.

In 2025, a study was conducted to characterize the impacts, risks and opportunities related to water resources on all industrial and upstream agricultural operations (see the "Impacts, risks and opportunities" paragraph above). The lessons learned from this work have helped identify the segments of the value chain and the geographic areas most exposed to water-related risks. On this basis, the company has initiated the definition of priority actions and structuring commitments, which should culminate in publication of a policy dedicated to water management and stewardship across its entire value chain in 2026.

## ACTION PLAN

### Optimization of water usage at production sites

To support the sustainable reduction of volumes withdrawn by industrial sites, the Energy and Environment Department has developed a structuring methodology in seven successive steps, known as the 7Rs, as follows:

- **Refuse** by avoiding the use of water when there are alternatives;
- **Reduce** by focusing on moderation and efficiency through awareness-raising, monitoring and process optimization;
- **Replace** by transitioning to more sustainable water sources, based on water risk assessments and hydrogeological studies;
- **Respect** local regulations by complying with them in terms of water reuse, in particular health constraints for food contact applications;
- **Reclaim**, recovering water from raw materials (e.g., milk, fruit) through evaporation or membrane processes, for technical or cleaning uses;
- **Recycle** by reintegrating water into processes (e.g., reuse of rinse water for pre-washing) and by extending recycling to new applications;
- **Reuse** treated wastewater only when business continuity is threatened, ensuring network separation and compatibility with agri-food standards.

The 7Rs principle is an essential concept. Moderation and efficiency actions, from Refuse to Recycle, must be implemented as a priority, as they represent the most

accessible and relevant levers for sustainably reducing extraction.

The last step, Reuse, is more complex and costly. It is only relevant once the first six stages are fully underway, and only for sites facing a high risk of stress on the resource.

The application of this methodology is already demonstrating its effectiveness in various geographical contexts.

For several years now, the Vitré site in **France** has established an internal structure dedicated to optimizing its water withdrawals by actively managing its water usage and implementing water recycling projects. In 2025, the site reduced its withdrawals by more than 12% compared to 2022, without resorting to wastewater reuse.

At the Tire site in **Turkey**, the first actions implemented in close collaboration with the Energy and Environment Department are beginning to show results. In 2025, the site reduced its withdrawals by 7% compared to 2024.

At the Shrirampur site in **India**, a treated wastewater reuse unit was commissioned in 2024. Withdrawals decreased by 11% between 2024 and 2025.

### Industrial wastewater management

Wastewater from cleaning, loaded with organic matter, can have an impact on natural ecosystems. As a result, in compliance with local regulations, they are subject to appropriate treatments to ensure their compatibility with the sensitivity of the receiving environment.

These treatments can take the form of:

- agronomic recovery on agricultural land, thus making it possible to enter the framework of a virtuous circular economy;
- on-site treatment with discharge into the natural environment;
- on-site treatment with discharge to an external municipal wastewater treatment plant.

In light of this challenge, implementing high-performance tools and employee training (including the implementation of standards and best practices) are two major pillars of the company's policy, and considerable investments are made in this area.

The company is also investing to improve wastewater treatment units. Lactalis invested several million euros in 2025 to improve wastewater treatment plants at five sites in France, four in Brazil and two in Poland. Two wastewater treatment plants were inaugurated in 2025, in South Africa and Romania.

The company is committed to managing wastewater quality. Therefore, all industrial sites discharging more than 50 m<sup>3</sup> of wastewater per day must be equipped with a chemical oxygen demand (COD) measurement on the wastewater discharged outside the site by 2030.

### 3. ENVIRONMENTAL INFORMATION

#### Raising awareness

Raising awareness among all employees and partners about responsible water resource management is a key lever. In addition to technical actions, it is essential that everyone understands the issues related to the evolution of water cycles, the associated risks and their direct implications for operations.

In 2025, an enhanced internal communication campaign on the theme of water was launched in conjunction with Sustainable Development Week. Events were organised in several countries, including two major conferences: one led

by Ms. Charlène Descollonges at the French headquarters, and the other by Ms. Emma Haziza at the group's headquarters. These presentations provided in-depth scientific insight into the current hydrological dynamics and vulnerabilities to which agri-food sectors must now adapt.

Raising awareness also concerns upstream chain partners. In France, an issue of the monthly magazine for dairy farmers was devoted to "Water, a resource to be preserved," highlighting in particular the importance of water for animal welfare and milk quality.

#### RESULTS

	<b>2024</b>	<b>2025</b>
Total volume of water withdrawn (m <sup>3</sup> )	75,453,111	<b>76,128,373</b>
Water withdrawal ratio (m <sup>3</sup> /t of products manufactured)	6.00	<b>6.04</b>
Total volume of wastewater discharges (m <sup>3</sup> ).	69,961,841	<b>69,277,343</b>
Wastewater quantity ratio (m <sup>3</sup> /t of products manufactured)	5.57	<b>5.49</b>
Average concentration of the effluent load for industrial sites equipped with an on-site wastewater treatment plant and discharging to the natural environment of the nine pilot countries (COD in mg O <sub>2</sub> /L)	New Indicator	<b>62</b>

The data on the quantities of water withdrawn and discharged covers all of the company's production sites, excluding Russia and acquisitions of less than 3 years. Warehouses are not included. The collection of data on water withdrawals from warehouses, carried out in 2025, shows that all the warehouses operated directly by Lactalis only withdraw around 205,000 m<sup>3</sup> of water per year. This amount, representing less than 0.3% of the company's direct withdrawals, is considered non-material and is therefore not included in the indicators.

In addition, the ratios associated with the 2024 data have been recalculated in order to align with the group scope excluding Russia and acquisitions of less than 3 years, whereas the figures published in the 2024 report were based on a scope of 28 countries representing 89.6% of the company's production volume.

With regard to changes in the quantities of water withdrawn, some sites have made real progress in terms of controlling

water withdrawals, illustrating the effectiveness of the local initiatives presented in the "Action plan" above. However, this progress does not have a significant impact on a global scale. At global level, water withdrawal volumes at Lactalis have remained stable over the past two years. Implementing a structured policy and commitments should make it possible to start reducing these quantities in the future.

With regard to effluents, a slight improvement has been observed, mainly due to the optimization of wastewater treatment, particularly at Shrirampur and Retiers sites, as well as enhanced data quality in measurement and monitoring.

The indicator relating to the average concentration of the effluent load (COD in mg O<sub>2</sub>/L) for industrial sites equipped with an on-site wastewater treatment plant and discharging into the natural environment of the nine pilot countries is audited for the first year and is based on a deliberately restricted scope.

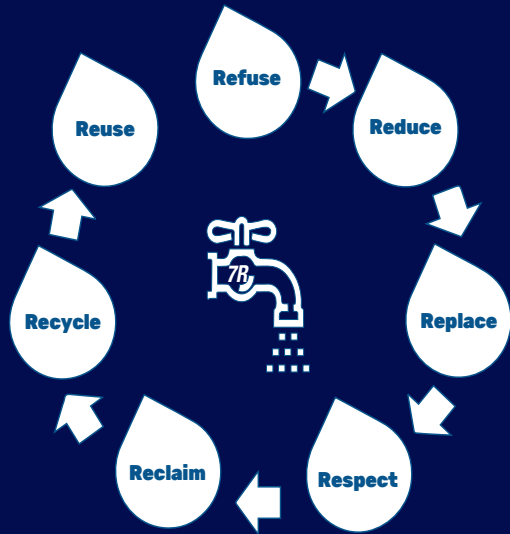


**Gaël GAUTHIER**  
CSR Manager - Water

**Xavier CLEUZIQU**  
Environmental Expert

**How does Lactalis approach water management, and what aspects are addressed?**

**X.C.:** Water has always been central to our concerns at Lactalis, given the significant impact our activities have on this resource. This issue has taken on a strategic dimension in recent years.



Since 2019, we have structured our industrial strategy around the **7Rs framework**, enabling us to guide our decisions in a pragmatic and progressive way.

◀◀ **Our goal is to publish a Lactalis Group policy on water management, developed in collaboration with all relevant teams.**

**X.C. and G.G.:** Quantitatively, our goal is to reduce our water withdrawals and anticipate risks linked to disruptions in water cycles, particularly those caused by climate change and the overexploitation of water resources.

The qualitative aspect is also very important. Having good water quality water is essential for cleaning equipment and ensuring the health safety of our production. Poor water quality can reduce the yields of crops used to feed animals and may even make the animals sick. Without a change in trajectory, the quality of water available for human activities will deteriorate rapidly across much of the planet.

**What are your goals for 2026?**

**G.G.:** Our ambition is to publish a Lactalis Group water management policy, developed in collaboration with all relevant teams, particularly the Energy and Environment Department for the industrial component. It will encompass both quantitative (withdrawals) and qualitative (effluents) dimensions and will need to set clear, ambitious and realistic objectives to ensure the continuity of our operations while addressing environmental challenges.

**X.C.:** This policy should make it possible to accelerate the reduction of our withdrawals, particularly at manufacturing sites located in high-risk areas. Our priority is to continue training our teams in the 7Rs method and to deploy it across all our sites worldwide. This involves supporting the necessary investments, in particular for the reduction of abstraction and the reuse of treated wastewater.

## 3.4 BIODIVERSITY

Biodiversity loss has become a major global concern as the planet faces its sixth mass extinction. This is all the more true given that this sixth extinction has two distinctive features: first, it appears to be occurring much more rapidly than the previous five, and second, it is the first mass extinction for which human activities are the primary cause.

As a leading food company, Lactalis believes that it has a role to play in preserving biodiversity, both impacting it and depending on it.

Indeed, on the one hand, the group contributes significantly to four out of the five main pressures driving biodiversity loss, as identified by the IPBES <sup>(1)</sup>: land use, direct exploitation of natural resources (namely, water), climate change and pollution. Most of these impacts are linked to the group's upstream agricultural value chain, and particularly milk production by its partnering farmers (e.g. risks of deforestation and land conversion through animal feed, water consumption, greenhouse gas emissions, pollution from pesticides, fertilizers, and manure). To a lesser extent, the group may also impact biodiversity through its own operations (e.g. 50% of Lactalis' industrial sites worldwide are located in or near areas of high biodiversity importance).

On the other hand, Lactalis relies heavily on biodiversity, and the ecosystem services it provides. For instance, the company requires significant quantities of clean water to operate its industrial sites properly. Similarly, its upstream agricultural value chain depends on pollinators, healthy soils, and a variety of dairy cow breeds to produce high-quality milk.

Therefore, preserving biodiversity is a responsibility and a necessity for Lactalis.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in 2.4 / Impact, risk and opportunity management, p. 24.

In 2025, Lactalis conducted an in-depth assessment of the impacts and dependencies of its activities on biodiversity across its entire value chain (upstream, operations, and downstream). This analysis incorporated:

- for impacts: the five pressures on biodiversity as identified by the IPBES (land use, direct exploitation of natural resources, climate change, water, soil and air pollution, and invasive species) and the state of ecosystems;
- for dependencies: the supporting, provisioning, regulating and cultural services provided by ecosystems, known as "ecosystem services."

Thanks to the ENCORE <sup>(2)</sup> and IBAT <sup>(3)</sup> tools, the assessment made it possible to identify Lactalis' main impacts, risks and opportunities in relation to biodiversity as well as the priority raw materials and operational sites in this regard.

In summary, regarding the impacts:

- overall, Lactalis generates biodiversity impacts across its entire value chain and on four of the main pressures: land use, direct exploitation of natural resources, climate change, and water, soil and air pollution. Impacts on invasive species are considered non-material;
- most of Lactalis' material impacts on biodiversity arise upstream in its value chain, particularly from the production of milk and other agricultural raw materials such as sugar, palm oil, cocoa, coffee, paper and board used for packaging, and woody biomass used for energy production. Upstream activities indeed generate the group's most significant negative impacts on deforestation and conversion of natural ecosystems (land use), hydrological imbalances (direct use of natural resources), greenhouse gas emissions (climate change), and water, soil and air pollution (pesticides, fertilizers and livestock effluents). Some raw materials, such as soy used in animal feed, also contribute indirectly. That said, Lactalis' upstream activities, and in particular milk production, also have positive impacts on biodiversity, notably through the preservation and management of permanent grasslands, which provide habitats for a wide range of plant and animal species;
- the group also has potential negative material impacts on its own operations (land use, direct exploitation of natural resources, climate change, water and air pollution). Indeed, the results of the IBAT analysis indicate that 184 sites (*i.e.* nearly 50% of the sites studied – industrial sites and warehouses) are located in or near areas of high biodiversity importance, *i.e.* in or near protected areas, key biodiversity areas or threatened species.

In terms of risks, regulatory changes and the growing consumer awareness of deforestation and biodiversity issues pose major challenges for Lactalis. The group must therefore meet these new requirements to avoid legal, reputational or operational risks.

Conversely, the deployment of regenerative agriculture practices, which deliver multiple biodiversity benefits, such as preserving natural habitats, reducing risks of water stress and water and soil pollution, reducing climate-related impacts and enhancing carbon storage in soils, offers Lactalis an opportunity to strengthen its resilience while responding to stakeholder expectations.

1) IPBES, Intergovernmental science-policy Platform on Biodiversity and Ecosystem Service

2) Version: October 2024.

3) Tool used in March 2025.

### 3. ENVIRONMENTAL INFORMATION

More specifically, Lactalis' material IROs related to biodiversity are presented in the table below, bearing in mind that:

The IROs relating to the direct exploitation and pollution of water are addressed in section 3.3 / Water resources.

The IROs relating to climate change are addressed in section 3.1 / Climate change.

The IROs relating to air and soil pollution are addressed in section 3.2 / Pollution.

The IROs relating to water pollution from packaging are addressed in section 3.5 / Resource use and circular economy.

#### Summary table of material impacts, risks and opportunities related to biodiversity

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Negative impact</b>	<p><b>Soil degradation, deforestation and conversion of natural ecosystems related to conventional agricultural practices</b></p> <p>The supply of raw materials from agricultural and livestock activities, such as milk, sugar (cane and beetroot), palm oil, cocoa, coffee, paper and board, or woody biomass, leads to multiple major environmental impacts. On the one hand, these practices can contribute to soil degradation through the loss of organic matter, erosion or compaction, compromising soil health and ecosystem productivity in the long term. On the other hand, production of these raw materials requires, directly or indirectly (<i>e.g. via</i> animal feed), large areas of land, which frequently leads to deforestation and conversion of natural ecosystems. This is particularly the case for soy production (used in animal feed) in Brazil, Argentina and Paraguay, corn (also used in animal feed) in tropical regions and palm oil in Indonesia. All of these practices result in a significant loss of natural habitats and a decline in biodiversity, while also disrupting essential ecosystem services such as water availability and regulation, carbon storage and climate regulation, and soil fertility.</p>	Upstream	MT/LT	Suppliers Farmers Society	Potential
<b>Positive impact</b>	<p><b>Positive contribution of permanent grasslands and grazing to biodiversity</b></p> <p>Maintaining and encouraging good management of grasslands, with a reasonable density of dairy cows per hectare, supports the enrichment and resilience of ecosystems. By allowing ruminants to graze on various land, grazing contributes to plant diversity and natural fertilization, promotes insect life and nurtures perennial ecosystems. This practice helps protect grasslands, improve local biodiversity and enhance the overall health of agricultural landscapes.</p>	Upstream	MT/LT	Farmers Society	Actual

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Negative impact</b>	<p><b>Degradation and artificialization of natural habitats at operational sites</b></p> <p>Nearly 50% of Lactalis' operating sites worldwide are located in or near areas of high biodiversity importance (protected areas, key biodiversity areas, presence of threatened species). Lactalis' activities within the perimeters of these sites and any work carried out there may degrade the natural habitats of the animal or plant species present (waterproofing of surfaces, light and noise pollution, etc.).</p>	Operations	ST/MT	Society	Potential
<b>Risk</b>	<p><b>Legal risk arising from increasingly stringent environmental regulations governing deforestation and biodiversity preservation</b></p> <p>The strengthening of European Deforestation Regulations (EUDR) and the introduction of new biodiversity-protection rules create both legal and reputational risks for Lactalis. The company's dependence on forest-hazardous primary materials, such as soy for animal feed, increases its exposure to non-compliance costs, market access restrictions and the potential loss of its license to operate.</p>	Upstream	ST/MT	N/A	
<b>Risk</b>	<p><b>Operational risks and costs related to customer and consumer requirements regarding deforestation and biodiversity preservation</b></p> <p>Operational risk related to Lactalis' dependence on an agricultural model that may negatively impact forests and biodiversity, and to increased requirements from retailer customers and consumers to address deforestation and biodiversity issues. Compliance with these requirements may result in costly adaptation measures and reduced agricultural productivity. The financial burden of transitioning to more sustainable practices and meeting consumer demands could disrupt supply chains and increase Lactalis's overall production costs.</p>	Upstream	ST/MT	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<p><b>Business risks related to dependence on natural resources and ecosystem services</b></p> <p>Medium- and long-term business risks related to Lactalis' dependence on natural resources and ecosystem services, such as soil fertility, pollination, pest and disease regulation, and the availability and quality of water for agricultural production. The degradation or loss of these services could undermine the stability of Lactalis' supply chain, increase production costs and weaken the company's resilience. For example, soil degradation could cut overall agricultural productivity by around 12% over the next 25 years.</p>	Upstream	MT/LT	N/A	
<b>Opportunities</b>	<p><b>Strategic opportunity arising from the increased resilience gained through the adoption of regenerative agriculture practices</b></p> <p>Strategic opportunity arising from implementing regenerative agriculture practices that restore or protect biodiversity, maintain soil fertility and enhance ecosystem services. These practices can help improve agricultural yields, reduce or at least maintain production costs, reduce the working time of suppliers and farmers and improve the long-term resilience of agricultural production.</p>	Upstream	MT/LT	N/A	
<b>Opportunities</b>	<p><b>Reputational opportunity thanks to initiatives in support of regenerative agriculture</b></p> <p>Reputational opportunity thanks to Lactalis' efforts to develop and promote regenerative agriculture and demonstrate leadership in nature conservation throughout its value chain. By helping its suppliers adopt sustainable practices and positioning itself as a food company with little or no negative impact on the environment, Lactalis can strengthen its public image, build customer and consumer trust, and increase brand loyalty.</p>	Upstream Downstream	ST/MT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

**POLICY**

**Overall Biodiversity Approach**

In 2025, Lactalis started an internal work to define its future Group Biodiversity Policy, which is expected to be published in 2026.

The main objective of this policy will be to contribute to the global goal of the Kunming-Montreal Global Biodiversity Framework <sup>(1)</sup>, namely, to halt and reverse biodiversity loss by 2030. More precisely, through this policy, the group aims to reduce its negative impacts on biodiversity (i.e. its pressures), to enhance its positive impacts and to contribute to the resilience of its upstream agricultural value chain.

Because biodiversity preservation is closely tied to other environmental issues, this policy will rely on several Group CSR policies and approaches described in other sections of this report, such as:

- the Forest Policy and the Palm Oil Policy described below, which contribute to reducing the group’s impacts in terms of land use;
- the Water Approach described in section 3.3 / Water resources, which addresses the group’s impacts on water (direct exploitation and pollution);
- the Climate Strategy described in section 3.1 / Climate change, which details the group’s efforts to fight climate change, including its greenhouse gas emission reduction targets validated by the Science Based Targets initiative (SBTi);
- the Packaging Policy described in section 3.5 / Resource use and circular economy, which aims to ensure better circularity, and contributes, among others, to reducing the group’s impacts related to plastic pollution.

In addition, this upcoming policy will also include new commitments to address the group’s most significant impacts on biodiversity that are not fully addressed by the existing policies and approaches. For instance, given the IROs identified in the previous section as well as certain ones identified in section 3.2 / Pollution, Lactalis recognizes the need to strengthen its CSR approach regarding certain agricultural raw materials and to promote sustainable or regenerative agriculture practices (particularly about milk and sugar procurement). Similarly, the group has identified rooms for improvement to better consider its potential impacts on biodiversity in its industrial sites, especially those located in or near areas of high biodiversity importance.

**Forest Policy**

As part of its efforts to preserve biodiversity (especially in terms of avoiding land use change) and to fight against climate change, Lactalis published its Forest Policy in 2023, with the main ambition of tackling deforestation and conversion of natural ecosystems (also known as “land conversion”) within its supply chain.

This ambition translates into different commitments depending on the type of impact the group has:

• **Direct impacts**

Lactalis defines its direct impacts on deforestation as those attributable to the suppliers with whom the group has a direct commercial relationship (direct suppliers).

For these impacts, Lactalis has defined a commitment of results. It is engaged to ensuring that 100% of the high-risk deforestation or land conversion commodities it purchases are not sourced from land that was deforested or converted for agricultural use since the cutoff date of 31 December 2020. This covers the following commodities:

- palm oil, cocoa and coffee used as ingredients;
- paper and board used for packaging;
- woody biomass used for energy production;
- soy and palm oil used in animal feed products sold by the group to farmers through its agricultural supply sales services (also known as agrosupply products).

More specifically, Lactalis requires its direct suppliers to ensure that the volumes of these commodities purchased are considered deforestation- and conversion-free (DCF) based on the following criteria:

- the raw material is traceable to the production area;
- the production area has not been subject to deforestation or to land conversion (including peatlands, savannah, grasslands, etc.) after the established cutoff date. The cutoff date of 31 December 2020 takes precedence over local legislation, whichever is earlier. When local legislation prescribes an earlier date than 31 December 2020, compliance must be demonstrated from that earlier date;
- a monitoring of natural vegetation is implemented, and the supplier responds to new deforestation or land conversion events.

• **Indirect impacts**

Lactalis defines its indirect impacts on deforestation as those arising from upstream suppliers beyond its direct commercial relationships, which include stakeholders involved earlier in the supply chain who produce, process, or trade commodities.

As a dairy company, Lactalis’ main indirect impact on deforestation is related to the dairy farmers from whom the group collects milk it processes. Indeed, although these farmers (direct suppliers) are not directly involved in deforestation or land conversion, they may indirectly contribute to deforestation or land conversion through the soy or the palm oil they purchase for animal feed, which may originate from farms several intermediaries removed from them.

1) The Kunming-Montreal Global Biodiversity Framework is the strategic plan for the 2020s adopted at the fifteenth meeting of the Conference of the Parties to the United Nations Convention on Biological Diversity (COP 15, 2022).

### 3. ENVIRONMENTAL INFORMATION

For these indirect impacts, as a first step and considering that the group works with hundreds of thousands of farmers in approximately 50 countries, Lactalis has decided to take a commitment of means. Thus, the group is committed to raising awareness of the deforestation and land conversion risks associated with animal feed among all its partnering farmers worldwide and to encourage them to implement practical solutions to eliminate these risks.

#### Palm Oil Policy

Regarding Palm Oil, Lactalis has decided to adopt a more holistic approach to this sensitive commodity. Therefore, in addition to the Forest Policy, the company published a dedicated Palm Oil Policy in 2022.

Indeed, while palm oil is an efficient, widely used crop with interesting properties, inadequate production practices may have significant negative impacts beyond deforestation and land conversion. These impacts include biodiversity loss and climate change, as well as the exposure of workers and communities to human rights risks. That's why, although Lactalis represents less than 0.02% of global palm oil consumption, the group has decided to establish a dedicated policy for this commodity, applying ambitious responsible-sourcing requirements, tackling both environmental and social challenges.

More precisely, the Lactalis Palm Oil Policy applies to all ingredients containing palm oil and derivatives purchased by Lactalis worldwide <sup>(1)</sup> and is organized around three axes:

#### • Mitigating deforestation and land conversion risks

Lactalis is engaged to source RSPO (Roundtable on Sustainable Palm Oil) Certified volumes (Segregated or Mass Balance) that are traceable. RSPO is the world's leading multi-stakeholder initiative dedicated to transforming the palm oil sector through robust sustainability standards, transparent governance, and collective action. The RSPO certification provides assurance that production complies with criteria related to, among others, deforestation and land conversion prevention and peatland protection. Thus, the group has made the following commitments:

- 100% of the palm oil and derivatives volumes purchased in the European union or by SANULAC <sup>(2)</sup> will be RSPO Segregated Certified by December 2023;

- 100% of the palm oil and derivatives volumes purchased worldwide will be RSPO Mass Balance or Segregated Certified by December 2025;
- 100% of the palm oil and derivatives volumes purchased worldwide will be traceable up to the mill by December 2025.

#### • Protecting the rights of workers and local communities

To ensure that the rights of workers, indigenous peoples and local communities are respected and that the principles of Free, Prior and Informed Consent (FPIC) are applied, Lactalis requires all its direct palm oil suppliers, at least, to be RSPO Certified and to complete a self-assessment on the Sedex <sup>(3)</sup> platform. Furthermore, the group has decided to develop its own grievance hotline. In a nutshell, the group has made three commitments linked to this axis:

- 100% of Lactalis' direct palm oil suppliers worldwide will be RSPO Certified by December 2025;
- 100% of Lactalis' direct palm oil suppliers worldwide will be at least Sedex self-assessed by December 2025;
- Lactalis will set up a grievance hotline by 2026.

#### • Going beyond the supply chain, supporting smallholders and restoring forests

Lactalis is committed not only to certification and traceability, but also to driving the broader transformation of the palm oil sector. Smallholders, who account for around 40% of global palm oil production, are essential to the sector's long-term resilience. Supporting their inclusion in the responsible supply chains requires investment in capacity building and landscape level initiatives. Besides, the group acknowledges that preventing deforestation and land conversion in palm producing regions requires long-term investment in forest conservation and restoration. That's why the group aims:

- to participate in at least one initiative to support palm oil smallholders on a yearly basis (starting in 2023);
- to participate in at least one initiative to support reforestation on a yearly basis (starting in 2023).

1) Excluding ingredients containing palm oil and derivatives not labelled as fat, excluding ingredients containing palm oil and derivatives used by co-manufacturers other than those working for the SANULAC subsidiary, excluding acquisitions of less than 3 years.

2) SANULAC is Lactalis's international subsidiary dedicated to infant formulas and specific nutrition products.

3) Sedex (Supplier Ethical Data Exchange) is an international platform that enables companies to assess, monitor, and share the social, ethical, and environmental performance of their suppliers to promote greater accountability across the supply chain.

**ACTION PLAN**

**Overall Biodiversity Approach**

Although Lactalis has not yet published its Group Biodiversity Policy, the company is already taking action to preserve biodiversity.

For example, the following actions taken in 2025 had a positive impact on biodiversity:

• **The actions related to other Lactalis’ CSR policies and approaches**

The actions described in the sub-sections “Forest Policy” and “Palm Oil Policy” below as well as most of the actions described in sections 3.3 / Water resources, 3.1 / Climate change and 3.5 / Resource use and circular economy contribute to reducing Lactalis’ pressures on biodiversity:

- the action plans associated with the Forest and Palm Oil Policies help to reduce the group’s impacts related to land use;
- the action plan associated with the Water Approach aims to reduce the group’s impacts related to the direct exploitation of natural resources and pollution, applied to water;
- the Climate action plan outlines the measures the group has taken to fight climate change;
- the action plan associated with the Packaging Policy helps to reduce the group’s impacts related to plastic pollution.

• **The deployment of environmental management systems on industrial sites**

To assess and reduce the environmental impacts of its activities, including the ones on biodiversity, Lactalis is working to implement environmental management systems (EMS) certified to ISO 14001, in priority, on all industrial sites processing more than 300,000 liters of milk equivalent per day.

Specifically, the sites concerned formalize their responsibility and their environmental commitments, and define quantified, site-specific targets. In addition to external certification audits, the implementation of the EMS is verified annually by an internal environmental audit.

In 2025, 76 internal environmental audits have been conducted, and all sites have maintained their ISO 14001 certification.

So, to date, the group’s largest sites (in terms of production volume) are ISO 14001 Certified, namely:

- in the European union: 100% of the sites subject to the Industrial Emission Directive (IED), i.e. around 70 sites;
- outside the European union: around 20 sites.

In the longer term, Lactalis plans to expand the implementation of the EMS to all industrial sites processing more than 100,000 liters of milk equivalent per day, which would account for approximately 70% of its industrial sites.

• **Some local initiatives such as the one on vanilla in France and in the USA**

In 2025, Lactalis (through its subsidiaries LNPF in France and LUSY in the USA) decided to join the Sustainable Vanilla Initiative (SVI), an international organization dedicated to ensuring a stable, sustainable, and high-quality supply of natural vanilla. The initiative aims, in particular, to ensure that vanilla production in Madagascar and Uganda is socially, environmentally, and economically sustainable. It covers all the environmental impacts of vanilla, including those on biodiversity. For more details about this initiative, please see the interview with Armelle Vacheret and Britt Lundgren below.



**Armelle VACHERET**

CSR Director  
LNPF Europe



**Britt LUNDGREN**

Director of Sustainability  
and Government Affairs  
LUSY / Stonyfield



**Why did you choose to join the SVI, Sustainable Vanilla Initiative?**

**B.L.:** The SVI is the go-to organization that fosters pre-competitive collaboration between all players in the natural vanilla supply chain. It accounts for more than 70% of the global vanilla market.

The challenges of vanilla production are too complex to be solved by any one company alone. Guaranteeing a decent income for producers, fighting deforestation or child labor requires a collective approach. The SVI mobilizes the strength of its members to drive sustainable change in the sector, supporting a more reliable and responsible supply.

**A.V.:** As the CSR Director for the LNPF subsidiary in Europe, joining the SVI really makes sense. Some examples of concrete actions carried out by the SVI include agroforestry training programs, encouraging reforestation, helping families to support their children's schooling.

The SVI also provides tools companies can use, including traceability tools carried and shared between all its members and which guarantee natural, sustainable and quality vanilla, which is very important. Finally, joining the SVI also means getting involved with other stakeholders in the sector: flavorists, other companies that use vanilla like us, as well as local players such as vanilla exporters, who are very important to have by our side.

**Your final remark?**

**A.V.:** In summary, I would say that as a company, we have a role to play in transforming supply chains. Joining this organization that promotes the sustainability of vanilla is one of the concrete actions to contribute to it

**B.L.:** A Kenyan proverb says: "If you want to go fast, go alone. If you want to go far, go together". The SVI is a perfect example of this. By collaborating with our partners throughout the supply chain, we learn more towards sustainable solutions than if we acted alone.

**Why did you choose to support the vanilla production sector?**

**A.V.:** The LNPF subsidiary, *Lactalis Nestlé Produits Frais*, is a major player in Europe for the use of natural vanilla flavors in our yogurts, fresh cheeses, desserts, including our emblematic brands, such as La Laitière and Siggis. We therefore felt it was essential to become deeply involved in the vanilla industry.

Indeed, vanilla production is a fragile sector. It concentrates many issues: it is based on thousands of smallholder producers, mainly in Madagascar, who are confronted with work in vulnerable areas, price instability, and the constant pressure of climate change.

**B.L.:** In the United States too, vanilla is a signature ingredient for many LUSY (Lactalis US Yogurt) products, especially within the Stonyfield and Siggis brands. However, its natural production is limited to a few regions of the world and remains highly exposed to price volatility, political instability and complex social issues. It is therefore essential that actors using natural vanilla join forces to address these common challenges and create the conditions for a more equitable, stable and sustainable sector.

**Forest Policy**

• **Overview**

Since the publication of its Forest Policy at the end of 2023, the group has faced operational challenges to implement its commitments, particularly in translating its DCF pledge for its direct impacts into concrete, commodity-specific sourcing options.

In 2025, the Lactalis Procurement and CSR teams worked actively to close this gap. For directly sourced commodities covered by the Forest Policy, they focused on:

- identifying practical, commodity-specific options for sourcing volumes to be considered DCF, in alignment with the AFi (Accountability Framework initiative) and the Consumer Goods Forum (CGF)'s operational guidance;
- assessing the group's current performance against these sourcing options;
- developing technically feasible sourcing roadmaps to reach 100% DCF in the short term;
- designing a reporting system to be deployed in 2026.

To support this work, they consulted a wide range of external stakeholders such as certification bodies, NGO and consultants, and engaged directly with Lactalis' main suppliers for each commodity.

• **Palm Oil**

Lactalis has identified three main practical options for sourcing DCF palm oil. The purchased volumes must either be:

- RSPO Segregated Certified or Identity Preserved;
- verified as "Delivering" in the NDPE IRF (No Deforestation, No Peat, No Exploitation Implementation Reporting Framework) profiles. For years the palm oil industry worked to develop a common approach and language, which is embodied in the NDPE IFR created in 2018 by the Palm Oil Collaboration Group;
- traceable to the production farm and verified as DCF by the supplier (with all the necessary evidence).

In 2025, 54.9% of the palm oil volumes purchased by Lactalis are RSPO Certified Segregated and therefore meet the group's DCF requirements. Regarding the remaining volumes, Lactalis has defined a detailed roadmap to reach 100% DCF as soon as possible.

• **Cocoa**

At this stage, Lactalis has identified one main practical option for sourcing DCF (or at least DF, i.e. deforestation-free) cocoa. The purchased volumes must comply with the upcoming European Union Deforestation Regulation (EUDR). Indeed, once fully enforced at the end of 2026, the EUDR will require all cocoa-based ingredients entering the EU market to be traceable to plots of land proven to be free from deforestation. This will directly influence the origins from which Lactalis can source cocoa and will require suppliers to demonstrate full compliance with geolocation, traceability and due diligence expectations.

In 2025, unfortunately, none of cocoa volumes purchased by Lactalis can be considered DCF/DF as the implementation of the EUDR has been delayed. However, as most Lactalis' cocoa volumes are sourced in the EU, around 85% of the group's volumes should be DF once the EUDR is enforced. For non-EU volumes, Lactalis has initiated discussions with its main suppliers to investigate the feasibility of sourcing Rainforest Alliance Certified volumes.

• **Coffee**

Lactalis has identified two main practical options for sourcing DCF coffee. The purchased volumes must be either:

- traceable to the production farm and verified as DCF by the supplier (with all the necessary evidence);
- Rainforest Alliance Segregated Certified.

In 2025, more than 50% of coffee volumes purchased by Lactalis are sourced from a major supplier who has strong commitments to prevent deforestation and land conversion. He should be able to ensure that the volumes purchased by Lactalis are traceable to the production farm and verified as DCF. However, at this stage, these volumes cannot officially be considered DCF as the supplier has not provided Lactalis with all the necessary evidence. Lactalis Procurement teams are actively working to ensure that this will be the case in 2026. In parallel, they have started to engage with the other coffee suppliers to understand their traceability systems and determine the necessary steps to secure more DCF volumes as soon as possible.

• **Paper and board**

Lactalis has identified three main practical options for sourcing DCF (or at least DF) paper and board used for its packaging. The purchased volumes can either:

- contain recycled materials only;
- be FSC (Forest Stewardship Council) Certified;
- be traceable to a production area with negligible risk of deforestation and land conversion.

In 2025, around 90% of paper and board volumes used by Lactalis for its packaging contain recycled materials only, or are FSC Certified, and therefore can be considered DF. Regarding the remaining 10% volumes, while they cannot be considered directly deforestation-free according to Lactalis' DCF/DF definitions, most of them are already covered by a sustainable certification (PEFC, Program for the Endorsement of Forest Certification or SFI, Sustainable Forestry Initiative) in line with the group's Packaging Policy (see section 3.5 / Resource use and circular economy). From now on, Lactalis plans to conduct a traceability exercise on these remaining volumes to ensure that they come from area with negligible risk of deforestation and land conversion.

### 3. ENVIRONMENTAL INFORMATION

- **Woody biomass**

At this stage, Lactalis has identified one main practical option for sourcing DCF woody biomass. The purchased volumes must be traceable to the production farm and verified as DCF by a recognized third party (with all the necessary evidence).

In 2025, Lactalis commissioned two independent auditing companies to assess its main woody biomass suppliers in Brazil, a country that accounts for more than 80% of the total woody biomass volumes purchased by Lactalis worldwide. As described in more details in section 3.1/ Climate change, the primary objective of this assessment was to confirm the continuity of forest rotations and the balance between harvesting and regrowth within the framework of the group's SBTi commitment for scopes 1 and 2. However, this work also provided an opportunity to gather initial information on DCF and to clarify the group's expectations on this subject. Based on this initial work, Lactalis plans to extend the approach to all its woody biomass suppliers in Brazil in 2026 and to strengthen the consideration of DCF criteria.

- **Soy and palm oil in agrosupply products**

Lactalis has begun engaging with its main suppliers of soy used in agrosupply (especially in Brazil) to better understand their traceability systems, and identify the levers needed to secure DCF volumes. This work will continue in 2026 as part of the group's broader roadmap to align all forest-risk commodities with its DCF criteria and target.

- **Embedded soy and palm oil in animal feed**

As a dairy company, Lactalis acknowledges that a significant part of its impact on deforestation is indirect, through the soy (and, to a lesser extent, palm oil) used in animal feed by its dairy partnering farmers and that may come from deforested or converted areas.

Therefore, although these impacts are indirect, Lactalis has engaged two main actions to contribute to their mitigation.

- first, in line with one of the commitments of its Forest Policy, the group is working to raise awareness on deforestation and land conversion risks among all its partnering farmers and encourage them to eliminate these risks. In 2025, Lactalis has undertaken an assessment and identify four main practical and scalable solutions that the farmers can implement on this topic:
  - reducing reliance on soy by diversifying protein sources;
  - purchasing soy that is certified according to an internationally recognized standard;
  - purchasing soy from suppliers who can guarantee that their soy is DCF;
  - purchasing soy that comes from negligible risk of deforestation and land conversion area.

In 2026, the group plans to roll out a communication and awareness guide on this topic to all its partnering farmers worldwide to encourage them adopting these practical solutions and, therefore, reduce the risks of deforestation and land conversion.

- in parallel, Lactalis participates in several sector-wide initiatives that aim to transform soy supply chains and accelerate the transition toward DCF animal feed. Indeed, soy and palm oil supply chains are highly complex and often lack transparency, particularly when these commodities are embedded in animal feed, where multiple intermediaries make it difficult to trace products back to their origin. This opacity limits the ability of any single company to verify compliance with DCF requirements occurring thousands of kilometers away and Lactalis is convinced that collective actions are essential. Thus, for example:
  - in **France**, Lactalis has been a signatory of the French Soy Manifesto since 2021, an initiative coordinated by the Earthworm Foundation. The French Soy Manifesto is a collective market commitment to promote soy that is free from deforestation and land conversion, whether legal or illegal, as of the 2020 cutoff date. It brings together around thirty French stakeholders including manufacturers, retailers, and NGO, and is supported by the French ministry in charge of environment. The updated 2022 version of the Manifesto reinforces expectations for land conversion monitoring, greater transparency on soy origins and collective engagement with traders and importers to shift demand toward responsible soy supply chains. Together, Lactalis and some other signatories of the Manifesto have been participating in a working group and taking concrete actions, such as raising awareness among the supply chain, and mobilizing financial stakeholders, among other initiatives;
  - also in **France**, for the fourth year, Lactalis has supported in 2025 the importation of a volume of DCF soymeal equivalent to the estimated soy consumption of all Lactalis' France partnering farmers for animal feed. This volume has been independently verified as DCF by the Earthworm Foundation through its Zero Deforestation and Conversion (ZDC) methodology. This methodology is based on traceability and risk assessment (including satellite monitoring) and is conducted on soymeal volumes loaded onto shipments coming from Brazil. It aims to improve transparency at the cargo level, identify and mitigate deforestation and land conversion risks in soy imports, encourage importers to prioritize verified DCF soy flows and strengthen market demand for responsible animal feed, traceable and aligned with global DCF expectations. Since 2022, thanks to the contribution of Lactalis and the trader LDC, 22 DCF soymeal shipments have been imported to the EU through the Earthworm Foundation's ZDC program;

### 3. ENVIRONMENTAL INFORMATION

- in **Sweden**, Lactalis joined the Swedish Platform on Risk Commodities in 2025. This multi-stakeholder initiative brings together more than 30 companies and organizations across the Swedish food and feed sector and aims to accelerate the transition toward responsibly produced soy and palm oil. Through the platform, members have adopted shared commitments aimed at promoting more sustainable sourcing practices, reducing risks to people and the environment, and supporting long-term improvements in sustainability across the sector;
- in the **UK**, Lactalis is engaging with the Dairy UK Forest Risk Commodities Working Group to support industry action, including development and launch of the AIC Sustainable Commodities Scheme (ASCS) in December 2025. The ASCS is a new voluntary scheme developed to help members deliver greater transparency when looking to meet regulatory and market requirements for deforestation-free feed in the country. In addition, with farmers' consent, comprehensive data is being collected from feed suppliers on volumes purchased, ingredient composition and sustainability credentials. This information is collated on the Lactalis UK farmer portal that strengthens the ability to understand and report accurately on developments across the milk supply chain.

#### Palm Oil Policy

In 2025, Lactalis continued to implement its Palm Oil Policy, organized around three axes:

- **Mitigating deforestation and land conversion risks**

In line with its objective to source 100% RSPO Certified palm oil, Lactalis joined the RSPO in 2010 and has since adapted its procurement practices to increase its certified volume.

In 2025, Lactalis reached 95.2% RSPO Certified volumes globally, consisting of 40.3% Certified under the Mass Balance supply chain model and 54.9% Certified under the Segregated model. Specifically, within the European Union and the SANULAC subsidiary, 100% of palm oil volumes are RSPO Segregated Certified, ensuring full physical traceability to certified sources. As for the rest of the world, all the volumes in Latin America are RSPO Mass Balance Certified. At this stage, only a few countries remain to convert their volumes (Georgia, India, and Turkey) and the group is confident that 100% of its volumes will be RSPO Certified by the end of 2026.

In addition to certification, Lactalis is convinced that traceability is a core element in ensuring responsible palm oil production. In line with industry best practices, the group has therefore undertaken a supply-chain mapping exercise for all palm oil volumes. This work includes

collecting the list of all palm oil mills that supply Lactalis. The group plans to publish this list in 2026, based on the volumes purchased in 2025. This publication will be a key milestone in Lactalis' progress toward achieving 100% traceability to mill across all palm oil volumes.

- **Protecting the rights of workers and local communities**

Since 2022, the group requires its direct palm oil suppliers to be RSPO Certified to ensure their formal commitment to recognized sustainability standards, particularly with regards to the protection of workers' and local communities' rights and the right to Free, Prior and Informed Consent (FPIC) of indigenous peoples. This expectation strengthens the reliability of the supply chain by ensuring that suppliers follow clear environmental and social requirements and participate in transparent reporting. In 2025, 89.7% of Lactalis' direct palm oil suppliers worldwide are RSPO Certified.

The group also joined the Sedex platform to mitigate the environmental and social risks related to its direct suppliers (see section 4.2 / Workers in the value chain for more details on this topic). In 2025, 89.7% of Lactalis' direct palm oil suppliers worldwide had completed at least a Sedex self-assessment questionnaire.

In parallel, since 2022, Lactalis has launched its grievance hotline where its employees and suppliers can report any violations of human rights, of a law or an international commitment, any breach or suspected breach of the anticorruption Lact@Policy or of the group's internal rules and procedures. This hotline can be accessed at <https://www.bkms-system.com/lactalis> and all group's direct suppliers (including palm oil suppliers) have access to it. It is described in more detail in section 5.1.1 / Loyauté des pratiques.

- **Going beyond the supply chain, supporting smallholders and restoring forests**

- **Supporting palm oil smallholders' resilience**

Since 2023, Lactalis supports the Sungai Linau Landscape Program in Indonesia, coordinated by the NGO Proforest. This collaborative initiative started in 2021 with the objective of integrating forest protection and community development through a landscape approach. It focuses mainly on forest monitoring and protection, peat restoration, and livelihood improvement for oil palm smallholders and local communities.

This initiative encompasses five villages in the Siak Kecil subdistrict of the Riau province, which are situated within the core and buffer zones of the Giam Siak Kecil-Bukit Batu Biosphere Reserve. This reserve has a vast carbon store and is home to threatened species, such as tigers, elephants, and sun bears, but it is currently experiencing a high threat of deforestation and fire.

### 3. ENVIRONMENTAL INFORMATION

Specifically, one of the main targets of the program is to protect 45,000 hectares of peat forest through an effective monitoring and response system. As of 2025, the program has successfully developed a landscape monitoring system that includes a deforestation monitoring dashboard, verification processes, community-driven forest patrols, and a platform for collective stakeholder dialog.

Additionally, the initiative aims to secure Social Forestry schemes in the targeted villages to strengthen forest protection and ensure that local communities have legal rights to the forests' resources. In the same year, the program received approval from the Lubuk Gaung village government and community to support the application for a Social Forestry license covering 5,000 hectares of peat forest. The application process will commence in 2026.

#### - Supporting reforestation

Since 2025, Lactalis has participated in the MARIPOSA crowdfunding initiative, which is coordinated by Olenex, one of the palm oil suppliers of Lactalis. This initiative funds sustainability programs related to palm oil production in Latin America.

In 2025, the initiative supported the initial stages of a reforestation project in Guatemala (riparian reforestation on the River La Pasi3n in Sayaxch3). A permanent tree nursery has been established, and 23,000 seedlings from six native tree species have been produced to date. In parallel, workshops have been organized for farmers and local communities affected by the project to inform them about the goals and benefits of reforestation. Following this preparatory period, the first planting operations will start in 2026.

Moreover, in addition to the actions described above and in accordance with its transparency approach, Lactalis published in 2025 its progress on fighting deforestation through the RSPO Annual Communication on Progress (ACOP).



## TARGETS AND RESULTS

### Overall Biodiversity Approach

Since Lactalis has not yet published its Group Biodiversity Policy, no results are currently available, except for those detailed in other sections of this report that also concern biodiversity (3.3 / Water resources, 3.1 / Climate change and 3.5 / Resource use and circular economy), and those related to the deployment of environmental management systems on industrial sites described below.

	2024	2025	Target
Percentage of Lactalis' industrial sites subject to the Industrial Emission Directive (IED) ISO 14001 Certified (%)	98.7%	100%	100%

Excluding acquisitions of less than 5 years.

### Forest Policy

As mentioned earlier, the Lactalis Procurement and CSR teams worked actively in 2025 to develop a robust reporting system to track the group's progress regarding DCF. However, since the system will not be implemented until 2026, there

are no detailed results available for 2025. If needed, estimates for each commodity are provided in the "Action Plan" section above.

### 3. ENVIRONMENTAL INFORMATION

#### Palm Oil Policy

	2024	2025	Target
Percentage of the palm oil and derivatives volumes purchased in the EU or by SANULAC RSPO Segregated Certified (%)	96.6%	100%	100% since 2023
Percentage of the palm oil and derivatives volumes purchased worldwide RSPO Mass Balance or Segregated Certified (%)	92.1%	95.2%	100% by the end of 2025
Percentage of the palm oil and derivatives volumes purchased worldwide traceable up to the mill (%)	New indicator	94.1%	100% by the end of 2025
Percentage of Lactalis' direct palm oil suppliers worldwide RSPO Certified (%)	New indicator	89.7%	100% by the end of 2025
Percentage of Lactalis' direct palm oil suppliers worldwide at least Sedex self-assessed (%)	New indicator	89.7%	100% by the end of 2025

Excluding acquisitions of less than 3 years.

Although significant progress has been made since Lactalis launched its Palm Oil Policy in 2022, the company has not yet fully achieved its commitments at this stage:

- 95.2% of its palm oil sourcing is RSPO Mass Balance or Segregated Certified. The remaining volumes are associated with a small number of countries that were not yet purchasing RSPO Certified palm oil in 2025; the transition to certified palm oil had already started in 2026 for most of the remaining countries;
- 94.1% of palm oil volumes are traceable up to the mill. Lactalis has indeed collected the vast majority of mill lists from its direct suppliers, but additional work remains to be done in 2026 with a few suppliers to reach the 100% target;
- 89.7% of Lactalis' direct palm oil suppliers worldwide are RSPO Certified. The non-certified sites are small-volume

suppliers who have not yet been engaged. Full certification is expected to be achieved by 2026, by which time 100% of the volumes purchased by Lactalis will be sourced from RSPO Certified suppliers;

- 89.7% of Lactalis' direct palm oil suppliers worldwide completed a Sedex self-assessment questionnaire. The remaining suppliers are those whose self-assessment questionnaires have expired, or who are not yet listed on the Sedex platform. Lactalis Procurement teams are actively monitoring these cases and expect to have integrated the remaining suppliers into the process by 2026.

In general, a lot of progress has been achieved across all targets. The actions planned for 2026 will enable Lactalis to consolidate these achievements and move closer to its long-term commitments for responsible and traceable palm oil sourcing.

## 3.5 RESOURCE USE AND CIRCULAR ECONOMY

The circular economy is now emerging as a structuring driver of transformation for food and beverage companies, which are facing resource scarcity, rapidly evolving regulations on packaging and waste, and growing societal expectations.

In a sector based on processing living and sensitive raw materials, the optimization of material flows, loss prevention and waste recovery are essential levers for reconciling industrial performance, food safety and environmental responsibility. The adoption of more circular models makes it possible to preserve product quality while optimizing the use of resources throughout the value chain.

As the world's leading dairy group, Lactalis places the circular economy at the heart of its CSR strategy and operating model.

This ambition applies to the entire value chain, from selecting raw materials and collecting milk to the manufacturing, packaging, distribution and end-of-life management of products. The volume of packaging required to ensure food safety and product quality, the need to reduce food waste and the disparities of waste management infrastructure across countries underscore the importance of a structured and consistent approach at international level.

In this context, Lactalis is continuing to implement a circular model based on three complementary priorities:

- improving packaging circularity;
- preventing food loss and waste at every stage of the life cycle;
- reducing the amount of waste produced and recovering waste throughout the value chain.

These three areas make it possible to address the entire life cycle of products by integrating Lactalis' industrial know-how, the diversity of its markets and the local characteristics of collection, recycling and recovery systems.

By making the circular economy a cornerstone of its sustainable development strategy and embedding it in its daily operations, Lactalis reaffirms its commitment to improving resource efficiency, sustainably reducing its environmental impact and contributing to a more resilient, efficient and sustainable food system for all its stakeholders.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

Dairy products are quickly perishable and suitable packaging is essential to protect them, ensure food safety and reduce

food loss and waste. In addition, this packaging can also be a major source of pollution and overconsumption of resources, posing a threat to the environment and biodiversity. Aware of these challenges, three priority areas have been identified for assessing the impacts, risks and opportunities associated with the circular economy: packaging circularity, food loss and waste, and waste management.

A complementary study was conducted to identify the main impacts, risks and opportunities based on interviews and literature reviews. Working groups have been set up to explore and specify Lactalis' future direction in these priority areas.

The main issues for Lactalis are related to the use of resources necessary for the production of dairy products and food packaging, as well as the pollution and greenhouse gas emissions generated by waste and its management throughout the value chain.

However, as the world's leading dairy group, Lactalis has the opportunity to play a key role in the development of circular economy practices throughout its value chain by supporting players in the waste collection and recovery sector, particularly in regions where waste management systems are underdeveloped, such as South Asia (India), Central America (Brazil) and Oceania (Australia). Lactalis' expertise in milk processing and the production of dairy products around the world is also a major lever in the fight against food loss and waste.

Due to the growing awareness of consumers and distributors around the challenges of the circular economy, Lactalis is facing stringent requirements on its commitment in favor of this circular economy and against food loss and waste. Changes in regulations regarding food loss and waste, and waste management, including packaging, are further tightening compliance requirements. These expectations are driving Lactalis to innovate and invest in order to meet these new standards, or face reputational, legal or operational risks.

Nevertheless, integrating circular economy strategies throughout its value chain will enable Lactalis to optimize costs related to raw material procurement, product distribution and waste management.

Plastics are a major concern for Lactalis because of their essential role in food packaging safety. While their versatility primarily ensures a continuous supply of safe dairy products, thus addressing Lactalis' top priority, plastics also pose significant challenges in terms of environmental protection, biodiversity and human health. However, viable alternative solutions that meet the stringent requirements for food safety, availability at scale and cost-effectiveness are still limited.

3. ENVIRONMENTAL INFORMATION

Summary table of material impacts, risks and opportunities related to the circular economy

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>PACKAGING CIRCULARITY</b>					
Negative impact	<b>Depletion of stocks of renewable and non-renewable resources</b> , such as oil for plastics or wood for paper and board, <b>and degradation of the climate and biodiversity due to the overconsumption of virgin materials</b> . It should be noted that the use of virgin materials is often required for food contact packaging, for food safety reasons.	Upstream	ST	Society	Actual
Negative impact	<b>Environmental pollution due to the rejection of non-biodegradable and non-recyclable packaging</b> Plastics face a lack of recycling capacity, particularly outside Europe and in developing countries with limited waste management systems (heterogeneity in the maturity and efficiency of recycling channels in the various countries where Lactalis operates).	Downstream	ST	Society	Actual
Negative impact	<b>Deterioration of human health and contamination of the environment</b> due to poor management of packaging waste. Plastics, and especially multi-material plastic packaging, are more likely to be discarded in countries with a lack of recycling capacity, especially outside Europe, and in developing countries with limited waste management systems (heterogeneity of maturity and the efficiency of recycling channels in the various countries in which Lactalis operates).	Downstream	ST	Consumers Society	Actual
Positive impact	<b>Development of the circular economy in the upstream and downstream value chain</b> thanks to the support of local collective projects to develop sorting and recycling channels.	Upstream Downstream	LT	Suppliers Consumers Public institutions	Potential
Risk	<b>Loss of revenue due to products being delisted by distributors</b> as a result of non-compliance with packaging requirements (e.g., rating agencies), especially in Europe. Plastic packaging and multi-material packaging containing plastic are particularly vulnerable.	Downstream	ST	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<p><b>Increased costs and capital expenditures (CapEx), and production slowdown due to new legal requirements</b></p> <p>New legal requirements regarding the use of recycled raw materials or the implementation of new packaging standards may increase the cost of purchasing recycled raw materials. Additional investments in new equipment may also be required to comply with new packaging requirements. Delays in the development of this new packaging and the acquisition of this new equipment could disrupt or even stop sales. Eco-contribution costs are also expected to increase in many key regions such as the European Union, North America and Australia.</p>	Upstream Operations	ST	N/A	
<b>Risk</b>	<p><b>Business risks related to Lactalis' dependence on plastic</b> and the lack of viable substitution options currently available, particularly in developed countries. Plastic remains a key resource for Lactalis, and there are currently few viable alternatives that meet all the requirements in terms of food safety, widespread availability and costs.</p>	Upstream Operations	LT	N/A	
<b>Risk</b>	<p><b>Reputational damage with consumers and distributors</b>, particularly in developed countries. Plastics are the most exposed raw material and are already the target of actions by NGOs and consumers.</p>	Downstream	ST	N/A	
<b>FOOD LOSS AND WASTE</b>					
<b>Negative impact</b>	<p><b>Excessive consumption of natural resources due to food loss and waste, particularly of dairy products</b></p> <p>Dairy products require significant amounts of natural resources. Food loss and waste can occur at any point in the value chain: milk collection, production, distribution or consumers.</p>	Upstream Operations Downstream	ST/MT	Society	Actual
<b>Negative impact</b>	<p><b>Direct and indirect greenhouse gas emissions from food loss and waste</b></p> <p>Direct GHG emissions are those emitted directly by food loss and waste.</p>	Upstream Operations Downstream	ST/MT	Society	Actual

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
Positive impact	<p><b>Reducing food waste through proper food packaging that ensures food safety until the end of the product's life.</b>                      Suitable food packaging guarantees food safety throughout the distribution and consumption process, and thus contributes to the fight against food loss and waste.</p>	Operations Downstream	ST/MT	Consumers	Actual
Positive impact	<p><b>Reducing food loss and waste through Lactalis' expertise in milk processing,</b> which helps prevent loss and waste by transforming all collected milk into dairy products with a longer shelf life. Lactalis has developed expertise in milk processing, helping to reduce food loss and waste in its operations and beyond, in particular through dairy products and dairy ingredients with a longer shelf life.</p>	Operations	ST/MT	Society	Actual
Opportunity	<p><b>Reducing financial losses and food waste by developing new contract formats</b> to improve inventory management. Certain types of contracts with distributors can lead to unsold inventory and overstocking, increasing the risk of food loss and waste. The development of new contract formats could limit financial losses and food loss and waste. This also involves authorizing donations.</p>	Operations Downstream	ST/MT	N/A	
Opportunity	<p><b>Maximizing productivity through Lactalis' expertise in milk processing</b>                      Lactalis has developed the expertise to process milk on a large scale and offer dairy products and dairy ingredients with a longer shelf life. This expertise generates additional revenue and limits food loss and waste.</p>	Operations Downstream	ST/MT	N/A	

3. ENVIRONMENTAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>WASTE MANAGEMENT</b>					
<b>Negative impact</b>	<b>Air, soil and water pollution caused by waste production</b> , as a result of poor management of products and packaging. Uncollected and untreated waste can cause pollution.	Upstream Operations Downstream	ST	Society	Actual
<b>Negative impact</b>	<b>Direct and indirect greenhouse gas emissions related to waste management.</b> Direct emissions are caused by waste end-of-life management processes, such as incineration and landfill emissions. Indirect emissions relate to the energy used for waste management during collection, recycling and incineration.	Upstream Operations Downstream	ST	Society	Actual
<b>Positive impact</b>	<b>Waste recovery through animal feed, and waste recycling.</b> Biowaste generated by Lactalis' activities in the agricultural supply chain and in its operations can be used as animal feed, thereby reducing food loss and waste. Other waste is disposed of under environmentally friendly conditions and using appropriate channels.	Upstream Operations Downstream	ST	Suppliers Farmers	Actual
<b>Risk</b>	<b>Fines and penalties for non-compliance with waste management requirements</b> Failure to comply with waste management laws may result in legal consequences.	Operations Downstream	ST	N/A	
<b>Opportunity</b>	<b>Reducing financial losses through improved waste sorting and recovery</b> Improving waste sorting and recovery (through recycling, energy production, agricultural application or use in animal feed) will help reduce waste treatment costs or avoid excessive waste treatment costs.	Operations Downstream	ST/MT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

### 3.5.1 IMPROVING PACKAGING SOLUTIONS

Packaging plays an essential role in preserving products and avoiding food waste while meeting consumer expectations. For inherently perishable dairy products, choosing the right packaging is crucial to ensuring food safety and the nutritional and sensory quality of the products.

However, packaging is also a significant source of waste. Their production and end-of-life can lead to the overconsumption of natural resources, with consequences for the environment and biodiversity.

#### POLICY

Lactalis' Packaging Policy aims to reduce the impact of its packaging while guaranteeing the quality and safety of our products. It relies on innovation and the use of safe and sustainable materials, with the aim of enhancing their circularity at each stage of their life cycle. Lactalis is also mobilizing all its stakeholders and developing partnerships to support the transition to more responsible packaging.

The Packaging Policy is divided into three pillars:

1. the **"right packaging"**: the group seeks the appropriate balance between its desire to reduce packaging and the need to guarantee the preservation, quality and practicality of products when designing packaging;
2. **improved circularity**: Lactalis ensures that its packaging is made from safe and sustainable materials, so it aligns with a circular approach. The company, therefore, gives priority to the correct intensity by removing obstacles to the circularity of packaging and incorporating more recycled materials;
3. **raising consumer awareness and creating partnerships to close the loop**: Lactalis makes its internal and external stakeholders aware of the collective challenge of circularity.

As part of its Packaging Policy, Lactalis has made the following commitments <sup>(1)</sup>:

- 100% of current and future packaging solutions for pillar products and all future packaging solutions for product innovations screened using an eco-design tool by 2025;

- at least 30% recycled materials in packaging;
- ensure the recyclability of the Lactalis' product packaging through two ambitions:
  - aim to 100% recyclable packaging by design in 2025;
  - aim to 100% recyclable in practice in 2033 for countries with an Extended Producer Responsibility (EPR) system;
- 100% of virgin paper and board covered by sustainable certification by the end of 2023;
- aim to eliminate PVC in our packaging by 2025;
- 100% of packaging will bear waste management information by 2025;
- set up a digital module on the Lactalis' Packaging Policy to raise employee awareness;
- promote events such as Global Recycling Day and World Cleanup Day to raise awareness among group employees and stakeholders about waste management.

#### ACTION PLAN

Lactalis is rolling out an action plan on the three pillars of its Packaging Policy:

##### The "right packaging"

###### Eco-design tool

Lactalis is analyzing various packaging solutions using an eco-design tool to identify ways to achieve the "right packaging." In 2025, 100% of pillars products (list established in 2023) were analyzed using this eco-design tool. By incorporating these innovations into its key priorities, Lactalis has achieved a progress rate of 99.3%, indicating that its commitment has been almost fully implemented. The products remaining to be analyzed have been identified and will be integrated into the next phases of the eco-design program in order to ensure exhaustive coverage of all the ranges concerned. In total and since the launch of the tool, more than 1,000 analyses have been carried out.

1) Commitments covering 23 of the Group's countries, representing 85% of revenue: France, Canada, Italy, USA, Brazil, Spain, Australia, Türkiye, Germany, Sweden, United Kingdom, South Africa, Romania, Russia, Poland, Switzerland, Belgium, Croatia, Portugal, Netherlands, Czechia, Slovenia, Ukraine. Revenue reference year: 2019. All acquisitions since December 2019 excluded at this stage. For own brands and private labels for primary, secondary and tertiary packaging, excluding pallets. Except for the indicator on new graphics carrying information on waste management (only branded products, household packaging)



**Thibaut CAGNON**  
Packaging Manager

**Élodie BELLAGUET**  
CSR Manager -  
Circular economy

**Can you define what eQopack is?**

**T.C.:** eQopack is our simplified eco-design and LCA (Life Cycle Assessment) tool based on the European Union's PEF (Product Environmental Footprint) method and international databases. It makes it easy to compare the environmental impact and circularity of different packaging solutions.

**How does it fit into your work or that of your teams?**

**T.C.:** eQopack is used by all packaging R&D teams. It has allowed us to map the impact of the group's core packaging and compare ourselves with our competitors. But it's also a practical tool for everyday use; my colleagues around the world use it during project feasibility studies to compare the various options under consideration and factor environmental considerations into their decisions.

This tool really adds value to our business. It allows us to provide scientific, rational and reliable information to decision-makers for the choice of packaging strategies in the short or long term. And, of course, to nurture our expertise.

**How does it contribute to Lactalis' CSR packaging strategy?**

**E.B.:** It is a key element of our CSR packaging strategy: it incorporates environmental issues from the design stage and guides us towards the "right packaging" on an international scale. Lactalis is committed to analyzing 100% of the packaging of our pillars products, as well as packaging innovations, using an eco-design tool. It also contributes to our commitments in terms of recyclability: by taking end-of-life into account from the design stage, we improve the recyclability of our packaging and promote the creation of recycled material flows. Its international dimension facilitates the sharing of best practices and strengthens our ability to create more responsible packaging.

**What has happened since the launch of the tool in 2023?**

**T.C.:** The tool is now in use by all members of the Packaging R&D team, which includes more than 80 active users worldwide. This is the result of training efforts led by the central team and then carried out by the tool coordinators in the various countries. All core products as well as the majority of 2025 launches including new innovations in terms of primary packaging were analyzed. In total, since the launch of the tool, more than 1,000 analyses have been carried out.

**What are the next challenges that await you in the circular economy? How do you prepare for this?**

**E.B.:** While packaging remains essential, in particular to protect our sensitive dairy products and avoid food waste, it also puts pressure on resources, the climate and ecosystems. Our goal is to turn this paradox around: to reduce the environmental impact of our packaging and make it a key driver of our transition to a circular economy. The coming years will be marked by a tightening of regulatory requirements in many countries, in particular with the implementation of PPWR in Europe, which imposes stricter standards in terms of recyclability, recycled content and reuse, and whose technical rules are still uncertain. At the same time, we have to deal with very heterogeneous recycling channels in the countries where we operate, even though our footprint is global. Next year, we will revise our Packaging Policy to support these changes and accelerate the shift toward more circular packaging solutions.

**And, in conclusion, what role will eQopack play in addressing these challenges?**

**E.B.:** Thanks to eQopack, we can count on scientific and factual information made possible by LCAs: it helps us to discard false solutions. Because packaging presented as "sustainable" is not always truly sustainable: the "rebound effect" can shift the environmental impact to another stage of the life cycle or another element of the packaging solution.



**In total, since the launch of the tool, more than 1,000 analyzes have been carried out.**

### 3. ENVIRONMENTAL INFORMATION

In line with this approach of optimization and responsible design, Lactalis is also working to reduce the amount of materials used, focusing on eliminating all packaging components that do not contribute to either consumer use or logistics efficiency. Lactalis minimizes the material intensity of its packaging by reducing the amount of materials needed per product.

In 2025, numerous projects carried out in different countries illustrate this global dynamic. For instance:

#### Eliminating packaging elements

In 2025, eliminating packaging elements reduced the consumption of resources needed for our packaging:

- In **Poland**, removing the lid from a container of cream cheese (Twaróg Delikatny) avoided the use of 19 tons of plastic per year;
- In **Belgium**, replacing the plastic sleeve on a tub of mascarpone with direct printing on the tub helped avoid the use of 1.5 tons of plastic.

#### Reducing packaging weight

Reducing the weight of certain packages, even by a few grams per unit, also avoided significant consumption of raw materials, for example, in 2025:

- in **Romania**, the redesign (change of format and lighting) of glass fruit juice bottles avoided the consumption of 104 metric tons of glass for the same volume of juice sold;
- for transport packaging, reducing the weight of board avoided an annual consumption of 1,200 metric tons in **Brazil** and 180 metric tons in **Croatia**, and reducing the thickness of plastic palletizing film reduced consumption by 22 metric tons in **Turkey**;
- For plastic packaging excluding transport, the following projects (non-exhaustive list) illustrate the efforts made to reduce our plastic consumption: thanks to the work carried out in 11 countries, more than 2,000 metric tons of plastic have been avoided.

Packaging weight reduction initiative	Country	Avoided plastic in 2025
PS sheet reduction for ultra-fresh products such as yogurts	Brazil	-1,454 tons per year
Reducing the size of PET bottles in various formats (milk, juice)	Italy	-280 tons per year
Reducing the weight of lids for ultra-fresh products such as yogurt	United States	-52 tons per year
Decreasing the height and density of the sleeves on drinkable yogurt bottles	Spain	-44 tons per year
Reducing the weight of the Président "La Motte" butter tub	France	-40 tons per year
Reducing the weight of containers of fermented dairy products, such as yogurt	Turkey	-39 tons per year
Lighter cream jars (Kunin)	Czech Republic	-38 tons per year
Lightening of tubs of cottage cheese (Kvarg)	Sweden	-34 tons per year
Reducing the weight of pots for ultra-fresh dairy products such as yogurts	Germany	-17 tons per year
Reducing the weight of pots for cream (Smetana) and products such as yoghurts	Romania	-10 tons per year
Reducing the use of PET for various sizes of juice bottles	Portugal	-9 tons per year

The tonnage indicated is based on the volume of packaging used over an entire year.

In addition to reducing the height and density of bottle sleeves in **Spain**, a initiative has led to a reduction in plastic consumption of 44 tons, and this project has made it easier to identify the material of the bottles at sorting centers.

**Better circularity**

To promote the circularity of its packaging, Lactalis selects materials by analyzing their entire life cycle: their production methods, processing methods and associated certifications. This approach helps guide decisions toward materials that are compatible with local supply chains and regulatory requirements.



Lactalis is therefore taking steps to avoid materials that could disrupt existing sorting and recycling systems and continues to work on incorporating recycled materials into its packaging. The company aims to guarantee the recyclability of packaging wherever it is sold and to increase the proportion of packaging effectively recycled “in practice” in accordance with existing local programs.

**Integration of recycled materials**

For instance, in 2025:

- in **Spain** and **Portugal**, incorporation of recycled material into LDPE packaging films helps avoid the use of 240 tons of virgin material per year;
- in **France**, projects to incorporate recycled materials were carried out on PET Kefir bottles (35%) and Lactel HDPE milk bottles (30% recycled HDPE);
- in **Croatia**, incorporation of recycled content in paper sleeves for jarred desserts avoids the consumption of 2.6 metric tons of virgin paper;

- in **Italy**, one PET bottle size now contains 50% recycled PET, representing more than 80 tons of recycled material per year for that size.



**Moving towards recyclability and eliminating PVC**

- In **Turkey**, the PVC sleeve, which can disrupt recycling processes, has been replaced with PET on kefir and butter bottles, thereby preventing the use of 50 tons of PVC per year.



- In the **United States**, multi-material plastic water bottles have been replaced by a mono-material in order to facilitate recyclability.

### 3. ENVIRONMENTAL INFORMATION

#### Educating consumers and partnering to close the loop

##### Sorting information on packaging

Lactalis engages in dialog with consumers by offering clear sorting instructions on its products. In the European Union, the regulation (Regulation 2025/40 known as "PPWR") providing for a harmonized sorting instruction on consumer packaging has not yet been defined. Through its various

subsidiaries, Lactalis provides information on the management of packaging waste from its products beyond European borders and adapts to the practices of each country.

##### Promotion of events to raise awareness and mobilize support

Lactalis also encourages employees to take up a collective challenge by participating in World Cleanup Day.

#### INTERNATIONAL MOBILIZATION AT WORLD CLEANUP DAY 2025

Through its Packaging Policy, Lactalis is committed to raising employee awareness of the collective challenge of circularity. Since 2020, the group has invited its employees to participate in the "World CleanUp Day," launched by the NGO "Let's do it!"

A total of **4,600 employees** in **43 countries** participated, representing a **61% increase compared to 2024** and accounting for 5% of Lactalis' workforce. The theme for World Cleanup Day 2025 was "Strive for Five": science shows that when just 5% of people come together for change, they can create a tipping point that inspires entire communities to take action. This mobilization made it possible to collect more than **37 tons of waste**.



To mark World Recycling Day 2025, Lactalis created and released an educational video designed to highlight the role everyone can play in improving packaging recycling. This initiative illustrates how manufacturers and consumers share responsibility for driving change in practices. The video highlights Lactalis' commitment to designing more circular packaging, while highlighting the importance of the sorting actions carried out by citizens to enable effective recycling. By capitalizing on these cross-contributions, Lactalis aims to raise awareness among as many people as possible and encourage its entire ecosystem to actively participate in building more efficient recycling solutions.

##### Training module on the Packaging Policy

An online training module was also rolled out in March 2025 to support the implementation of our packaging commitment. Available in seven languages, it enables all group employees to understand the principles, requirements and guidelines of Lactalis' Packaging Policy. This training covers key issues: reduction, recyclability, incorporation of recycled materials.

To date, more than 500 employees have already completed this module. Continuing to roll this out across our teams will help enhance their skills, foster buy-in for the Packaging Policy and ensure consistent implementation of our commitments on an international scale.

### 3. ENVIRONMENTAL INFORMATION

#### Development of sorting and recycling systems

Lactalis is also involved in local collective projects and platforms to develop sorting and recycling channels.

- In **France**, the PS25 consortium, comprising several companies in the dairy sector, has made it possible to create a polystyrene (PS) recycling channel. Lactalis continues to participate in its development, in particular through a campaign to encourage sorting (#tritonpot). This initiative is inspiring other countries within the company to develop a PS recycling program outside of France.
- In **Italy**, Lactalis participated in the project to develop a recycling channel for opaque white PET, which allows the integration of recycled materials into its new milk bottles. The subsidiary is now operational, and the group uses the

material from this sector to manufacture new milk bottles (integration of 50% opaque white PET).

With historic commitments set for 2025 and a regulatory context undergoing profound changes, notably driven by the future European packaging and packaging waste regulation (PPWR), Lactalis is undertaking a structural overhaul of its Packaging Policy. The goal is to strengthen the relevance of Lactalis' commitments, align them with new regulatory requirements and ensure their applicability in all countries where the company operates, including those outside the European Union.

This ongoing update aims to provide Lactalis with a more robust and consistent framework that is better suited to emerging challenges in order to accelerate the transition to more circular packaging solutions and support the company's environmental performance in a changing global context.

#### TARGETS AND RESULTS

	Base year 2019	2024	2025	Target
Percentage of recycled materials in our packaging (%)	30%	32.30%	<b>32.9%</b>	> 30%
Metric tons of PVC in packaging (tons)	926	866	<b>752.9</b>	Aiming for elimination by 2025
Percentage of packaging recyclable by design (%)	83.2%	82.8%	<b>82.2%</b>	Aiming for 100% in 2025
Percentage of packaging bearing waste management information (%)	34%	-	<b>&gt;70%</b>	100% by 2025
Percentage of virgin paper and board packaging covered by sustainable certification (%)	81%	95.9%	<b>98.1%</b>	100% by the end of 2023

In 2025, Lactalis' packaging performance reflects the commitment of the teams present in the majority of the countries in which Lactalis operates. The incorporation rate of recycled materials exceeds the target of 30%, thanks in particular to the use of board that does not come into direct contact with food. At the same time, the year was marked by the development of several projects to incorporate recycled plastics (PET, HDPE, LDPE). In France, the gradual development of the polystyrene recycling industry is paving the way for the future use of recycled PS in yogurt containers.

The reduction of PVC volumes is continuing. The products still concerned are subject to enhanced monitoring in order to accelerate the elimination of this material.

The share of certified virgin paper and board has risen sharply as a result of the Packaging Policy, reaching 98.1% against a target of 100%.

The proportion of packaging recyclable by design is slightly down, despite an increase in the scope of products due to the acquisitions made by Lactalis. The move toward 100% recyclable packaging is currently limited by regulatory criteria for recyclability, which are still being defined, particularly in the European Union, as well as functional requirements (practicality) and financial considerations. Replacing multi-material structures, which play a decisive role in the quality, protection and preservation of certain products (e.g., cheeses, butters) remains technically complex. R&D programs are currently being carried out to remove these constraints and accelerate the development of recyclable solutions that meet performance requirements.

The indicator for packaging with waste management information has reached more than 70%: it has more than doubled since 2019, when the commitment was first made. The main challenge remains the use of multilingual packaging intended for multiple markets, combined with the lack of internationally standardized labeling.

### 3. ENVIRONMENTAL INFORMATION

Finally, the "recyclability in practice" indicator, which applies to markets with an extended producer responsibility (EPR) system and aims to reach 100% by 2033, better reflects the realities of local collection and recycling systems than "recyclability by design." It is calculated in several stages:

- first, countries with an EPR system are identified and indicated in section 7.2 / Time and geographical scope of reporting. EPR systems are being developed in other parts of the world and the geographical scope of this indicator may therefore change;

- then, the source data used is described in section 7.3 / Information on environmental indicators, and reflects as accurately as possible the volumes of packaging sold that become waste in the countries concerned;
- a "recyclable" or "non-recyclable" classification is then applied to these volumes based on data from the various countries, or on an external tool when this classification on recyclability is not available.

This indicator of recyclability in practice is still being made reliable and will therefore not be reported in 2025.

#### 3.5.2 PREVENTING FOOD LOSS AND WASTE, REDUCING AND RECOVERING WASTE THROUGHOUT THE VALUE CHAIN

Reducing food loss and waste, as well as waste management, addresses three issues:

- ethical and social: food waste is unacceptable in a global context where a significant portion of the population is struggling to feed itself;
- economic: reducing costs and increasing revenues through the recovery of by-products and food waste are the levers of our resilience;
- environmental: on a global scale, it represents a waste of natural resources and water; it is a major emitter of greenhouse gases, due in part to the energy required to produce, process, preserve, package and transport food.

Thus, managing food loss, reducing waste and improving waste management are key levers to achieve the United Nations Sustainable Development Goals by 2030 and contribute to the Paris Agreement targets on climate action.

#### POLICY, ACTION PLAN AND RESULTS

Lactalis is committed to an approach aiming to reduce food loss and waste through several projects led by its subsidiaries or brands, with a view to:

- reducing domestic food waste by working on product shelf life and consumer information;
- optimizing packaging to guarantee product shelf life and freshness and reduce food waste;
- improving the efficiency of production facilities to minimize food loss and the recovery of food by-products;

- employee training on process or production facilities to reduce waste production, guarantee product freshness and balance supply and demand forecasts to avoid waste;
- prioritizing the donation of food products to charities or employees.

In 2025, Lactalis undertook several structural actions to gradually integrate the reduction of food loss and waste, and the reduction of waste, into its overall operational performance and its environmental approach:

- creation of a cross-functional working group bringing together key stakeholders across Lactalis' value chain. The goal of this team is to develop a common and consistent approach to addressing the challenges of reducing losses and food waste and waste management across the entire group;
- initiation of work to adapt the tools. In 2025, a data collection initiative regarding the volume and disposal of waste, as well as food loss and waste, was rolled out across all of the company's global warehouses. Efforts are now focused on improving the reliability of this information and expanding coverage to ensure comprehensive and consistent reporting, as well as on creating an internal waste management guide to clarify reporting procedures, enhance data reliability and establish common best-practice guidelines across the industrial sector;
- waste flow mapping across the entire value chain, from milk collection to sales, processing and distribution. This key step in our process provides an overview of the types of waste generated, identifies the main sources of loss, waste and scrap, and highlights opportunities for optimization.

### 3. ENVIRONMENTAL INFORMATION

In addition, Lactalis is also taking these issues of waste management and food waste prevention into account as it develops its future Group Packaging Policy, with the aim of accelerating the transition to responsible packaging that balances food safety with a reduction in our environmental footprint.

In addition to this restructuring initiative, several of the group's subsidiaries are implementing projects aimed at reducing food loss and waste and improving waste management:

- in **Croatia**, Lactalis (Dukat) has set up the *Hrana se ne baca* ("Don't waste food") initiative. Between 2023 and 2025, this initiative reduced food waste by 14 percentage points, with a particularly marked impact on dairy products (-11 points in 2025). Dukat is now recognized as the top food donor to the Croatian food industry, a status it has held since 2015. This exemplary approach has been recognized several times: Grand Prix and The Award! in 2024, the Green Butterfly Award in 2025, as well as an internal "Lactalis Planet Award";
- in **South Africa**, Lactalis has strengthened the recovery of its organic waste, thanks to a structuring partnership with

Osdam Eco Facility. This system allows the collection, transport and processing of bio-waste into compost or animal feed. This collaboration guarantees full traceability through the issuance of sustainability certificates attesting to the diversion of waste, landfill and the CO<sub>2</sub> savings generated;

- in **Turkey**, Lactalis (Ak Gida) is implementing a systematic waste sorting system and participating in the global 10x20x30 initiative aimed at a 50% reduction in food waste by 2030. Thanks to systematic waste sorting, the subsidiary has reduced its packaging waste by 20% in ten years and now sorts around 3,500 metric tons of recyclable waste per year. The Karaman plant has also reduced food waste in its canteen by 60% in two years;
- in **Italy**, Lactalis supported the Food Bank by mobilizing its vans and employee volunteers to collect and deliver donations on Food Collection Day. In 2025, the mobilization of 96 employees, 33 vans and a presence in 22 provinces contributed to the national collection of 8,300 tons of foodstuffs, providing logistical support and thus reaffirming its commitment to the fight against waste and poverty.



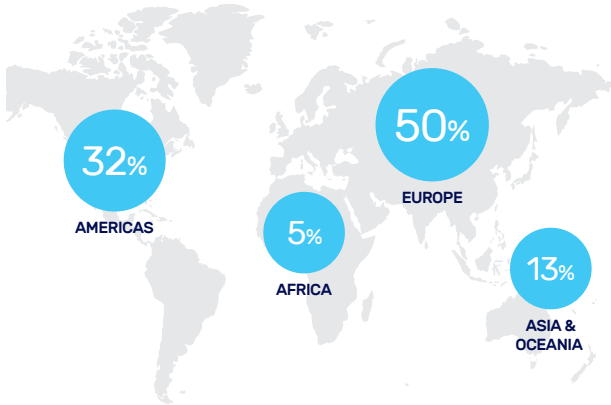
# 4. SOCIAL INFORMATION



## 4.1 OWN WORKFORCE

### PRESENTATION OF LACTALIS' OWN WORKERS

In 2025, the group had close to 85,500 employees (full-time equivalent).



The breakdown of the workforce in the various geographical areas is as follows over the last two years:

	2024	2025
Europe	51%	50%
Americas	31%	32%
Africa	5%	5%
Asia & Oceania	13%	13%

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

Lactalis Group employs nearly 85,500 people around the world, and is committed to ensuring the health, safety, well-being and training of its employees. This commitment extends to all its working environments, including industrial and logistics sites, and administrative headquarters.

The group's international dimension, combined with the requirements of the agri-food sector, poses significant challenges for human resources management. Lactalis' current and future employees form the first pillar of the group's 2033 strategy. A characterization study of impacts, risks and opportunities was conducted by an external firm in addition to the double materiality exercise. This study covers the following eight issues:

- human rights violations and incidents <sup>(1)</sup> within the workforce;

- Health & Safety of employees;
- diversity and inclusion within the workforce;
- employee training and skills development;
- employee well-being at work;
- talent retention and attractiveness;
- social dialog and labor relations within the workforce;
- secure employment within the workforce.

For each of the above issues, the study focused on analyses of sectoral and geographical specificities.

#### Sector-specific analysis

The major challenges facing the agri-food sector, particularly in dairy production, were identified through a literature review and targeted interviews. Particular attention was paid to issues relating to human rights, as well as Health & Safety, taking into account the characteristics of the group's different Technical Expert Services and the requirements of each role.

The analysis highlights several potential risks associated with the sector's demanding working conditions, particularly the physical and manual tasks that punctuate the operational chain. These constraints may undermine Lactalis' attractiveness as an employer and make it more difficult to recruit or retain talent, particularly in developed countries, where industrial and agri-food roles have become less appealing, and in areas under employment pressure, where there is a shortage of labor and employers are in competition.

Nevertheless, the group's mission to offer healthy, tasty products that bring people together every day and its purpose, "Nurture the future," give meaningful direction to employees' commitment. In addition, the company's investment in training enables employees to develop key skills. In certain sectors, such as PDOs, they also contribute to safeguarding unique local know-how.

#### Geographical analysis

To incorporate specific geographical factors into its analysis, Lactalis assessed all the countries in which the Group operated in 2023 using the *Resilience for Future tool* <sup>(2)</sup>. This tool draws on recognized public databases to assess exposure to risks such as forced labor, child labor and discrimination across 76 countries in which the Group operates. For the 52 countries with at least 50 employees in 2023, risks related to Health & Safety, working conditions, social dialog and remuneration were also examined.

In at-risk countries, an additional analysis was used to identify explanatory factors – local contexts, types of jobs concerned or individual characteristics of employees. This work enabled precise targeting of the most vulnerable regions and employee populations.

1) An "incident" is any legal action or complaint filed with the company, or the competent authorities in the case of a formal procedure, or a case of non-compliance identified by the company through procedures that it has put in place itself.

2) *Resilience for Future*, Deloitte (2025).

#### 4. SOCIAL INFORMATION

##### Summary table of material impacts, risks and opportunities related to Lactalis employees

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>HUMAN RIGHTS VIOLATIONS AND INCIDENTS WITHIN THE WORKFORCE</b>					
Negative impact	<b>Deterioration in well-being linked to psychosocial risks</b> for employees whose working conditions, organization and relationships impact physical and/or mental health.	Operations	ST/MT	Employees	Potential
Negative impact	<b>Exploitation of workers</b> in the case of forced labor or child labor. Unskilled workers, migrants and minorities are the most exposed.	Operations	ST/MT	Employees	Potential
Risk	<b>Legal risk and financial penalties</b> for non-compliance with human rights frameworks, standards and regulations, including in relation to duty of care.	Operations Downstream	ST/MT	N/A	
<b>HEALTH &amp; SAFETY OF EMPLOYEES</b>					
Negative impact	<b>Injuries, whether temporary or lasting,</b> caused by a one-off workplace incident.	Operations	ST	Employees	Potential
Negative impact	<b>Development of occupational illnesses</b> resulting from prolonged exposure to high-risk working conditions.	Operations	ST/LT	Employees	Potential
Negative impact	<b>Deterioration in well-being linked to psychosocial risks</b> for employees whose working conditions, organization and relationships impact physical and/or mental health.	Operations	ST/MT	Employees	Potential
Risk	<b>Increase in legal and insurance costs</b> in the event of non-compliance with national and international standards, or in the event of the death, permanent incapacity or occupational disease of an employee related to their activities, leading to a lawsuit.	Operations	ST	N/A	
Risk	<b>Lack of efficiency, loss of productivity and increased recruitment costs</b> stemming from employee Health & Safety issues and inadequate working conditions.	Operations	ST/MT	N/A	
<b>DIVERSITY AND INCLUSION IN THE WORKFORCE</b>					
Negative impact	<b>Deterioration in well-being due to employee discrimination.</b>	Operations	ST/MT	Employees	Potential
<b>EMPLOYEE TRAINING AND SKILLS DEVELOPMENT</b>					
Positive impact	<b>Development of employees' professional skills</b> through investment in training.	Operations	ST/MT	Employees	Actual
Risk	<b>Increase in training costs</b> due to a shortage of skilled labor and high staff turnover.	Operations	ST/MT	N/A	

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Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>EMPLOYEE WELL-BEING AT WORK</b>					
<b>Negative impact</b>	<b>Work-life imbalance</b> related to night work or successive shift work.	Operations	ST/MT	Employees	Potential
<b>Risk</b>	<b>Deterioration in the attractiveness of the employer brand and recruitment difficulties</b> related to difficult working conditions (physical work, exposure to cold or noise, etc.), night work or successive shift work.	Operations	ST/MT	N/A	
<b>TALENT RETENTION AND ATTRACTIVENESS</b>					
<b>Positive impact</b>	<b>Creation of rewarding jobs</b> linked to agriculture and local culture, and meeting the food and nutritional needs of the population.	Operations	ST/MT	Employees	Actual
<b>Risk</b>	<b>Labor and skills shortages</b> linked to the lack of attractiveness of the agri-food sector, and the industrial sector as a whole.	Operations	ST/MT	N/A	
<b>Risk</b>	<b>Increase in compensation costs</b> required to retain talent, given the limited attractiveness of the agri-food sector and the industrial sector as a whole.	Operations	ST/MT	N/A	
<b>Opportunities</b>	<b>Improving the efficiency of recruitment processes</b> through a stronger employer brand image	Operations	ST/MT	N/A	Actual
<b>SOCIAL DIALOG AND LABOR RELATIONS WITHIN THE WORKFORCE</b>					
<b>Negative impact</b>	<b>Deterioration in well-being at work, compensation or working conditions,</b> and increase in employee risk-taking due to a lack of social dialog and impaired labor relations, with a widespread impact on the physical and mental health of employees.	Operations	ST/MT	Employees	Potential
<b>Risk</b>	<b>Production slowdowns or shutdowns</b> caused by labor tensions and resulting strikes.	Operations	ST/MT	N/A	
<b>SECURE EMPLOYMENT WITHIN THE WORKFORCE</b>					
<b>Positive impact</b>	<b>Increased job satisfaction</b> related to obtaining stable jobs over the long term, ensuring job security for employees.	Operations	ST/MT/LT	Employees	Actual

Legend: short-term (ST); medium-term (MT); long-term (LT).

### 4.1.1 HEALTH & SAFETY

Lactalis prioritizes the Health & Safety of its employees, temporary workers and subcontractors. This commitment extends to all its working environments: industrial, logistics, commercial, research and distribution sites. Lactalis' vision is clear: to guarantee optimal working conditions while aiming for an ambitious goal of zero workplace accidents and zero occupational diseases.

#### POLICY

Lactalis' Health & Safety Policy, signed by its CEO, establishes its ambition to achieve zero workplace accidents and occupational diseases. In order to achieve this ambition, Lactalis is committed to:

#### Main objectives

- continuous risk reduction through regular assessments and continuous improvement of the systems in place;
- strengthening the Health & Safety culture through training, innovative tools and exemplary managerial practices;
- compliance with international standards and local regulations in the areas of operation.

#### The 12 Golden Rules

Deployed in 2022, these fundamental rules apply to all employees, service providers and partners. They encourage:

1. immediate intervention as soon as a risk is identified;
2. the suspension of hazardous work until the risk is fully controlled;
3. individual and collective responsibility for shared security.

The Golden Rules are displayed at every industrial site and head office. An e-learning module has been rolled out at group level to communicate our 12 Golden Rules and enable employees to adopt them.

#### Governance

Health & Safety management at Lactalis is based on a solid governance framework:

- Health & Safety Committees:
  - at group level, this committee, composed of the group's main managers, meets every two months. It establishes policies and strategies, guarantees the necessary resources and oversees the implementation of action plans;
  - at country or division level, a Health & Safety Committee meets monthly to establish the local action plan, monitor its implementation and analyze events and results;
- global network: Health & Safety professionals are deployed in the main production sites to share best practices and coordinate efforts at local, regional and global levels;

- priority to strategic countries: in 2030, the group plans to have a Health & Safety Manager in the 25 priority countries as well as at all sites with more than 100 employees.

#### ACTION PLAN

To achieve its vision, Lactalis established an ambitious roadmap in 2025, extended until 2030, structured around four major pillars.

#### Pillar 1: Health & Safety Organization

- Health & Safety Management System: strengthen our existing Health & Safety management system by integrating a Risk Management approach.
- Skills development: adapted training courses for all employees, at all levels, by creating learning pathways intended to promote the emergence of talent in Health & Safety, but also to integrate best practices into all of the company's operations.
- Managerial leadership: training of managers to promote safe and exemplary behavior.

#### Pillar 2: People Safety

Employee engagement:

- awareness-raising and adoption of preventive behaviors;
- behavioral safety program extended to other areas outside France.

Reduction of specific risks:

- machinery: compliance and treatment of risks related to industrial equipment;
- chemical products: deployment of appropriate measures to limit hazardous exposures;
- explosive atmospheres (ATEX): strengthening of protocols to prevent incidents related to high-risk areas.

#### Pillar 3: Property Safety Audits

- Risk assessment: improve the quality of risk assessments and generalize compliance with group's reference framework with a systematic self-assessment process.
- Reduction of our level of exposure: support for the industrial sites and warehouses with a fire/explosion risk reduction approach by integrating the group's reference framework. This commitment is also reflected in investments aimed at securing sites in order to reduce our level of exposure.

#### Pillar 4: Data Management

- Digitalization: implementing a reporting tool to make the data more reliable and manage results indicators.

The roadmap is broken down into annual action plans in each country and each division.

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In 2025, Lactalis continued to accelerate its efforts to:

- digitize and innovate: as part of the digitization project initiated in 2024, a new building block was created in 2025 to digitize our business processes, aimed at ensuring standardization of our practices and managing our resource indicators;
- involve stakeholders: strengthened collaboration with local partners to ensure safe workplaces;
- improve communication: sharing experiences *via* tools such as the "FLASH Accident," renovated in 2025 and the SharePoint platform, also renovated in 2025;

With a policy focused on prevention, empowerment and innovation, Lactalis is committed to a safe working environment that respects the Health & Safety of its employees.

### TARGETS AND RESULTS

Lactalis has a target of reducing accidents by 15% per year. The benchmark indicator monitored monthly by Lactalis is the FR2, which is based on the following definition:

$$FR_2 = \frac{\text{Number of accidents with and without lost time (employees and temporary workers)}}{\text{Number of hours worked (employees and temporary workers)}} \times 10^6$$

In order to achieve this target, each level of management defines an annual frequency rate (FR2) reduction target of between -5% and -20% depending on the FR2 observed within their scope.

This target is applied to the FR1 employees, which measures the accident with lost time frequency rate among Lactalis' employees.

	2024	2025
Workplace accidents with lost time frequency rate for employees (FR1 employees)	7.83	7.43
Workplace accidents with lost time frequency rate for employees and temporary workers (FR2)	10.8	9.99
Workplace accidents with lost time severity rate for employees	0.45	0.41
Number of near misses and risk observations	New KPI	60,942
Number of safety observation visits	New KPI	76,646

Although Lactalis achieved an 8.2% reduction in FR2, the target set for 2025 was not fully achieved. This was mainly due to:

- the focus given to training teams around the world;

- attention paid to the systematic reporting and monitoring of near misses and hazardous situations in the reporting tool. The increase in these reports is a positive development that strengthens the prevention culture and provides a more accurate view of operational risks.

Implementation of corrective and preventive actions should support an improvement in FR2 in 2026.

### 4.1.2 ATTRACTING, RETAINING AND DEVELOPING TALENT

To support its growth and prepare for the future, Lactalis places talent development at the heart of its HR strategy. Lactalis strengthens its attractiveness, supports the integration of new employees, encourages engagement and provides varied career paths that support continuous development and training.

#### POLICY AND ACTION PLANS

The attraction, retention and development of talent are based on the deployment of the Lactalis Employer Brand, through the #LactalisExperience program, measurement of employee engagement, a training program for each employee and individual monitoring of each employee by their manager.

#### Employer Brand

The exposure of the Employer Brand, which is based on the company's strengths and successes, increases Lactalis' attractiveness.

The Employer Brand has been in place since 2020 and is based on three strong pillars:

- History;
- Passion;
- Expertise.

It highlights Lactalis' identity, its DNA, and therefore what makes Lactalis a unique employer.

The Employer Brand also helps to boost the company's visibility (organization of events and recruitment days, partnerships with schools, new websites, use of social media and specialized platforms, *etc.*). It is an important lever for attractiveness and reflects externally what Lactalis is and what it can offer.

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The Employer Brand highlights the following elements:

- joining Lactalis means joining a family group that has an international presence and a strong local presence;
- joining Lactalis also means sharing great moments with teams who are passionate about their profession, recognized for their expertise;
- joining Lactalis is an opportunity for individuals to learn and grow in their roles every day. It is also an opportunity to be part of a dynamic and continuous improvement and to benefit from a personalized career path, made possible thanks to the sustained growth that the group is experiencing, as well as the diversity of its Technical Expert Services and geographical locations.

The group's aim is to recruit the right number of new talented individuals in order to ensure the constant and sustainable development of its activities, while ensuring that its dairy expertise is passed on.

### Relations with Schools

In France, the Relations with Schools Department is a support function of the company whose purpose is to support the French divisions in the sourcing and pre-recruitment of interns, work-study students and young graduates in order to support Lactalis' development and growth.

To carry out these missions, its role is to:

- coordinate, manage and lead relationships with 20 target schools and their students;
- effectively pre-recruit future talents, drawing on the Employer Brand;
- work collaboratively with the target schools to establish actions to ensure recruitment needs;
- unite and involve Technical Expert Services managers.

In 2025, in **France**, nearly 180 initiatives were carried out in collaboration with partner schools and with the support of business experts, ranging from participation in fora and job dating events, to testimonials from business experts, active visits to industrial sites with students from the Institut Agro de Rennes, and challenge events in schools such as the "Best Recruiter" challenge with KEDGE Business School students specializing in HR, and the "Societal and environmental challenges of a group plant" challenge with ENSAIA students or the immersive presentation of management control with UniLaSalle students.

In 2025, this strong presence in schools enabled Lactalis to have 750 work-study students and 346 interns in its French workforce.

The successful integration of young interns and work-study students who join the company is one of the keys to the success of the pre-recruitment policy. It is carried out through a short and direct recruitment process as well as visibility regarding the HR policy and career paths, particularly during their induction day (organized two or three times a year). In France in 2025, these elements, combined with managerial support, made it possible to hire 48% of interns and work-study students with a Bac+5 level at the end of their internship or work-study period.

### Employee integration

The quality of the welcome afforded to new employees is also crucial to Lactalis' attractiveness.

New employees are supported by their Manager and Human Resources Manager through a personalized induction program. The objective of this course is to understand the company's values, to familiarize themselves with what the various departments do, and to establish a network of contacts and knowledge within Lactalis. The formalized induction program takes place in two stages: a collective welcome and/or a personalized welcome.

In **France**, all interns and work-study students are welcomed collectively for one day, and all managers are welcomed collectively for 1.5 days at the Lactalis head office in Laval. This allows them to learn more about the company and its history, through meetings and manager presentations, a visit to the *Cité du Lait®*, the company's museum that tells the story of the dairy industry, and a visit to a production site. It also gives them the opportunity to build a network within the company.

Collective onboarding sessions are also held in Laval for the Management Committees of subsidiaries outside France. This allows them to discover the French roots of the company and the central support services.

### Employee engagement

Since 2021, Lactalis' employees have been invited to participate in a Managerial survey rolled out at group level to measure their level of engagement and success, and thus identify areas for improvement requiring action plans. Employees were asked about issues common to all of the company's employees, such as:

- commitment;
- respect and recognition;
- management;
- security;
- career development;
- their vision of the company's strategy;
- the working environment;
- diversity and inclusion, the measurement of which has been strengthened since 2023 by adding new questions on these topics;
- issues specific to each country or subsidiary.

100% of the group's employees were asked to respond to the Lactalis Managerial survey between 2024 and 2025.

Employees are interviewed every two years. This allows for the implementation of short-term action plans to improve well-being at work; the results of the following Managerial survey allow for the measurement of the effectiveness of these action plans. This is a strong signal of Lactalis' desire to place human capital at the heart of its strategic thinking and direction.

### Leadership model

The Lactalis leadership model was established in 2021 by collecting the views of Lactalis leaders from the Management Committee, the Human Resources Board and focus groups organized in 15 countries with the General Managers and Technical Experts Services Managers, so as to take into account the intercultural diversity of Lactalis while respecting its fundamental values.

This leadership model is composed of 4 pillars and 16 associated key behaviors:

1. Caring: focusing on people and sustainable development;
2. Sharing: collaborating and promoting diversity;
3. Daring: driving growth with courage and ambition;
4. Inspiring: shaping our future together.

This new leadership model has been rolled out through workshops held in all group subsidiaries.

To support the deployment of this leadership model, a digital training course consisting of five digital modules dedicated to the leadership model was offered to everyone on the Lactalis digital training platform: the Learning Factory.

This new leadership model has been incorporated into the HR recruitment, onboarding and training processes. The Human Resources departments have supported all managers in bringing this model to life in the field on a daily basis and have helped them to develop their individual and collective leadership. Since 2024, this leadership model has been included in the annual individual employee reviews.

### Internal promotion

Internal promotion is one of the key elements of Lactalis' Human Resources policy.

Internal mobility contributes to the company's growth dynamic. In **France**, an internal job offer platform called Lactajob has been created. This platform allows each employee to find out about the opportunities that exist within the company and strengthens internal mobility.

The Lactalis supports the internal mobility of employees through training. In **France**, logistical and financial support is also offered for internal transfers involving relocation.

Internal mobility promotes synergy between departments, enables the personal and professional development of employees and extends their internal network.

### Career development

Lactalis has made the career development of its employees a priority. Mobility can be horizontal, vertical or geographical.

Lactalis has set up a process of annual individual interviews between employees and their Managers in order to take stock of their development wishes and set targets for the year. Assessment campaigns are generally carried out by way of a tool deployed at the company level (Lactalent) for managers. This tool makes it possible to support employees in their professional development and to prepare for internal

changes, any international transfers and career development within Lactalis. In 2025, more than 16,400 managers carried out this assessment with their line manager, which represents an achievement rate of 87% among managers. The remaining 13% includes employees in situations that prevent the interview from taking place (e.g., long-term leave). Management reviews are then conducted in all countries to establish changes with Managers and succession plans.

In each geographical area, programs to promote career development have been initiated, for example:

- In **Northern Europe**, 208 members of the Management Committees at the regional and country levels tested the 360° feedback process. In this approach, several colleagues anonymously assess an employee's behavior at work to help them identify their strengths and areas for improvement. A coach debriefs each employee and builds a personal development plan with them. This process also unlocks the potential of employees to help them develop their careers;
- In **Colombia**, *Yo Soy Líder Lactalis* is a six-module leadership development program adapted to Colombian culture and designed to prepare the next generation of Lactalis managers in Colombia. This program combines the principles of business leadership, real-world business challenges, coaching, peer-to-peer learning and on-the-job application. Participants work in teams of 5 or 6 leaders to solve a strategic business challenge during the program. This initiative reinforces managerial excellence and consolidates the corporate culture.

### Training

The support and development of all teams is a major priority for Lactalis. To this end, training plans are developed annually in each country. This key HR process makes it possible to identify the development needs of employees and support business challenges.

The training provided to employees covers business skills, behavioral skills and even basic literacy, such as through the EDUCALAT initiative in **Mexico**, which supports employees who lack the required level of education and helps strengthen their employability. Launched in 2025, the program brought together 18 participants seeking to obtain a primary, secondary or high-school certificate in partnership with the public education service.

In October 2025, 12 employees graduated, with the others continuing their studies in 2026. The initiative has developed essential skills, strengthened self-esteem, promoted cultural diversity and increased engagement and sense of belonging.

The training provided by the 1,988 in-house trainers is particularly valued because it facilitates the transmission of knowledge and know-how.

Training initiatives are developed locally or supported by the group's Training Offer. This offer:

- formalizes knowledge and know-how and translates the "way of doing things" into key themes in the industrial, marketing, finance, trade and management fields;

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- proposes various methods of international deployment to target the transmission of knowledge and know-how;
- supports business challenges by strengthening team skills to foster industrial culture and drive profitable, responsible performance.

In 2025, this process led to the rollout of 450 training sessions internationally (excluding access to our digital platform), with 50% taking place in Europe and 50% outside Europe. 78% were conducted face-to-face, thanks to the growing number of local and internal business-line experts.

Based on this approach, Lactalis has continued to roll out its Industrial Academies (modeled training paths) and design new ones. The latter are intended to support managers:

- **the Industrial Academy** aims to train the Site Managers of tomorrow. Since 2016, 28 classes covering 366 employees from 181 sites in 46 countries have been trained in the Lactalis industrial culture. This solid training course is now ten years old;
- **the Maintenance Academy** aims to develop and support Maintenance Managers so that they can be key players in performance. The first Maintenance Academy was launched in 2022, and since then, there have been 8 cohorts representing 77 employees from 27 countries and 72 plants;
- **the Cheese Academy** aims to cement cheesemaking know-how. It was created in 2018. Since then, there have been 10 cohorts representing 130 participants (production manager, operations manager or plant manager) from 62 sites across 30 countries. In 2023, internal North American trainers were specially trained to roll out the Cheese Academy in the United States and Canada in partnership with the University of Madison in Wisconsin, United States;
- **the Quality Academy** is entering its 3<sup>rd</sup> year of existence. There were 3 cohorts in 2025. This included 32 managers from 32 sites and 20 countries;
- product and training experts are currently working on the development of a new "product" academy, the **Chilled Dairy Academy**, to train employees in North America and Brazil in particular.

To transfer technical and technological expertise to all plant employees in the most relevant way, partnerships have been established with local schools and universities, equipped with technology halls, promoting hands-on, practical learning. In 2025, Lactalis established the following partnerships:

- in **Brazil**, with the Federal University of Viçosa (UFV);
- in the **United States**, with the Center of Dairy Research at the University of Madison in Wisconsin.

In 2025, 22 international employees benefited from on-the-job training. The purpose of this training was to transfer know-how between plants in a specific way to support changes such as the implementation of a new line or new technology.

In 2025, Lactalis continued to develop its digital training. In a scope of 77 countries, 27,500 employees logged onto the Lactalis Learning Factory (digital training platform), completing 106,000 hours of training, which is just over 4 hours of training per connected employee. They have completed 98,000 training sessions.

This platform offers 443 training modules to learners, of which 149 were created in 2025. Some modules are available in 14 different languages. To improve the accessibility of training in different countries, 264 training translations were carried out in 2025 in collaboration with the operational teams of the different Technical Experts Services in the countries.

The Learning Factory offers training modules on:

- the Lactalis culture (the company's values, the leadership model, the industrial performance module, onboarding of new employees);
- Lactalis' know-how in various fields such as facility management, supply chain, quality and hygiene;
- the "Essentials": language courses, MS Office and mandatory modules relating to compliance, for example;
- personal development such as "developing leadership skills," "performance feedback" and teamwork;
- the development of the Care pillar of the leadership model with the "Let's focus on CARE" program;
- artificial intelligence, supported by the "AI and Skills for the Future" program, designed to help all employees build their AI-related skills;
- Diversity, Equity and Inclusion, with a comprehensive program offered to learners: the first module presents the group's Diversity, Equity and Inclusion policy, while the remaining five thematic modules address inclusive leadership, gender equality, cultures and origins, intergenerational dynamics, and disability. A total of 60,331 courses were completed on the topic of Diversity, Equity and Inclusion, and 7,127 employees completed all modules. The aim of this training program is to make the daily work environment more inclusive.

In addition, a digital module on inclusive recruitment was made available to all learners. Intended primarily for HR teams and recruiting managers, the program aims to raise awareness of recruitment-related biases and promote skills-based hiring practices.

The Learning Factory makes training easily accessible to as many people as possible and helps to develop the learning organization culture. It also supports local needs as it allows for the creation of specific local digital training modules, thanks to a community of 100 digital training creators in 10 countries.

In 2025, the Learning Factory was deployed on a larger scale for "blue-collar" workers, with almost 4,000 learners connecting to its "Light" interface (averaging 3 hours and 30 minutes per learner).

Finally, in **Australia**, all factory employees were given access to the Learning Factory via their workstations, enabling them to complete digital modules on safety, quality and personal development. More than 1,100 individual accounts have been created for factory employees, enabling 100% of Australian factory employees to access digital training. This initiative has helped bridge the digital divide between factory and administrative employees, thereby improving inclusion, engagement and skills development.

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### RESULTS

Lactalis measures employee engagement through a managerial survey conducted every two years, with the aim of increasing the engagement rate year after year. In addition, the employee resignation rate is also monitored as a key indicator.

The group wishes to maintain a high internal promotion rate. Within leadership positions (top 1,000), the target for internal promotion is set at 70%, a threshold exceeded in 2025, with an internal promotion rate of 72%.

	2024	2025
Engagement rate (%)	68%	68%
Resignation rate (%)	10.2%	9.8%
Percentage of leadership positions recruited through internal promotion (%)	69%	72%
Percentage of managers who have had an annual individual employee interview (%)	New KPI	87%

### 4.1.3 PROMOTING DIVERSITY

At Lactalis, the variety of employee profiles reflects the diversity of the company as a whole. Lactalis is keen to recognize 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.

Fairness requires the fair application of HR policies and processes, taking individual needs into account.

Inclusion refers to the experience of employees in the workplace and how they feel valued for who they are, their skills and the experience they bring.

The diversity of the profiles and skills of our employees is one of the keys to Lactalis' success and development.

#### POLICY AND ACTION PLANS

Since its creation and in all of its countries of operation, Lactalis endeavors to reflect and integrate diversity and social integration, and to comply with local regulations. The Lactalis leadership model incorporates the following behavior: "We collaborate and promote diversity." Finally, these themes have been placed at the heart of the HR strategy "Better Together for People."

Lactalis' Human Resources Department, in partnership with the HR Board and Group CSR Department, is responsible for formalizing the group's commitments and for developing and sharing a Diversity, Equity and Inclusion action plan. As such, a working group made up of internal experts works with external specialists to understand the contexts of the various countries in which Lactalis operates. An external benchmark as well as an internal benchmark (actions and commitments already carried out in the group's subsidiaries), followed by discussions with the local HR departments and members of the Executive Committee, made it possible to establish a Diversity, Equity and Inclusion policy.

In 2023, the Lactalis' Executive Committee was made aware and a Diversity, Equity and Inclusion Policy was drawn up and signed by the Chief Operating Officer to cement Lactalis' commitments.

In June 2024, this policy was officially rolled out at group level. This policy is based on two pillars (gender equality and inclusion) and eight concrete commitments. The Diversity, Equity and Inclusion working group is responsible for establishing and proposing concrete actions for these commitments:

1. Integrating, developing and promoting diverse talents;
2. Equity of human resources management processes, in particular recruitment, retention, promotion, compensation and access to training;
3. Promoting inclusive behaviors through team training and awareness-raising;
4. Diversity at all hierarchical levels;
5. Measuring the perception of Diversity, Equity and Inclusion through engagement surveys;
6. Facilitating and coordinating the approach *via* a network of Diversity, Equity and Inclusion ambassadors;
7. Progress indicators;
8. Communicating of this approach to the group's stakeholders.

In the subsidiaries, several initiatives to promote diversity have already been implemented, such as in Canada, Sweden, South Africa, India, Australia, as well as Brazil, where diversity policies are being deployed.

In 2025, the group created its network of Diversity, Equity and Inclusion ambassadors to share best practices across countries and replicate them by adapting them to each local cultural and regulatory context.

In **Brazil**, 2 leadership programs rolled out in 2025 are part of the local DEI action plan:

- **Abraçar**: a development program aimed at accelerating the professional development of people from Black and mixed-race communities so that they can move into management positions;
- **FortalecerELAS**: a program aimed at accelerating the career progression and job fulfilment of women at Lactalis and preparing them to take on positions with greater responsibility and/or management.



**Laure de TYCHEY**

HR-CSR Project Manager

**Alexandre DUBOIS**

Human Resources General Manager

**What is your CSR vision and what are your objectives for 2026?**

**A.D.:** I sense a real willingness to place CSR at the core of the strategy. In terms of Human Resources, the actions implemented under the “**Better Together for People**” strategic plan will continue, with some being further strengthened through the following 6 pillars:

- 1. **Commitment:** creating an environment where everyone feels valued, by having the necessary resources to get involved;
- 2. **Leadership & know-how:** developing a strong and consistent leadership culture, embodied by leaders who are well trained in the 4 pillars of our Leadership model (care, dare, share, inspire);
- 3. **Operational efficiency:** gaining agility, precision and responsibility to manage our personnel costs;
- 4. **Strategic talents:** anticipating our needs *via* **Talent Hubs** and **Regional Academies** to build the pools of resources we need to build our future;
- 5. **Employer attractiveness:** offering clear career paths and structured onboarding to retain new employees;
- 6. **Diversity:** increasing diversity, including the representation of women in management positions.

**Laure de TYCHEY, what were the main achievements of 2025 in terms of social CSR?**

**L.d.T.:** 2025 was a year of concrete achievements at group level, in particular:

**Building our DEI (Diversity, Equity and Inclusion)**

**Ambassador Network:** 60 employees from 30 countries share local initiatives and prepare for major events throughout the year, such as International Women’s Day. This network plays a vital role in achieving our 2026 strategic objective to increase the proportion of women in management positions.

A new digital module on **inclusive recruitment** has been rolled out across the group to train recruiting employees in an objective, unbiased recruitment methodology, consisting of questions related to our leadership model.

In addition, HR plays a role in **spreading the CSR culture** by organizing “Climate Fresk” and “Facilitating Climate Fresk” training courses locally in order to raise awareness among all employees about climate change, its consequences and potential solutions.

**And locally?**

**L.d.T.:** There are many and diverse implementations at local level.

For instance, French employees’ awareness of **disability** was raised through the broadcast of a video explaining the adaptation of an employee’s workstation in Torcé, and a “question box” on disability open to all.

In addition, the **commitment to combat sexism at work** took the form of training all French management committees on the prevention of sexist behavior in the workplace.

**What are the plans for 2026?**

**L.d.T.:** We are developing a Human Rights Policy to ensure respect for the fundamental freedoms of all Lactalis employees and those throughout its value chain.

**Gender equality**

Lactalis firmly believes that the company’s performance is linked to the plurality of profiles that make it up. As a result, Lactalis is determined to maintain its efforts in terms of professional diversity at all levels.

Lactalis is committed to offering the same opportunities and career development to men and women. Internally, Lactalis monitors a key performance indicator on the proportion of women in leadership positions.

The company is continuing its efforts in terms of gender equality in all countries. In France, the result of the gender equality index is published each year. Lactalis France obtained a result of 91/100 for 2025.

The Lact@lert platform, accessible to everyone online, enables users to report non-compliance with non-discrimination laws and regulations.

In **France**, the rules of procedure establish the rules on Health & Safety and disciplinary measures and reiterate the legal provisions covering sexual harassment and the prevention of sexism. The rules of procedure are displayed at all sites in France. All French sites, regardless of their size, have two “sexist actions” officers (one employee representative and one management representative).

In 2025, following the example set by the Lactalis PDO and Terroirs division, all operational and functional divisions trained their divisional and industrial site Management Committees to prevent sexist behavior. This large-scale training initiative made it possible to raise managers’ awareness on a broad scale.

On November 11, 2025, **Lactalis Turkey** signed the United Nations *Women’s Empowerment Principles* (WEPs), a global initiative that promotes gender equality in the workplace and supports the economic empowerment of women.

By joining this collective commitment, Lactalis Turkey reaffirms its commitment to creating an inclusive and equitable workplace where women have the means to thrive, lead and contribute fully to the company’s success.



In **Malaysia**, a Women’s Council was created in 2025 to attract and retain female talent and ensure the well-being at work and safety of female employees. An internal communication channel was created between this committee of women and management so they could share their perspectives and any issues they had with top management.

In **Croatia**, Dukat once again provided financial support to the *SVE za NJU* association, which offers psychosocial, informational and logistical assistance to women diagnosed with cancer and undergoing treatment in Croatia. The charity was selected as the recipient of the donation following an employee vote on the Viva Engage platform in 2024. Aware of the importance of its mission, Dukat reaffirmed its commitment by supporting the cause again the following year.

In the **United Kingdom**, information sessions on women’s health were held in various workplaces, as well as two awareness-raising sessions on women’s cancers (breast and cervical) led by specialist physicians during 2025.

**Youth training and employment**

Lactalis works to promote the employment of young people and develops partnerships with training institutions.

For instance, in **France**, since 2002, as part of the I<sup>2</sup>FA program in partnership with the *École Supérieure des Agricultures* (ESA), foreign students follow a work-study program for two and a half years. Since 2002, 269 students from 37 countries have joined this program.

During the practical part of the course, students gain in-depth experience at two different industrial sites in France, enabling them to acquire significant skills in two different dairy technologies before returning to their country of origin to take up positions of responsibility within local teams in the areas of production, quality, R&D and milk collection.

## 4. SOCIAL INFORMATION

This partnership helps to develop the talent of tomorrow and to perpetuate the group's development strategy. In addition, the training enables these young employees to acquire Lactalis' values, culture and know-how from the start of their career.

In **France**, the Lactalis Campus, the group's internal training organization, plays a central role by welcoming not only apprentices but also all employees pursuing lifelong learning.

Since 2021, nearly 355 learners have successfully joined the apprenticeship training courses offered for the positions of the sector manager and industrial engineer at Lactalis. These programs enable learners to develop essential professional skills at Lactalis, such as sales techniques, management and, of course, dairy and cheese processing. Lactalis' internal trainers lead more than two-thirds of these training courses, thus ensuring that they transfer their expertise to the Technical Experts Services.

The Campus is also a powerful lever in the development policy for all employees. In 2025, of the 4,455 face-to-face training sessions that took place in France and represented 204,000 hours of training, 25% took place at Lactalis Campus.

Finally, in 2023, Lactalis renewed the agreement on the Management of Jobs and Career Paths in **France**, which boosts employees' employability by supporting their professional ambitions throughout their careers.

### Disability

Lactalis is committed to welcoming, onboarding and retaining employees with disabilities. Policies and action plans are adapted at a national level.

In **France**, for example, the group has had a disability agreement in place since 2010 and is working on the following issues:

- hiring people with disabilities and preserving their jobs;
- adapting workstations and providing assistance *via* individual devices (hearing aids, adapted shoes, ergonomic seats);
- raising awareness and training: Lactalis' production sites organize awareness-raising actions for everyone over several days to combat disability-related prejudices;
- working with adapted establishments that welcome workers with disabilities;
- individual support measures: reduced working hours, return to work assistance, etc.

Every year in **France**, Lactalis participates in the DuoDays initiative: this involves creating pairs made up of people with disabilities and company employees who volunteer for a day to share information about the company and specific professions. During the European Week for the Employment of People with Disabilities, awareness-raising videos on disability and workstation accommodations were broadcast in France.

## TARGETS AND RESULTS

Lactalis is committed to gender equality, with an objective of striving for a balance in management positions by 2033. These leadership positions are the Management Committees for the regions and countries, and constitute the top 1,000 Lactalis positions.

	Base year 2020	2024	2025
Percentage of women in leadership positions (%)	20.6%	27.7%	<b>28.3%</b>

### 4.1.4 WELL-BEING AT WORK

Lactalis is developing a global and local approach to well-being at work in order to ensure that the pillars of the national well-being at work policy are consistent with the expectations of its local employees and the cultural sensitivities in the various countries where it operates.

#### APPROACH

Lactalis is in favor of sharing or even replicating certain social innovations that have proven successful in one or more countries.

In **France**, as part of a national agreement on Well-Being at Work and Working Conditions, each operational division must establish its own roadmap for well-being at work. The Human Resources teams ensure that the well-being at work policy is in line with employee expectations at a local level, as expressed in particular through the managerial survey. Each year, numerous actions relating to well-being at work are

carried out and, a national Well-Being at Work award ceremony is organized to enable each winning site to highlight its achievements and share its best practices. In 2025, the Lactalis *AOP et Terroirs* division received the special jury prize for its overall approach to combating sexism in the workplace. Around a hundred employees of the various Management Committees (divisions and sites) have received awareness training on sexist behavior and actively support the creation of a respectful and inclusive working environment. Awareness-raising was structured around discussions, concrete examples and role-plays to illustrate sexist remarks and their impacts.

A group called Well-being at Work (Waw) has also been set up to promote initiatives and share innovative ideas on well-being at work. The aim of these actions is to attract new talent and also to retain employees based on the needs they have expressed in the managerial surveys.

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A group process has been developed to share and recognize certain initiatives. Thus, at the beginning of each year, the Executive Management of the countries, with the support of the HR departments, is invited to establish the priority theme(s) to be worked on. Actions are then carried out throughout the year in the countries, and some of these actions are rewarded with Well-Being at Work Awards.

Inspired by the Well-being at Work approach in **France**, the WaW approach is based on six themes and rewards one initiative per theme:

- Working safely and maintaining health (physical and mental): in 2025, **Mexico** was recognized for the well-being helpline set up for all employees and their families, which provides nutritional, financial, legal and other advice. In addition, a psychologist offers consultations at the San Miguel de Allende plant one day a week.
- Being in an environment conducive to quality work: in 2025, the Port Elizabeth plant in **South Africa** was recognized for the construction of its new cafeteria, which offers all employees a wide range of affordable, healthy meals. The plant also subsidizes the cost of meals so everyone can have access to this quality food.
- Optimized work organization and working hours designed to support work-life balance: the Logistics and Transport division in **France** received an award in 2025 for its employee-supported action plan, which aims to improve work-life balance. The actions taken have notably included simplifying working hours and providing employees with an annual calendar to find out in advance which weekends they will work.
- Finding motivation in one's work: in 2025, **Brazil** was recognized for its "Ouro GMP" initiative, a competition aimed at achieving zero loss of raw materials. All employees have come together around this common goal, thanks to the team's cohesion fostered by implementing games. In addition to the financial results, this initiative promotes a culture of commitment and collaboration in the plants.
- Developing skills and progressing within the company, ensuring employability and opportunities for advancement: in 2025, the **United States** was recognized for its STEP & LEAP personal development programs. The STEP program, created for field supervisors, consists of 20 online modules as well as in-person follow-ups and observation discussions. The LEAP program, created for executives, includes all virtual sessions and individual assignments organized over a period of six months.
- Living together at work, managerial and inter-colleague relations: in 2025, **Slovenia** was rewarded for its "LM Caffe" initiative designed to stimulate cooperation between Technical Expert Services. This is based on peer-to-peer learning: these are two-hour sessions bringing together five people from different Technical Expert Services to discuss and exchange experiences on a chosen theme, for example leadership based on trust.

### 4.1.5 SOCIAL DIALOG

Lactalis aims to establish simple, regular and local social dialog in order to guarantee effective, pragmatic actions tailored to Lactalis' challenges and the needs of its employees.

#### POLICY AND ACTION PLANS

The company's social dialog policy is based on the following three pillars:

- encouraging simple, regular and local social dialog between Senior Management, Human Resources and employees;
- respecting its employees' freedom of association and ensuring a constant and constructive dialog with employee representative bodies, regardless of their legal form in the countries in which Lactalis is present;
- respecting the right to form unions and participate in collective bargaining and conclude fair and binding agreements with the unions as early as possible, in order to ensure a significant improvement in the working conditions of employees.

#### Social dialog bodies

The company's subsidiaries are invited to set up social dialog bodies in compliance with local regulations. In addition, a

European Social Dialog Body was set up in 2019 and represents 16 of the countries in which the company operates. The aim of this body is to share quantitative information on Lactalis, the levels of activity in each product universe, and the company's medium- and long-term strategic areas of development. This body represented 40% of Lactalis' employees in 2025.

Since its creation, the European Social Dialog Body has met every year. The 2025 meeting was held in Malmö in Sweden.

#### Assessment of social dialog risks

The Group Labor Relations Department set up an international working group with 10 countries to identify the main issues concerning industrial relations and to assess the quality of social dialog at a local level, with a methodology for assessing social risks being established. Each week, through site visits, it aims to identify and resolve specific social irritants on warehouses and site shop floors, *i.e.* risks related in particular to social dialog and employee relations. Social irritants can be related to social dialog, well-being at work or Health & Safety, for example. These irritants are then shared collectively by the site management team and then prioritized and addressed.

This method is applied on around thirty sites and warehouses located in 10 countries on 5 continents.

### 4.1.6 COMPETITIVE COMPENSATION AND BENEFITS

Lactalis ensures that it offers competitive compensation packages to attract and retain talent.

#### POLICY

The company's compensation policy ensures that the compensation packages offered are in line with the local market median.

The company's executives receive fixed compensation supplemented by an annual variable component: the annual variable compensation rewards collective and individual performance with regard to two types of objectives:

- economic, based on Lactalis' performance;
- employee performance, established with the direct manager of each employee.

In **France**, employees also benefit from incentives and profit sharing.

## 4.2 WORKERS IN THE VALUE CHAIN

A transparent and responsible supply chain is essential to minimize the potential or actual negative impacts of Lactalis beyond its direct activities, both upstream and downstream. The complexity and interconnection of global and local value chains require the utmost vigilance to ensure compliance with the main principles of the Global Compact as well as ethical, social, environmental and climatic requirements.

Lactalis is mobilizing its entire ecosystem, and its suppliers in particular, to meet these challenges. The company is implementing a Responsible Purchasing Policy based on ethical, fair and sustainable business relationships with its partners.

#### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

Aware of the social risks present across the agri-food value chain, Lactalis works to identify, prevent and manage the key issues affecting all workers who contribute to its activities.

As part of the analysis of impacts, risks and opportunities, three material topics were identified:

- Lactalis' exposure to situations of human rights violations and incidents in the value chain;
- value sharing and fair payment practices in the value chain;
- working conditions and well-being at work in the value chain.

A literature review and targeted interviews were conducted to identify the major social and human issues affecting workers in Lactalis' value chain, particularly in relation to its main raw materials and the exposure of workers in its supply countries. 15 main raw materials were selected based on purchase volumes, country of origin, typology and an initial overall analysis of associated social risks, to provide a representative overview of Lactalis' upstream value chain.

These are:

- milk;
- packaging: aluminum, glass, plastics and paper/cardboard;
- non-dairy agricultural raw materials: cane sugar, palm oil, cocoa, strawberries, apples, oranges, mangoes, vanilla, coffee and soybeans.

This analysis covered major risks related to forced labor, child labor, discrimination, Health & Safety, working conditions, social dialog and compensation for each of the raw materials studied.

To account for regional specificities in its analysis, Lactalis assessed the countries of origin of its main raw materials using the *Resilience for Future tool* <sup>(1)</sup>. This tool relies on recognized public databases to measure exposure to risks such as forced labor, child labor or discrimination. In countries classified as high or very high risk, an additional analysis was carried out to identify the underlying factors, such as local contexts, types of jobs involved, exposed commodities or specific employee characteristics. This work made it possible to precisely target the most vulnerable regions and employee populations, both in terms of milk production and the other key raw materials used by Lactalis.

Overall, agricultural raw materials are more exposed to social risks (human rights and labor violations), due in particular to seasonal employment during harvest periods. In addition, the majority of commodities considered in this study expose workers in the value chain to physical work that can lead to musculoskeletal disorders.

Among the key raw materials (excluding milk) taken into account in the study, cocoa, coffee, palm oil (and derivatives) and vanilla are the commodities most at risk, due to the existence – within these channels – of forced labor and/or child labor, poor working conditions and low pay. Lactalis' exposure to these human rights risks has therefore led the company to identify potential negative impacts that may exist in its value chain.

1) *Resilience for Future*, Deloitte (2025).

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Summary table of material impacts, risks and opportunities related to workers in the value chain

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>HUMAN RIGHTS VIOLATIONS AND INCIDENTS IN THE VALUE CHAIN</b>					
Negative impact	<b>Exploitation of workers</b> in the case of forced labor or child labor. Seasonal employees and women are more exposed.	Upstream	ST/MT	Workers	Potential
Negative impact	<b>Short-term or long-term injuries</b> as a result of a workplace accident related to a one-time incident.	Upstream	ST/MT	Workers	Potential
Negative impact	<b>Development of disabilities or occupational illnesses</b> related to continuous exposure to risky working conditions.	Upstream	MT/LT	Workers	Potential
<b>VALUE SHARING AND FAIR PAYMENT PRACTICES IN THE VALUE CHAIN</b>					
Positive impact	<b>Improvement of well-being</b> through the <b>fair compensation of workers</b> in the value chain, or <b>improved job security</b> through adequate payment practices and stable business relationships that enable them to secure long-term incomes.	Upstream	MT/LT	Workers	Actual
Risk	<b>Reputational risks</b> linked to <b>passing on increases in the purchase price of milk</b> to the selling price of Lactalis products.	Upstream	ST/MT	N/A	
Risk	<b>Operational risks in the event of poor dialog</b> with partnering farmers or disagreements over the purchase price of milk.	Upstream	ST/MT	N/A	
Risk	<b>Increase in raw material costs</b> due to inflation or new regulations that affect prices.	Upstream	ST/MT	N/A	
Opportunities	<b>Strategic opportunity to meet customer expectations</b> on fair value sharing, particularly in the milk value chain.	Upstream	ST/MT	N/A	
Opportunities	<b>Strategic opportunity to develop strong business relationships</b> with suppliers to secure purchasing volumes.	Upstream	ST/MT	N/A	
<b>WORKING CONDITIONS AND WELL-BEING AT WORK IN THE VALUE CHAIN</b>					
Negative impact	<b>Deterioration in well-being</b> linked to psychosocial risks for workers in the value chain, whose working conditions, organization and relationships affect their long-term physical and mental health. Seasonal workers are particularly at risk.	Upstream	ST/MT	Workers	Potential

Legend: short-term (ST); medium-term (MT); long-term (LT).

**POLICY**

The Responsible Purchasing Policy is a key lever of Lactalis' CSR approach, aimed at building honest, fair and respectful relationships with its suppliers. Lactalis guarantees equal treatment of existing and potential suppliers, as well as transparent and impartial selection processes based on explicit criteria.

Lactalis has formalized its Responsible Purchasing Policy through several documents, in particular:

**1. The Supplier Code of Conduct.**

Since 2022, Lactalis has been rolling out its Supplier Code of Conduct: this document aims to communicate Lactalis' vision and ambitions in terms of ethics and sustainability to all its suppliers (excluding dairy farmers), and is based on compliance with:

- the 10 principles of the United Nations Global Compact;
- the United Nations Universal Declaration of Human Rights;
- the conventions of the International Labour Organization;
- the OECD Guidelines for Multinational Companies.

The Supplier Code of Conduct applies to all supplier employees, agents and subcontractors who interact with Lactalis on behalf of suppliers throughout the value chain.

The Supplier Code of Conduct details the conduct to be adopted with regard to the following topics:

- regulatory compliance;
- business conduct;
- human rights employment practices;
- food quality and safety;
- the environment;
- animal welfare;
- protection of information.

This Code of Conduct is sent to suppliers, who are invited to familiarize themselves with it and adhere to these principles. In the event of proven non-compliance by a supplier with these principles, Lactalis may decide to withdraw or delist the supplier.

**2. Thematic policies that establish clear expectations for human rights compliance across the value chain. This is particularly the case for the group's palm oil policy.**

**3. A whistleblowing system is also open to third parties and reports can be made *via* the group's website;**

To meet these commitments, the company is building a CSR dialog with the relevant suppliers. In its specifications, the group is implementing more stringent requirements concerning the origin or certification of raw materials for certain purchasing categories.

**ACTION PLAN**

Lactalis ensures that its purchasing activities are carried out in compliance with strict ethical and professional standards: to this end, the Purchasing teams and all employees involved in trade relations with suppliers are regularly trained in these standards.

The mapping of CSR risks in Lactalis' supply chains, conducted by Purchasing experts, was updated and extended to cover the company's entire value chain as part of the work on impacts, risks and opportunities.

The social risks specific to its value chain were identified and assessed for all purchasing categories according to:

- the significance of the risk for the product category;
- the level of risk management at Lactalis.

The risk level associated with social issues was cross-referenced with the purchase volume to determine the priority purchasing categories.

Since 2024, Lactalis uses the Sedex platform to mitigate the environmental and social risks related to its suppliers. A network of 20 internal Sedex correspondents in 18 countries has been created. Training and awareness-raising sessions were conducted for internal Sedex correspondents and buyers.

The Group Purchasing Department conducted a comprehensive review of direct global suppliers on Sedex. Lactalis has therefore assessed the maturity of these suppliers on social issues and identified the main supplier-related risks

In the next phase, the Group Purchasing Department will extend this work to indirect global suppliers and local suppliers.

In 2026, Lactalis will conduct an analysis to prioritize the actions to be taken by cross-referencing the results of suppliers on the Sedex platform with the findings of the Impacts, Risks and Opportunities analysis. This analysis will clarify Lactalis' objectives for workers in the value chain.



**Arthur APPIA**

CSR and Human Rights  
Project Manager

**Renaud GUILBERT**

Global Sourcing Category  
Director - Paper Based  
Packaging Materials

**Why is Sedex essential for Lactalis as a supplier?**

**A.A.:** We have a responsibility to ensure that our products are manufactured under ethical and safe conditions. Sedex provides us with a detailed, site-by-site view through self-assessment questionnaires and independent on-site audits

These audits, together with the resulting corrective actions, enable us to improve our practices, strengthen our teams' skills and reinforce customer confidence. For us, Sedex is a real tool for continuous improvement.

**And why use Sedex to assess our suppliers?**

**R.G.:** We chose Sedex because the assessment is carried out at each supplier site, not just at group level. Audits conducted by accredited organizations provide essential credibility for our duty of care.

**A.A.:** As for the audits carried out at Lactalis' industrial sites, once published, they are accessible to all our customers. This is Sedex's collaborative principle, which avoids the need for multiple audits.

**What were the major developments in 2025?**

**R.G.:** In 2025, we strengthened our vigilance approach by carrying out a complete inventory of our direct suppliers on Sedex. The majority of them were already engaged in the platform.

Mapping their maturity on ethical issues and security made it possible to specify our main supplier risks. The analysis resulting from the questionnaires and audits now guide our continuous improvement strategy.



**We have a responsibility to ensure that our products are manufactured under ethical and safe conditions.**

**So what are the priorities for 2026 and 2030?**

**R.G.:** In 2026, our priority is to continue raising awareness among our customers. They must be able to discuss these issues naturally with their suppliers and encourage them to make progress. The goal is for all direct suppliers and the main indirect suppliers to be assessed or audited by 2030. As Lactalis continues to evolve year after year, this work will never be entirely finished, yet the target is achievable.

**A.A.:** We are aware that we have a complex value chain. The Sedex verification experience can only work if the requirements we ask of our suppliers are realistic and pragmatic. This approach will determine the strategy for responding to the future CS3D directive, which will strengthen regulatory expectations in the value chain.

As far as our industrial sites are concerned, we will work to better structure our group response processes, which necessarily involves the establishment of group governance to address related subjects such as a human rights policy.

**In conclusion**

**R.G.:** Compared to other companies, we started working with Sedex later, but today we are fully committed to the approach which strengthens the confidence of our customers and other stakeholders, particularly financial stakeholders, and supports the group's long-term growth.

**A.A.:** This work structures our value chain. This is a collective effort: purchasing, CSR and suppliers are moving forward together.

## 4.3 CONSUMERS

Consumer issues, and more specifically food safety, are at the heart of our know-how. Lactalis is working to meet their expectations and bring the benefits of dairy products through:

- safe products with a recognized superiority;
- an accessible and balanced diet, in particular by working on the sugar and salt content of products and on the simplicity of recipes;
- responsible marketing practices, particularly in terms of consumer information.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

In this context, Lactalis has deepened its analysis of the issues specific to consumers and end-users, in line with its purpose - "Nurture the future." As the world's leading dairy group and a family-owned company, Lactalis draws on a strong heritage of quality, deep expertise in dairy processing and a diversified portfolio of local and global brands to offer products that combine nutritional quality, accessibility and pleasure, while respecting public health priorities.

#### Identification process for consumer-related IROs

The identification and characterization of consumer-related IROs is based on:

- the double materiality work carried out at group level;
- interviews with internal experts (nutrition, R&D, quality, marketing, CSR, regulatory affairs, communication) and subsidiary representatives;
- the review of scientific literature and recommendations from international organizations (FAO, WHO, etc.);
- the company's internal policies and charters, in particular the Nutritional Policy and the Responsible Marketing Charter.

This approach covers the entire downstream value chain (product design, formulation, information, marketing, marketing communication, product use) in the countries in which Lactalis operates.

#### Material topics related to consumers

Four material topics have been identified for consumers and end-users:

- product safety;
- the nutritional quality of products;
- responsible marketing practices;
- consumer education.

Product safety remains Lactalis' top priority in order to produce and distribute products that are safe for consumers and comply with current international and local regulations and standards, and to strive for excellence without ever compromising on the safety, compliance and quality of products and services.

#### Nutritional quality of products

For Lactalis, meeting consumer expectations and guaranteeing good nutritional quality of products means combining simplicity, taste, safety and nutritional requirements, taking into account:

- nutrients to be limited (added sugars, salt, certain fatty acids);
- essential nutrients to cover (high-quality proteins, calcium, vitamins and minerals);
- portion sizes and frequency of consumption as part of an overall balanced diet.

The potential risks identified are mainly related to the excessive or unbalanced consumption of certain products high in sugar, salt or saturated fat, in connection with lifestyle habits that are generally not conducive to good health. They can contribute to an increased risk of obesity, diabetes or cardiovascular disease, particularly in populations that are already vulnerable.

#### Responsible marketing practices

Marketing and communication practices are a key lever for enabling informed food choices in an environment where there are a large number of commercial messages. Given its international reach and the diversity of its brands, Lactalis recognizes that its level of responsibility matches its level of influence

The IROs identified relate to:

- reputational and financial risks in the event of exaggerated or unsubstantiated claims ("greenwashing" or "health-washing") or business practices perceived as irresponsible.

#### Consumer education and information

Lactalis believes that access to reliable information and basic nutrition education is an essential lever for consumers to fully exercise their right to adequate food.

#### Most sensitive populations and products

The identified impacts, risks and opportunities concern all consumers, with increased attention to vulnerable populations: children and infants, the elderly, pregnant women and people with weakened immune systems or chronic conditions (such as obesity, diabetes and cardiovascular disease), as well as populations living in regions characterized by widespread malnutrition or severe food insecurity.

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Specialized products (infant nutrition, medical nutrition, products to combat malnutrition in older adults, and specialized nutrition) are particularly relevant, given the specific nutritional needs of the consumers they are intended for and the role these products can play in preventing or correcting specific deficiencies.

Everyday dairy products (milk, raw milk cheeses, yogurts, butters, creams) are also relevant because of their positive nutritional contributions and the risks associated with their excessive or unbalanced consumption. In fact, excessive consumption of foods high in sugar, salt or saturated fat, combined with a sedentary lifestyle, remains a major obstacle to adopting a balanced diet.

#### Summary table of material impacts, risks and opportunities related to consumers

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>PRODUCT SAFETY</b>					
<b>Negative impact</b>	<p><b>Health risks to consumers related to food safety and/or incidents involving food contact materials</b></p> <p>Any food safety breach, such as biological hazards (e.g., bacteria, yeast, mold and viruses), chemical hazards (e.g., cleaning agents, antibiotic residues), physical hazards or foreign objects (e.g., metal, glass, wood, insects) and allergens (e.g., nuts, eggs), can pose serious health risks to consumers (e.g., foodborne illnesses: failure to comply with food safety standards can lead to contamination, causing outbreaks of foodborne illnesses, product recalls and legal consequences).</p> <p>These impacts also include <b>contamination by materials in contact with food</b> (used in production equipment and packaging). The use of packaging (e.g., plastic, paper, cardboard) and the migration of chemicals from packaging (e.g., lacquer layers, ink) throughout the life cycle of dairy products further increase the potential dangers for these vulnerable consumer groups.</p>	Downstream	ST/MT	Consumers	Potential
<b>Risk</b>	<p><b>Legal risk related to non-compliance with food safety and health standards</b></p> <p>Legal risks, convictions and fines in the event of penalties for violations of health and safety standards or sanitary standards that compromise product safety and consumer health.</p>	Downstream	ST/MT	N/A	
<b>Risk</b>	<p><b>Operational risk related to health issues that may lead to recalls or production disruptions</b></p> <p>Operational risk in the event of health problems that could compromise food quality and safety, leading to product recalls, plant or production facility closures and loss of certifications.</p>	Operations Downstream	ST/MT	N/A	

4. SOCIAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<p><b>Strategic and reputational risk related to food safety incidents impacting consumer confidence</b></p> <p>The reputational risk associated with food safety incidents can trigger a health scandal with serious consequences for Lactalis' reputation. In addition to the immediate damage to the brand image, the resulting loss of consumer confidence may have long-term strategic repercussions, likely to harm Lactalis' market position and its commercial performance.</p>	Downstream	ST/MT	N/A	
<b>Opportunities</b>	<p><b>Business opportunity thanks to operational anticipation of changes in food standards enabling increased product safety</b></p> <p>Ability to anticipate emerging risks and align product safety with changing food standards, preparing plants for new regulations while enabling market expansion and the creation of additional revenue streams.</p>	Downstream	ST/MT	N/A	
<b>NUTRITIONAL QUALITY OF PRODUCTS</b>					
<b>Negative impact</b>	<p><b>Adverse health effects of excessive or unbalanced consumption of certain dairy products (nutritional composition and use of additives)</b></p> <p>Excessive or unbalanced consumption of dairy products high in added sugars, saturated fats and salt may, when it is part of a lifestyle that is generally not conducive to health, contribute to increasing the risk of obesity, diabetes, cardiovascular disease and stroke.</p>	Downstream	ST/MT	Consumers	Potential
<b>Positive impact</b>	<p><b>Improved health through the nutritional qualities of dairy products</b></p> <p>Positive effect on consumer health linked to the natural benefits of regular consumption of dairy products integrated into a balanced diet: intake of high-quality proteins, calcium, magnesium, potassium, phosphorus and vitamins A, B2, B12 and D, as well as the attention paid by Lactalis to the nutritional quality of its recipes (sugar and salt management, simplicity of ingredient lists, portion sizes). Children and adolescents, young women and consumers, sometimes with calcium deficiencies (pregnant women, the elderly, postmenopausal women) particularly benefit from Lactalis products.</p>	Downstream	ST/MT	Consumers	Actual

4. SOCIAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Positive impact</b>	<p><b>Improved consumer health through nutritional products adapted to the needs of local populations</b></p> <p>Positive impact on consumer health through the adaptation of products to the specific needs of a region or population (analysis of local nutritional deficiencies and gaps, targeted fortification and developing products for key life stages such as infant nutrition, malnutrition among the elderly and medical nutrition).</p>	Downstream	ST/MT	Consumers	Actual
<b>Risk</b>	<p><b>Reputational risks related to negative assessments of the nutritional quality of dairy products (salt, sugar, nutritional profile, use of additives and ingredients used)</b></p> <p>Risk to Lactalis' reputation in the event of an unfavorable nutritional assessment by consumer panels, digital applications (e.g., Yuka) or as part of the development of rating systems (e.g., the French "nutritional score"), in a context of increased sensitivity among consumers and stakeholders to the salt, sugar or additive content of products.</p>	Downstream	ST/MT	N/A	
<b>RESPONSIBLE MARKETING PRACTICES</b>					
<b>Risk</b>	<p><b>Reputational risk related to insufficiently substantiated environmental, societal, or nutritional claims</b></p> <p>Reputational risk if certain claims (e.g., about nutrition, recyclability, environmental impact or other societal commitments) are not fully substantiated by the company's practices or are perceived as exaggerated.</p> <p>This could be likened to greenwashing or misleading communication, compromising consumer confidence and Lactalis' credibility.</p>	Downstream	ST	N/A	

4. SOCIAL INFORMATION

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>Risk</b>	<p><b>Reputational risk related to a decline in investor confidence due to commercial or marketing practices deemed irresponsible</b></p> <p>Reputational risk in the event of insufficient supervision of sales and marketing practices (e.g., ambiguous messages, inappropriate targeting of vulnerable populations, non-compliance with commitments not to directly target children under 13 years of age, unfounded comparisons). Such practices could impact the confidence of investors, bankers and other financial partners, and ultimately limit the company's ability to invest.</p>	Downstream	ST	N/A	
<b>CONSUMER EDUCATION</b>					
<b>Opportunities</b>	<p><b>Business opportunity through consumer education and promotion of healthier lifestyles</b></p> <p>Opportunity to build consumer trust and loyalty by positioning itself as a reference partner in health and nutrition. By raising consumer awareness of nutrition, responsible consumption and portion sizes, and by offering appropriate product ranges (e.g., reduced levels of sugar, salt and fat, fortified products), Lactalis can contribute to public health, strengthen its responsible brand image and support sustainable sales growth.</p>	Downstream	MT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

### 4.3.1 FOOD SAFETY

At Lactalis, Food Quality and Safety are an absolute priority. The company is committed to:

- producing and distributing products that comply with applicable international and local regulations and standards;
- striving for excellence without ever compromising on the safety, compliance and quality of its products and services in all the countries in which it operates.

With this in mind, a clear *Act for Quality* strategy has been established and rolled out across all group sites.

The Lactalis teams use all of their expertise to obtain and strengthen consumer confidence by establishing fundamental principles of Food Quality and Safety on a global scale and applying them locally.

#### POLICY

“*Act for Quality*, because we care” is the Food Quality and Safety Policy established by a team of Quality Directors from a range of backgrounds and geographical areas, who are involved in different product categories.

The company has established a clear ambition: at Lactalis, Food Quality and Safety are an absolute priority.

Quality must be a shared mindset for all of us at all times. It is recognized by everyone: customers, consumers, employees and partners (suppliers, authorities, etc.)

The Food Quality and Safety Policy within Lactalis covers the entire process and value chain, from product design to product purchasing, supply, production, storage and marketing, including the relationship with consumers.

It applies to all subsidiaries, production sites, storage and research and development centers, and covers all products.

This policy, developed in 2022, is characterized by continuity: pursue what is working well and accelerate other topics. It is based on four clear and crucial pillars to meet the vision: “Offering healthy, tasty and accessible products which bring people together, to consumers all over the world.”

The Quality Policy is also based on four mindsets that embody the attitudes and behaviors that Lactalis wishes to promote in order to strengthen the Quality culture:



## 4. SOCIAL INFORMATION

The commitments in terms of Food Quality and Safety were also revised in 2022 and have been approved by the CEO of Lactalis. These commitments aim to:

1. guarantee safe products that comply with current regulations and standards;
2. offer tasty products that consumers prefer. Design and improve the products to always meet their expectations in terms of taste and nutritional benefits, and thereby contribute to internal and external growth;
3. be efficient and strive for excellence. Implement performance and continuous improvement processes across all operations, to offer our consumers the best quality at the best price;
4. encourage everyone (employees and partners) to enhance their expertise and leadership, feel responsible, work as a team and collaborate to achieve our Food Safety and Quality Objectives.

The Lactalis standards, which describe the operating methods and monitor scientific progress and regulatory changes, are aligned with the FSSC 22000 and ISO 22000 food quality and safety management systems and are backed by a risk analysis.

### ACTION PLAN AND RESULTS

#### Ensuring that products are safe and compliant

Throughout the various sites, rigorous control and analysis plans are deployed to verify product compliance in two crucial areas: food safety and product standardization.

Lactalis implements a food safety management system at its industrial sites that complies with GFSI standards and is based on the ISO 22000, FSSC 22000, IFS, BRC or SQF standards.

The share of industrial activities certified according to GFSI standards or to ISO 22000 has been increasing steadily over the past five years.

	Base year 2020	2024	2025	Target
Percentage of industrial activities certified according to at least one of the 5 certificates: ISO 22000, FSSC 22000, IFS, BRC or SQF (%)	81%	88%	89%	100% in 2026

Our indicator has risen steadily since 2020, rising from 81% to 89% in 2025. In this past year, seven additional sites obtained their first GFSI certification. Furthermore, the momentum observed over the past two years is mainly due to the harmonization of certifications and the shift to FSSC 22000: 46 sites obtained their first FSSC 22000 certification, *i.e.* 16% of plants.

Each region has now established its roadmap to achieve the objective set for 2026, with a particular focus on Brazil and Latin America.

#### Offering consumers tasty products

In 2025, the *Passion for Taste program* took another step forward in its development within Lactalis. The ambition to cultivate consumer preference through the taste, smell and texture of products was strengthened, with the establishment of 444 flagship products, compared to 301 in 2024.

The sites are regularly audited, internally and by independent third parties. Lactalis has developed risk anticipation and management programs as well as internal and external laboratory management programs.

The Quality Department keeps the group's food quality and safety risks analyses up to date, taking into account emerging and proven hazards, their assessment and management through the Scientific Monitoring Department.

Lactalis has developed risk anticipation and management programs as well as internal and external laboratory management programs. This process covers all inputs, production processes and finished products.

The list of resulting hazards is kept up to date at group level and communicated to production sites.

At the sites, hazard analyses and risk assessments are carried out using the HACCP method: each site is required to adapt the list of hazards regularly updated by Lactalis based on site-specific characteristics and local specificities and requests, and to put in place a prevention plan and a control plan.

Lactalis regularly assesses the performance of its production sites:

- internally: at group level, a team of experts is responsible for supporting the sites through consulting and training to develop expertise and quality audits. These audits are carried out in accordance with group standards and can be specific to a given theme if necessary;
- externally: *via* independent third parties based on GFSI-type food safety standards. Lactalis has set itself the objective of certifying all its production sites GFSI or ISO 22000 by 2026.



This major increase reflects the Group's commitment to offering tasty and recognized products in all its markets.

Expanding the portfolio of flagship products remains a major challenge for the sensory teams, who are fully mobilized to support this ramp-up. In several countries, such as Brazil, the United States and Malaysia, new tasting panels have been set up to ensure rigorous and regular organoleptic monitoring. In other regions, efforts this year focused on structuring foundational projects, including the creation of sensory analysis laboratories (such as in Algeria), which are critical for developing internal panels and implementing harmonized evaluation methodologies.

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Thanks to this momentum, more than fifty of the new flagship products are already monitored by qualified sensory juries. This progress illustrates the teams' ability to adapt and Lactalis' desire to maintain high standards, serving consumer trust and long-term satisfaction.

### FOCUS ON PRODUCT AWARDS

In 2025, a large number of medals were awarded to recognize the passion and expertise of Lactalis employees:

the 2025 *Concours Général Agricole* awarded 51 medals to Lactalis dairy and cheese factory teams in various categories, including: cheese, butter and cream (16 gold medals, 24 silver medals and 11 bronze medals);



### Being efficient and striving for excellence

Lactalis uses monitoring indicators to drive continuous improvement. With this in mind, Lactalis is gradually deploying management tools connected to production sites. This approach aims to simplify and strengthen the efficiency of quality processes while improving the reliability of information reporting at Group level.

Throughout the value chain, from the moment raw materials are received to delivery to the store, Lactalis carries out a multitude of quality controls and tastings.

By measuring real-time quality, reviewing results, setting targets and performing internal audits, Lactalis identifies discrepancies and eliminates defects to ensure a product of consistent and high quality.

Since 2022, Lactalis has been deploying a single and common system for recording and processing consumer contacts: Zendesk.

At the end of 2025, 76% of complaints included in the reporting system are now managed by this tool (excluding recent acquisitions).

In 2025, the Group continued to expand the system, notably in **Croatia**, within the **Italian Milk** division and in **Sweden**.

In 2026, the priorities will be twofold:

- extend the geographic deployment of Zendesk;

- strengthen its functionality through the introduction of AI (such as automated reading of traceability data from product photos sent by consumers and suggested responses for call-center agents based on similar cases) and through the development of a BI reporting tool to enable a more in-depth data analysis and make this information available to all countries within its scope.

### Strengthening expertise and leadership, and developing the quality culture

#### Expertise

A major challenge is to ensure the maintenance and sharing of know-how and expertise across all of the company's production sites. Several initiatives have been launched on the theme of training to strengthen quality expertise and leadership.

#### Leadership

Four pillars of Quality Leadership are established, with training courses deployed to the community of Quality Directors:

- act as a single team;
- speak with one voice;
- influence and engage;
- challenge the *status quo* and think differently.

#### Quality culture

Food quality and safety are built by applying Lactalis standards and the behaviors and mindset of employees, at all times and everywhere. The culture of food quality and safety is developed and strengthened:

- by ensuring the awareness-raising and training of employees and partners;
- by providing them with the means to succeed;
- by communicating openly and clearly;
- by engaging Management and managers.

In 2022, Lactalis launched an employee information and awareness-raising campaign on its "Act for Quality, because we care" strategy. In 2025, Lactalis continued to roll out its Quality Policy across all its sites through several actions.

In November 2025, Global Quality Week was celebrated under the theme "Think differently." The event was characterized by activities led by quality managers at each site, complemented by a dedicated day organized by the central quality teams. Two webinars were also organized for the quality community, bringing together more than 400 participants.

That same month also marked the launch of the SharePoint *Act for Quality*, which has already recorded more than 2,000 connections since its opening. Designed to enhance interactivity and simplify communication, this centralized space facilitates access to essential content, highlights achievements and brings quality to life using animated visuals, event highlights and interactive resources.

It has become a rallying point for the entire quality community and its stakeholders, offering a dynamic, modern and shared platform.



**Isabelle LEMARIÉ**  
Group Performance and Quality Projects Director



**Quality is not just a technical requirement; it is a collective responsibility and a promise made to our consumers and customers.**

**How does the Performance and Quality Projects team contribute to Lactalis' CSR mission?**

**I.L.:** The activity of the Performance and Quality Projects team contributes directly to Lactalis' CSR approach, in particular its second pillar, **"Offering healthy, tasty and accessible products."** In concrete terms, we act at several levels, in particular through the following levers (non-exhaustive list):

- **Supplier quality and co-manufacturing:** we develop long-term, balanced partnerships to guarantee the compliance, quality and safety of ingredients and packaging, in close collaboration with the Purchasing teams.
- **Sensory analysis:** we ensure each product delivers a unique taste experience, so the flavor promise is always fulfilled. The *Passion for Taste* program illustrates this ambition by training our teams in the art of tasting and by establishing expert, trained panels to guarantee excellence.
- **Quality culture strengthened by the growing importance of expertise on a global scale:** we invest in skills development *via* specific training courses and lead unifying events such as *World Quality Week*, which mobilized 400 participants during two webinars and inspired actions in almost all countries.

These initiatives reflect our conviction that quality is not only a technical requirement, it is a collective responsibility and a promise made to our consumers and customers. By doing so, we are helping to build a future where every Lactalis product embodies health, pleasure and trust.

**What are the outlook and ambitions for 2026?**

**I.L.:** The first pillar of the *Act for Quality* strategy is to ensure that safe and compliant products are brought to market.

To achieve this, Lactalis deploys a food safety management system at its sites that complies with the GFSI (Global Food Safety Initiative) standards.

One of the major objectives of our strategy is to achieve 100% certification of our industrial sites according to at least one of the five recognized standards: ISO 22000, FSSC 22000, IFS, BRC or SQF.

This approach contributes to better control of food safety risks through high standards and regular internal and external audits. It is also a guarantee of trust for our customers and the authorities.

By the end of 2025, nearly 90% of our sites were already certified. Every country and every zone has incorporated this objective into its respective roadmap. To support sites in obtaining certifications, the Group Quality Department implements several key actions:

- developing diagnostic and assessment tools;
- providing training to facilitate the deployment and structuring of management systems;
- drafting reference procedures in accordance with the requirements of the standards;
- actively participating in external audits when necessary.

In 2026, our ambition is clear: to achieve 100% certification in order to strengthen food safety and strengthen our stakeholders' confidence. Thanks to the commitment of our teams and implementation of robust tools, we are confident in our ability to meet this challenge.

### 4.3.2 NUTRITION

Since its creation, Lactalis has been driven by a passion for dairy products and the conviction of their essential role in a healthy and balanced diet. Lactalis also believes that pleasure is a fundamental driver for achieving a balanced diet over the long term.

Eating well starts with choosing quality products and ingredients that people enjoy cooking and sharing. This is why Lactalis is committed to combining taste, quality and nutritional requirements in each recipe. Lactalis' teams constantly seek the right balance between the taste, simplicity and nutritional composition of products, particularly in terms of fat, sugar and salt.

Lactalis believes that the search for a balanced diet goes beyond simply limiting certain nutrients. It aims to meet essential nutrient needs, recognizing the place, role and nature of each food. Particular attention must be paid to portion sizes and frequency of consumption, which are decisive: it is the overall composition of a plate that matters and fully justifies the place of dairy products in the diet.

Lactalis firmly believes that education on healthy eating practices plays a crucial role in achieving a balanced diet. As such, the Group's brands offer a variety of recipes and raise consumers' awareness of the importance of a varied diet and regular meals, especially when shared with family, benefits that have been demonstrated by numerous studies.

#### POLICY

Lactalis intends to contribute to the promotion of health in accordance with the United Nations 2030 Agenda for Sustainable Development. This daily commitment of Lactalis' teams is based on four guiding principles.

#### Controlling added sugar and salt content

Lactalis bases its nutritional policy on recommendations by the World Health Organization (WHO). Particular attention is paid to added sugars in fresh dairy products and flavored milks, for which Lactalis has established strict internal recommendations. As far as salt is concerned, its role is essential in cheese technology (microbiological stability, development of taste) and calls for caution before any modification. In addition, the diversity of cheeses available and their varying salt content already allow consumers, through their choices, to adapt their sodium intake to their needs. However, for processed cheeses, whose formulation is naturally more flexible, optimizations are possible and governed by specific internal recommendations.

#### Offering simple compositions

Faced with growing demand for less-processed products, Lactalis is committed to offering recipes with shorter ingredient lists, favoring natural and easy-to-understand ingredients. Dairy products, often produced through traditional processes, naturally meet this expectation. Lactalis aims to simplify its more complex recipes whenever feasible and uses additives in a measured way, strictly within regulatory limits.

#### Promoting clear information and guiding consumers toward appropriate portion sizes.

Lactalis is committed to providing clear, comprehensive and easy-to-understand nutritional information on its products. In addition, the company actively participates in the work of professional federations to help improve industry standards, and in particular advocates for establishing reference portion sizes. Convinced that helping consumers reclaim portion control is essential to a healthy diet, Lactalis already promotes the widespread display of portion information on its packaging, providing clear benchmarks rather than leaving individuals without any reference point.

#### Promoting the place of dairy products in a sustainable and balanced diet

As a major source of calcium and high-quality protein, and with a unique nutrient density, dairy products have their place in international dietary recommendations. Lactalis is committed to promoting their nutritional value and their essential role in the transition to more sustainable food systems.

#### ACTION PLAN

##### Monitoring added sugars and salt

- **Sugars:** Lactalis has established internal recommendations based on a maximum total sugar content for flavored milks, ultra-fresh products and dairy desserts. The compliance of branded products is monitored annually. In addition, to prevent young children from becoming accustomed to sweet flavors, sweeteners should be used only sparingly and without increasing the sweetness intensity. In most cases, the preferred approach is to reduce sugar levels without compensating with other ingredients.
- **Salt:** internal recommendations govern the use of salt in Lactalis' processed cheese recipes (excluding recipes based on naturally saltier cheeses such as blue cheese or parmesan). Compliance with these thresholds is also rigorously monitored each year.

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### Simplification of recipes

Since 2019, an internal classification of additives has guided Lactalis' R&D and Marketing teams. They are committed to phasing out a selection of "additives to be removed" in order to improve and simplify recipes. Changes in the residual volume of products containing these additives are monitored annually.

### Consumer information

- **Labeling:** Lactalis is committed to providing systematic nutritional labeling. When the packaging is too small or the distribution channel requires it, Lactalis ensures information is available by other means, notably digitally.
- **Portions:** to help consumers, Lactalis is committed to providing information on recommended portion sizes. When possible, Lactalis translates these portions into practical units (e.g., 2 slices), common measure (e.g., 1 tablespoon) or *via* cutting marks on the packaging.

### Promotion of the nutritional role of dairy products

Convinced of the importance of the role of dairy products in a balanced diet, Lactalis promotes the rationalized consumption of dairy products through several initiatives:

- active participation in the discussions and actions of dairy associations;
- raising employee awareness to develop their dairy culture;
- educating its customers on the importance of dairy products in a balanced diet.

## RESULTS

	2024	2025
Percentage of volumes in line with internal sugar recommendations for ultra-fresh and milk categories (%)	88%	88%
Percentage of volumes in line with internal salt recommendations for processed cheese categories (%)	78%	82%

\* Data relating to a scope representing 80% of branded revenue (excluding infant & specialty nutrition and B2B ingredients).

### Monitoring the removal of ingredients to be removed as a priority

The 2025 usage levels of ingredients to be removed, considered on an individual basis, are all still below 1% of the monitored volume. The overall volume of these priority ingredients continued to decrease in 2025 compared with 2024.

### 4.3.3 RESPONSIBLE COMMUNICATION OF LACTALIS BRANDS

As a major player in dairy products, Lactalis recognizes that its responsibility also extends to its brand communications. They aim to encourage the adoption of healthy and sustainable lifestyles and diets, enabling consumers to make informed choices based on clear, transparent and responsible information.

This commitment is formalized in a Responsible Marketing Charter, which establishes the principles and areas for improvement that Lactalis intends to implement at international level. This internal approach is strengthened by external commitments, notably through Lactalis' active participation in the work of the *Union des Marques*, reflecting the Group's determination to improve practices and standards.

## 4. SOCIAL INFORMATION

### POLICY

Lactalis' Responsible Marketing Policy governs all forms of communication aimed at promoting its brands. It is based on strict principles, with the exception of infant formulas (0-3 years old), which follow a specific commitment charter.

- **Loyalty, Clarity and Transparency:** all communication must be clearly identifiable as advertising and attributable to the Lactalis brands. It must be simple, easy to understand and must not disguise its commercial intent. All claims must be based on verifiable facts and comply with the principles of fair competition.
- **Consumer protection:** communications must in no way incite dangerous, illegal, anti-social behavior or any form of discrimination or denigration.
- **Reliability of nutritional information:** nutrition and health claims must be based on recognized scientific foundations and comply with local regulations or, failing that, with the international standards of the CODEX Alimentarius.

- **Product communications for children:** Lactalis believes that parents are primarily responsible for their children's food choices. To support them, Lactalis undertakes not to directly target children under the age of 13 in its advertising. Consequently, Lactalis does not buy any media space where more than 30% of the audience is made up of children under the age of 13.

### ACTION PLAN

The deployment of this policy is accompanied by targets and performance monitoring:

- ensure the deployment of the Responsible Marketing Charter by the marketing teams in the countries where Lactalis operates;
- specifically monitor, on a yearly basis, the absence of a media buying budget specifically targeting children under 13 years old.

### RESULTS

	Target	2025
Media buying budget specifically targeting children under 13 years of age (euros)	0	0

Source: M.I.L.K. - Global Media Investment Monitoring Tool - Total 2025.

# 5. INFORMATION ON GOVERNANCE



## 5.1 BUSINESS CONDUCT

Against a backdrop of heightened scrutiny regarding ethics, transparency and compliance, companies are being held accountable for how they fulfill their economic and social responsibilities. It is in this context that Lactalis structures its business conduct, deploys its animal welfare approach and contributes to rural and regional development.

### IMPACTS, RISKS AND OPPORTUNITIES

The double materiality analysis and description of the risk identification processes are presented in section 2.4 / Impact, risk and opportunity management, p. 24.

True to its model based on the autonomy of its subsidiaries, Lactalis is committed to implementing a local CSR approach based on concrete initiatives carried out on the ground.

Following the double materiality analysis, the priority topics in terms of governance are:

- value chain transparency and commitment;
- political engagement and lobbying activities;
- business ethics;
- animal welfare;
- attractiveness of the agricultural sector;
- corporate governance;
- stakeholder engagement;
- territorial and rural development and Lactalis' economic contribution.

#### Summary table of material impacts, risks and opportunities related to business conduct

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>VALUE CHAIN TRANSPARENCY AND COMMITMENT</b>					
<b>Positive impact</b>	<b>Positive impact of traceability and transparency of the value chain on people and the environment</b> By promoting traceability and transparency in its value chain, Lactalis can prevent and avoid social and environmental damage (such as deforestation or human rights violations), particularly in high-risk sectors such as palm oil, soybeans, cocoa and milk.	Upstream Operations Downstream	MT	Suppliers Farmers Employees Distributors Consumers Society Public institutions Investors	Potential
<b>Risk</b>	<b>Financial penalties and legal risk in case of non-compliance</b> with regulations in place, such as the duty of care and product traceability obligations.	Upstream Operations Downstream	MT	N/A	
<b>Risk</b>	<b>Reputational risk</b> in case of <b>social or environmental damage</b> in the value chain.	Upstream Operations Downstream	MT	N/A	
<b>Risk</b>	<b>Business risk</b> related to a <b>lack of transparency and traceability</b> in the supply chain, which could prevent Lactalis from reacting quickly in the event of a crisis situation (e.g., salmonella contamination).	Upstream Operations Downstream	MT	N/A	
<b>Opportunity</b>	<b>Opportunity to secure the supply of raw materials</b> , thanks to improved supplier engagement and traceability.	Upstream	MT	N/A	

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Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>POLITICAL ENGAGEMENT AND LOBBYING ACTIVITIES</b>					
<b>Opportunity</b>	<b>Strategic opportunity to protect the interests of Lactalis</b> , and the dairy sector in general, in terms of regulations, subsidies, etc.	Upstream Operations Downstream	ST/MT	N/A	
<b>BUSINESS ETHICS</b>					
<b>Negative impact</b>	<b>Negative impacts</b> associated with potential <b>incidents involving practices contrary to business ethics throughout the value chain</b> : loss of business opportunities for stakeholders, legal liability for the stakeholders involved, tax evasion affecting stakeholders, etc.	Upstream Operations Downstream	ST/MT	Suppliers Farmers Employees Distributors Society Investors	Potential
<b>ANIMAL WELFARE</b>					
<b>Negative impact</b>	<b>Negative impact</b> of certain <b>farming practices on animal welfare</b> , in particular in certain geographies for milk and egg production.	Upstream	ST/MT	Suppliers Farmers	Actual
<b>Risk</b>	<b>Business risk</b> arising from <b>new regulations or customer requests</b> impacting specific production systems, requiring for example more space or grazing time for livestock, forcing Lactalis to withdraw from certain sectors or terminate relationships with certain farmers. Europe, mountain regions and the PDO sectors are most vulnerable.	Upstream	ST/MT	N/A	
<b>Risk</b>	<b>Reputational risk</b> stemming from public criticism, particularly on social media, of dairy farmers who supply Lactalis and are accused of poor animal welfare practices.	Upstream	ST/MT	N/A	
<b>Opportunity</b>	<b>Opportunity to ensure a stable supply of milk</b> , as animal welfare practices generally lead to an increase in both the quantity and quality of milk produced. The commitment to animal welfare in partnership with Lactalis would also help secure long-term contracts for milk and eggs.	Upstream	ST/MT	N/A	
<b>ATTRACTIVENESS OF THE AGRICULTURAL SECTOR</b>					
<b>Positive impact</b>	<b>Encouraging generational renewal</b> , thanks to Lactalis' contribution to the sector's attractiveness, by maintaining local agricultural activities and providing sustainable opportunities for farmers.	Upstream	MT	Suppliers Farmers Society	Potential

5. INFORMATION ON GOVERNANCE

Type of IRO	Description of the IRO	Position in the value chain	Time horizon	Affected stakeholders	Actual/Potential
<b>CORPORATE GOVERNANCE</b>					
<b>Positive impact</b>	<b>Potential positive impact of Lactalis' governance on sustainability issues</b> and, consequently, on people and the environment. As a family business, Lactalis is wholly-owned by members of the Besnier family, which reduces the risk associated with shareholder expectations regarding potential changes in the share price driven solely by financial considerations.	Operations	ST/MT	Employees Society	Potential
<b>Risk</b>	<b>Reputational risk related to opaque governance</b> , in particular for external investors, which may lead to a loss of confidence and consequently more restrictions on the part of banks.	Operations	ST/MT	N/A	
<b>STAKEHOLDER ENGAGEMENT</b>					
<b>Positive impact</b>	<b>Potential positive impact on people and the environment, as stakeholder engagement enables the improvement of Lactalis policies</b> By taking stakeholders' points of view into account, Lactalis can establish more relevant and appropriate policies that do not threaten stakeholders or the environment	Upstream Operations Downstream	ST/MT	Suppliers Farmers Employees Distributors Society Public institutions	Potential
<b>Risk</b>	<b>Reputational risk due to a lack of involvement of the relevant stakeholders</b> , especially if they publicly express their opposition to a project, for example.	Upstream Operations Downstream	ST/MT	N/A	
<b>TERRITORIAL AND RURAL DEVELOPMENT AND LACTALIS' ECONOMIC CONTRIBUTION</b>					
<b>Positive impact</b>	<b>Strengthening rural communities</b> , in particular employment and social dynamism, through Lactalis' partnerships with local farmers and other actions to support them.	Upstream	ST/MT/LT	Suppliers Farmers Society	Actual
<b>Opportunity</b>	<b>Opportunity for Lactalis, as a major employer, to attract employees and potential candidates</b> and to build a positive image through its contribution to the local economy.	Upstream Operations	ST/MT/LT	N/A	
<b>Risk</b>	<b>Short-term operational risk that may evolve into a long-term business risk</b> , linked to Lactalis' dependence on rural development for its supply of agricultural raw materials.	Upstream	ST/LT	N/A	

Legend: short-term (ST); medium-term (MT); long-term (LT).

### 5.1.1 FAIR PRACTICES

In an environment characterized by uncertainty and increasing risks of all kinds, corruption, anti-competitive practices, non-compliance with data protection and international economic sanctions affect companies, restrict free competition and hamper economic development.

As a major player in the dairy industry, Lactalis has an important responsibility in conducting business properly and affirms its desire to act in accordance with the laws and regulations in force.

#### POLICY AND ACTION PLANS

Lactalis has set up compliance programs relating to fair practices, the prevention of corruption, personal data protection and the prevention of anti-competitive practices, as well as compliance with local and international regulations.

The policies (Lact@Policies and Lact@Rules), translated into many languages, apply to all Lactalis employees and, for some, to its commercial partners. They enable the dissemination of best practices and help establish good behavior.

These best practices are shared with employees through policies and procedures, but also through dedicated training

and regular awareness-raising, particularly digital, and rolled out through an international network of Legal Directors in the subsidiaries.

In 2022, Lactalis launched its whistleblowing system ("Lact@lert"), which enables it to handle, in strict confidentiality thanks to a secure tool, all reports of possible violations of best practices of the group's internal rules and procedures or of applicable laws. This system has been updated in order to comply with the obligations of the European directive on the protection of whistleblowers.

A Group Compliance Committee has been set up to efficiently process reports received on Lact@lert. It is composed of representatives of the Legal Affairs and Audit Department, Audit, Risk and Compliance Department, and the Human Resources Department, and manages and investigates reports received through the whistleblowing system in a neutral and impartial manner. The Group Compliance Committee is covered by a strict confidentiality obligation and reports regularly to the Lactalis group's management bodies.

Local committees have been set up within the subsidiaries to manage reports on a local basis in order to be closer to the business and to employees.

RESULTS

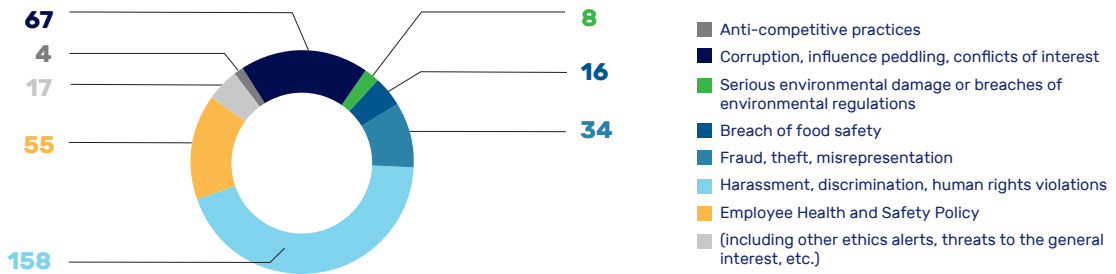
## COMPLIANCE STATISTICS

### NUMBER OF ALERTS 2025\*

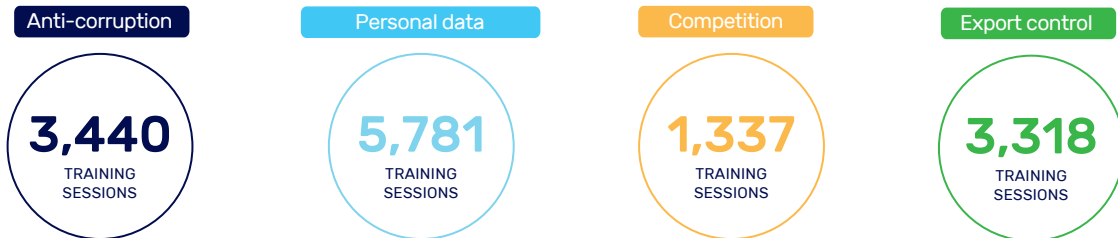


\* Based on a Lact@lert deployment covering 49 countries, 94% of the Group's revenue and 90.4% of its full-time equivalents (FTEs).

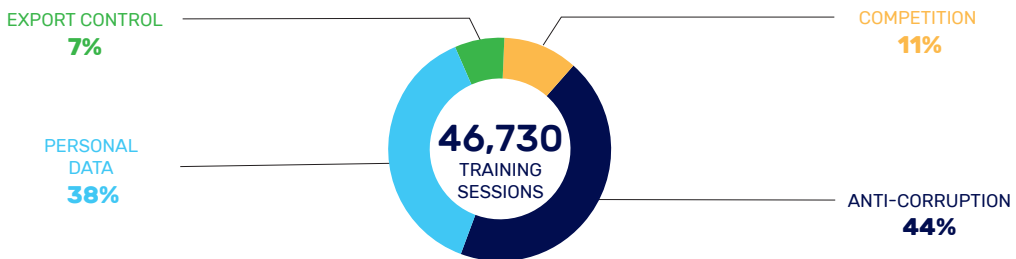
### BREAKDOWN OF ALERTS BY CATEGORY



### NUMBER OF TRAININGS CARRIED OUT IN 2025



### BREAKDOWN OF TRAINING - TOTAL 2020-2025\*



\* Mandatory digital training rolled out from 2020.

## 5.1.2 RELATIONSHIPS WITH FARMERS

The FAO classifies milk as the third most produced agricultural raw material in the world, coming from nearly 130 million farms and generating hundreds of millions of direct and indirect jobs, primarily in rural areas.

Lactalis is the world's second-largest collector, collecting around 23.1 billion liters of raw milk per year in nearly 50 countries and in partnership with some 300,000 farmers.

Although there are a multitude of situations depending on the countries in which the group operates, there are three main types of collection relationship between Lactalis and the farmers:

- **direct collection**, the approach favored by the group: Lactalis enters into direct, individual contracts with farmers. Collections are made at each farm, and partnering farmers receive regular visits from their Lactalis dairy technician, who can provide advice and technical recommendations to help them develop their business. This organization allows Lactalis to work closely with farmers. This approach exists in many countries. This is the case in France, for example, but with a specific feature: the majority of dairy farmers are grouped together in producer organizations in order to negotiate milk prices and contract terms;
- **indirect collection**: Lactalis does not enter into contracts directly with individual farmers but with intermediary organizations, which may be private companies or agricultural cooperatives. In this type of arrangement, the volumes purchased, the quality criteria and the prices are discussed with the intermediary organization and not with each individual farmer. This is the case, for example, in Germany and Sweden;
- **market purchasing**: in some countries, the collection of milk is centralized by local authorities. In these situations, Lactalis does not strictly speaking collect the milk but buys the quantities necessary for its activities on a "market," at a given price. This is notably the case in Canada. In this type of arrangement, Lactalis endeavors to maintain relations with partnering farmers through regular discussions with their representatives.

The transportation of milk between farms (or milk collection centers, see below) and Lactalis sites can be done based on two main methods, regardless of the type of collection relationship between Lactalis and the partnering farmers:

- **internally**: the trucks are owned by Lactalis and the dairy drivers are group employees. This method is, for example, used in France and Spain;
- **externally**: Lactalis uses third-party transportation companies. In rare cases, the transportation may be provided by the farmers themselves, such as in the United States for instance, where some farmers have their own trucks.

Finally, Lactalis has a network of more than 650 milk collection centers which allow it to collect milk from partnering farmers in the most isolated areas, helping it to boost local economies and societies.

## ACTION PLAN

Several actions enable Lactalis to develop close relationships with the farmers who supply the milk the group processes daily:

### Providing technical support to farmers

Lactalis wants to develop its support policy for partnering farmers. As a world leader in dairy, Lactalis has a responsibility to develop its business activities while implementing an organizational principle that makes it possible to meet the objectives of sustainability and profitability.

Thus, Lactalis notably supports farmers through training and technical days. For example:

- in **Brazil**, Lactalis regularly organizes field days and training for partnering farmers in its 5 different milk collection regions; on average, 10 days are organized per year and per region. These technical days are planned according to the demand in each region, and topics are chosen according to the needs of partnering farmers. Meetings generally take place on farms;
- in **France, Germany, the United Kingdom and Italy**, Lactalis regularly offers training to partnering farmers, primarily to enhance their skills in terms of animal welfare (see section 5.1.3 / Animal welfare) and carbon footprint (see section 3.1 / Climate change).

In addition to providing technical skills, these various training courses, whether online or preferably face-to-face, are a way of creating links between partnering farmers. Discussions between peers are a lever for creating farming communities and a vector of social ties in rural areas.

In 2025, as part of its climate strategy, Lactalis implements pilot farms in several countries in which the group operates; it is an opportunity to organize more training courses, technical days and to strengthen the sharing of best practices among partnering farmers.

### Strengthening the bond and providing a perspective for the future

Lactalis recognizes the importance of cultivating mutual understanding with the stakeholders in its supply chain.

Therefore, in order to promote dialog and to strengthen the proximity between Lactalis and its partnering farmers, several actions are implemented. For example, in many countries such as in **France, the United Kingdom, Australia** and the **United States**:

- information meetings are organized at least once a year to discuss various topics such as milk economics and volumes aspects as well as CSR related topics;
- Lactalis sends monthly newsletters to its partnering farmers in order to provide technical information related to the economic situation, the milk price, new regulations or CSR;
- Lactalis factory visits are regularly organized for the partnering farmers.

## 5. INFORMATION ON GOVERNANCE

### Promoting the profession of dairy farmer and contributing to its attractiveness

Lactalis strives to promote the farming profession, both in its communications with producers themselves as well as with the general public. For example:

- In **France**, Lactalis highlights the best practices of certain partnering farmers directly on its Producers portal and in the quarterly magazine *Rencontres*, distributed to all farmers delivering milk to Lactalis in the country;
- In **Australia**, the **United States** and **France**, Lactalis regularly launches communication campaigns for the general public highlighting their partnering farmers, their daily work and achievements through videos or interviews published, for example, on social media.

### Contributing to the renewal of generations of farmers: recruiting and supporting young people

Ensuring that new generations of farmers are coming up is an important issue for Lactalis in a context marked by the decline in milk collection in several countries and the falling attractiveness of the profession of dairy farmer. In this context:

- in the **United Kingdom**, Lactalis offers a technical support to young farmers to ensure that they are provided with tools and sufficient technical assistance when they start their profession. The group also connects the young farmers with existing farmers so that they are offered technical advice and some mentoring.
- in **France**, Lactalis offers support to partnering farmers during the set-up phase by allocating volumes of milk to be produced according to the proposed projects. Young farmers can also benefit from price reductions on agricultural supplies and equipment, and technical support from Lactalis dairy technicians.

### WOMEN FIELD DAY IN BRAZIL

In Brazil, Lactalis continues its commitment to supporting the development of stakeholders in the dairy sector through the annual *Women Field Day*, an event that is now firmly established as part of the company's support program for partnering dairy farmers. This initiative aims to recognize the essential contribution of women to agricultural activities and to strengthen their strategic role in the management of dairy farms.

Each year, the event brings together women producers from different regions and offers them a comprehensive program that combines skills development, experience sharing and the promotion of female leadership. The participants were able to benefit from:

- technical and educational sessions dedicated to milk quality, animal welfare and operational farm management;
- collaborative workshops and discussion circles designed to strengthen women's leadership and build their confidence in rural decision-making;
- opportunities for female producers to share experiences, fostering the creation of a supportive and inspiring network within communities.

As key players in the transition to more responsible practices, they contribute directly to the continuous improvement of quality, performance and sustainability in the dairy sector.



### 5.1.3 ANIMAL WELFARE

As the world's leading dairy group, Lactalis pays special attention to all the animals in its supply chain, in particular to the approximately five million dairy animals (cows, sheep, goats and buffalos) producing the milk the group processes daily.

Lactalis fully recognizes and respects them as sentient beings, capable of feeling emotions, that deserve both physical and mental health: contributing to their welfare is a responsibility for Lactalis.

Moreover, animal welfare is a cornerstone for the sustainability of the group's activities. Indeed, there is a close link between animal welfare and milk production. For example, a cow needs sufficient access to food and water, sufficient bedding space, good hygiene, etc. to produce high quality milk. Therefore, ensuring animal welfare is part of the daily work of the employees managing Lactalis milk supply, as well as that of the group's partnering farmers.

#### POLICY

Lactalis has published its animal welfare policy since 2022, with the objectives of ensuring that animals have a good life, meeting the expectations of its stakeholders (clients, customers, NGO, etc.), and helping to improve the performance of its partnering farms. The group aims to apply this policy to all the animals in its supply chain, regardless of the related finished product. The version in force concerns three main products of animal origin in the group's supply chain: raw milk (dairy cows and calves), dairy ingredients (dairy cows and calves) and shell eggs and egg products (laying hens) used as ingredients.

#### Raw milk (dairy cows and calves)

The group has made five main commitments concerning cow raw milk:

#### 1. Ensuring that all its partnering farms are not responsible of any acts of animal cruelty and comply with local and international regulations

Lactalis has zero tolerance regarding animal cruelty and illegal practices. In order to strengthen the internal management of animal mistreatment cases, the group has identified two opportunities for improvement in the medium term:

- training all employees in contact with partnering farms on animal cruelty avoidance;
- formalizing an internal procedure to clearly address situations where a Lactalis partnering farm is identified as having engaged in animal cruelty and/or illegal practices.

#### 2. Enrolling direct partnering farms<sup>(1)</sup> (and indirect ones where possible) in a process of continuous improvement, phasing out the most problematic practices and implementing the best ones

This continuous improvement process is mainly based on:

- awareness-raising and training actions for both partnering farms and Lactalis dairy technicians;
- a Lactalis Animal Welfare Assessment Program to identify the areas of improvement of each farm and to recommend the most relevant improvements actions. This program is based on farm assessments every three years, based on measurable criteria to assess compliance with the internationally recognized "Five Freedoms" of animal welfare.

As a first step, the group has focused its efforts on its direct volumes<sup>(2)</sup> in 11 pilot countries<sup>(3)</sup> (representing around 43.1% of its total cow raw milk collection worldwide) and on 10 animal welfare topics. Specifically, within these 11 pilot countries, the group has committed to:

- training 100% of its dairy technicians in animal welfare best practices by the end of 2023, through the internationally recognized CowSignals® training program;
- assessing 100% of its direct volumes by the end of 2025;
- prioritizing its work on the following sensitive topics: tethering, bedding space, calves in groups, access to pasture, effective species-specific environmental enrichment, growth hormones, antibiotics, disbudding/dehorning, tail docking and animal derived proteins in feed.

Since 2024, Lactalis has extended its efforts to its direct volumes in 10 additional countries<sup>(4)</sup> representing around 10.7% of its total cow raw milk collection worldwide). Specifically, within these 10 additional countries, the group has committed to:

- training 100% of its dairy technicians in animal welfare best practices by the end of 2024, through the internationally recognized CowSignals® training program;
- assessing 100% of its direct volumes by the end of 2027;
- prioritizing its work on the same sensitive topics listed above.

1) A farm supplying raw milk to Lactalis is considered as "direct" if a) There is an individual contract between Lactalis and the Farm Manager and/or b) Lactalis can propose to the Farm Manager individually, a plan to improve his farming practices, without having obtained a prior formal agreement of any third party (e.g. a cooperative). Otherwise, the farm is considered as "indirect" (including farms supplying milk to Lactalis via "brokers").

2) A volume of collected raw milk is considered as "direct" when coming from a "direct" farm (see previous note). Otherwise, the volume is considered as "indirect" (including volumes coming from "brokers" and "spot milk").

3) Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi subsidiary acquired in 2023), Spain, Sweden, United Kingdom and United States of America (excluding the Midwest Yogurt subsidiary acquired in 2025).

4) Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding the subsidiaries Sequeira acquired in 2024 and Tavares acquired in 2025), Romania, Slovenia, South Africa (excluding the Cremora subsidiary acquired in 2025), Switzerland and Türkiye.

**3. Advocating for the implementation, deployment and reinforcement of ambitious national animal welfare standards**

The group is engaged to contributing to the development of ambitious national animal welfare standards and regulations. Its objectives are as follows:

- concerning the direct partnering farms, the group aims to collaborate with governments, international organizations, professional federations, industry and other stakeholders to work collectively on some animal welfare issues that cannot be fully addressed by the Lactalis Animal Welfare Assessment Program alone;
- concerning the indirect partnering farms where the group does not have the possibility to implement the Lactalis Animal Welfare Assessment Program, the aim is that all of them are covered by ambitious national standards and/or regulations.

**4. Collaborating with its stakeholders to improve scientific knowledge and develop innovations on animal welfare**

As farm practices change and stakeholders’ expectations grow, there is a need to improve scientific knowledge of animal welfare and develop new solutions that are adapted to the different production systems.

That is why the group is committed to supporting and participating in research and development projects to improve animal welfare.

**5. Reporting publicly and annually on its actions and progress**

The group is committed to having transparent communication on the fulfilment of the four commitments described above. Each year, the group publishes a Lactalis Animal Welfare Progress Report.

**Dairy ingredients (dairy cows and calves)**

Regarding dairy ingredients other than raw milk (e.g. milk powder), the group’s “animal welfare” approach is part of its Responsible Purchasing Policy overseen by the Group Purchasing Department.

In the context of this policy, Lactalis’ dairy ingredients suppliers must adhere to two documents:

- the Supplier Code of Conduct, which details the conduct to be adopted with regard to various topics, including animal welfare. This Code of Conduct is sent to suppliers, who are invited to familiarize themselves with it and adhere to these principles. In the event of non-compliance, if the supplier does not implement effective corrective actions, Lactalis may decide to withdraw or discontinue its relationship with the supplier;

- a Food Quality and Safety Charter for ingredients, dairy raw materials and packaging. By signing this charter, suppliers undertake to accept Lactalis audits for validation, assessment and follow-up purposes.

**Shell eggs and egg products (laying hens)**

The group uses shell eggs and egg products as ingredients in some recipes, especially in dairy desserts.

Like for dairy ingredients, the group’s “animal welfare” approach on shell eggs and egg products is part of its Responsible Purchasing Policy overseen by the Group Purchasing Department.

In concrete terms, the group has set the following commitments for its sourcing of shell eggs and egg products used as ingredients<sup>(1)</sup>:

- in the European Union, the group has committed to stop purchasing shell eggs and egg products coming from caged systems (“Code 3”) by the end of 2021;
- at global level, the group has committed to stop purchasing shell eggs and egg products coming from caged systems (“Code 3”) by the end of 2025.

**ACTION PLAN**

**Raw milk (dairy cows and calves)**

In 2025, the group has focused its efforts on implementing its Animal Welfare Policy in the 21 countries mentioned above.

**• Training of dairy technicians on animal welfare**

In collaboration with the CowSignals® Training company (based in the Netherlands), Lactalis has set up a one-and-a-half day training program for its dairy technicians since 2023. This program combines a digital module, a classroom session and a workshop on a dairy farm with a CowSignals® Master (internal or external expert). It is refreshed every three years.

Since 2024, all the dairy technicians in the 21 countries are trained in CowSignals®<sup>(2)</sup> at least once every 3 years, i.e., around 260 technicians trained in total. More precisely, in 2025, 33 new technicians received the CowSignals® training and 9 have been refreshed.

Wherever possible, Lactalis prefers to use internal CowSignals® Masters rather than external CowSignals® Masters. This is the best way to provide CowSignals® training and to communicate Lactalis’ expectations on animal welfare to all the group’s dairy technicians around the world, in local languages. Since 2023, 24 Lactalis employees therefore went to the CowSignals® training center in the Netherlands and received 4 days of CowSignals® Master training. As licensed CowSignals® Masters, they are official trainers and have all the knowledge, skills, and tools to train Lactalis technicians on animal welfare best practices.

1) Excluding potential purchases of eggs and egg products used by R&D departments and excluding acquisitions of less than 3 years.  
 2) Except for a few technicians who were absent at the time of training and will be trained in 2026.

- **Assessment of direct partnering farms on animal welfare**

Since 2021, Lactalis has launched a group initiative to assess the animal welfare of dairy cows and calves in its direct volumes. As there is no single international standard in this area, the group has developed an internal assessment method. This method is inspired from recognized assessment protocols and programs such as the *Welfare Quality Assessment Protocol for cattle* and has been discussed with international NGO specializing in animal welfare. It is based on an on-farm visit lasting 2 to 3 hours, during which a Lactalis dairy technician trained for this purpose (or, in rare cases, an external service provider commissioned by Lactalis and trained for this purpose) collects and analyses around 100 data points. It includes measurable criteria assessing the respect of the “Five Freedoms” for animal welfare.

In 2025, assessments were continued in the 11 pilot countries and around 4,100 direct farms were assessed according to the Lactalis internal assessment method. In total, 84.8% of the direct farms have been assessed at least once during the last 3 years, i.e., around 10,900 farms and 89.7% of the direct volumes of milk collected by Lactalis in these 11 countries. Despite the significant work carried out by Lactalis dairy technicians over the past 3 years, these results are slightly below the group's commitment to assessing 100% of its direct volumes in the 11 pilot countries by the end of 2025. This is mainly due to two factors: (i) in Brazil, a significant number of farmers started supplying milk to Lactalis for the first time in 2025, and the dairy technicians were not able to assess them all before the end of the year and (ii) in France, although all Lactalis' partnering farmers have been assessed according to ambitious national standards, some farmers under specific contracts (such as the ones producing organic or PDO milk) could not be assessed according to the Lactalis internal assessment method. Lactalis will therefore continue its efforts in 2026 to achieve its goal of having 100% of farmers assessed.

In parallel, assessments were also continued in the 10 additional countries that joined the approach since 2024. In 2025, around 900 direct partnering farms were assessed, bringing the total number of farms assessed at least once since 2024 to around 1,500, i.e., 45.6% of the direct farms and 43.3% of the direct volumes of milk collected by Lactalis in these 10 additional countries. These results are also slightly below the group's expectations (internal commitment at 50% of the direct volumes assessed by the end of 2025) but Lactalis is confident in its ability to achieve its commitment to assess 100% of its direct volumes in the 10 additional countries by the end of 2027.

- **Assessment of indirect partnering farms on animal welfare**

Regarding its indirect volumes, Lactalis aims to ensure that the animal welfare of dairy cows and calves is regularly assessed, as a minimum, according to ambitious national standards. To this end, the group is using two main levers: on the one hand, it is advocating for ambitious national standards and, on the other, where national standards are less demanding than the group's expectations, it is engaging discussions with its suppliers of indirect volumes (mainly cooperatives) with a view to deploying the Lactalis internal assessment method.

Thus, at the end of 2025, 61.7% of Lactalis' indirect volumes in the 21 countries (representing around 37.0% of its total cow raw milk collection worldwide) are regularly assessed for animal welfare according to the Lactalis internal assessment method or an ambitious national standard.

- **Awareness-raising and training of partnering farms on animal welfare**

Lactalis Country Milk Supply Departments regularly carry out various animal welfare awareness-raising and/or training actions for partnering farms, regarding both direct and indirect volumes. These actions can take many different forms and cover the various sensitive topics relating to the welfare of dairy cows and calves.

As a first step in raising farmers' awareness, in most of the countries, Lactalis produces technical sheets, guides and newsletters on good animal welfare practices for its partnering farmers. For example, in 2025:

- in **Spain**, a 70-page technical guide on cow's milk production which includes a dedicated section on animal welfare (alongside two other sections on carbon footprint and milk quality), was produced. The animal welfare issues addressed include antibiotic use and best practices for rearing calves in groups. This guide will be distributed to all partnering farmers in early 2026;
- in **Belgium**, technical sheets on several topics related to animal welfare (e.g., selective dry cow therapy, access to pasture or disbudding best practices) were made available to dairy technicians for distribution to partnering farmers when necessary;
- in **Australia**, newsletters were created and sent to all partnering farmers on a quarterly basis. Among the topics addressed, a dedicated animal welfare section was included in each newsletter (e.g., colostrum management and disbudding best practices).

As a second step to further raise farmers' awareness, Lactalis regularly organizes training sessions and meetings with its partnering farmers on good animal welfare practices. For example, in 2025:

- in **Brazil**, 19 training courses (named the “Field Days”) were held to share various best practices with the farmers, including those relating to animal welfare (e.g., group housing for calves, cow's comfort). A total of 500 farmers participated in the training (for more details, see below the interview of a *Field Days* organizer and a partnering farmer who participated in the training);
- in **France**, 5 training sessions on disbudding good practices led by vets were organized throughout the year. 43 partnering farmers were trained, bringing the total number to 165 farmers trained since the beginning of this program in 2022;

## 5. INFORMATION ON GOVERNANCE

- in **Germany**, external experts led an online workshop on pasture management for organic partnering farmers. 20 farmers participated and best practices and regulation in the country were shared with them;
- in the **United States** (Lactalis US Yogurt subsidiary), an online meeting for partnering farmers on group calf-rearing practices was organized. The session was led by external experts and 15 farmers participated;
- in **Slovenia**, the group organized the third edition of its "Best Barn / Naj Hlev" animal welfare competition to raise awareness on the topic among farmers and the general public. A dedicated website was developed by Lactalis Slovenia ("Ljubljanske mlekarne") to collect farmer's applications, and a jury of external and internal experts was set up. The jury shortlisted 8 finalists and visited them in person. It then awarded two prizes: "Best barn" and "Best sustainable barn". At the same time, video reportages were filmed on the 8 finalist farms, and members of the public were invited to vote for the "Champion of the people". The award ceremony was an opportunity for Lactalis Slovenia to organize a major event on animal welfare. It was introduced by the General Manager of Lactalis in Slovenia, brought together more than 130 representatives of farmers and cooperatives, and received significant media coverage.

### • **Advocacy and collaboration with stakeholders to work collectively on some animal welfare issues**

Lactalis is engaged to contributing to the development of ambitious national animal welfare standards and regulations. The group is indeed collaborating with governments, international organizations, industry and other stakeholders to work collectively on some animal welfare issues that it may not be able to address alone.

Since 2021, the group has been an associate partner of the *Welfare Quality Network*, which contributes, on a scientific basis, to the development of international animal welfare standards.

Moreover, in 2025 the following actions can be cited as examples:

- in **Australia**, Lactalis sponsored a project led by "Dairy Australia" (Australian national body for the dairy industry) to update some disbudding resources and develop and roll out in-person trainings for farmers. In 2026, a few Lactalis partnering farmers will be trained on the topic;
- in **Brazil**, Lactalis has been participating in a governmental program named "ABC+" to encourage sustainable agriculture. Several topics are on the agenda, including animal welfare good practices and improving communication with farmers. Lactalis plans to collaborate with ABC+ in 2026 to implement some projects related to regenerative agriculture and manure management, in particular through training sessions and field days.

### • **Collaboration with stakeholders to improve scientific knowledge and develop innovations on animal welfare**

Lactalis is committed to improving scientific knowledge on animal welfare through research and development (R&D) projects with external stakeholders.

For example:

- in **Italy**, Lactalis has been participating to an R&D (open innovation) project since 2024 to improve animal welfare through Precision Livestock Farming (PLF). It consists of installing sensors on dairy animals. By combining data collected from the sensors, with on-farm animal welfare assessment data, milk quality data and environmental data, it helps farmers to monitor the herd precisely on a daily basis, and eventually to anticipate actions to take to improve animal welfare and health. At the same time, the project aims to respond to the increasing demand from consumers to have more information about farming systems on a daily basis. 7 Lactalis partnering pilot farms are participating in this project. All data were collected at the end of 2025 and preliminary results are expected in early 2026 thanks to a validation from a third-party academia;
- in the **UK**, Lactalis has been collaborating with a major regional government-industry funded "Digital Dairy Chain" project, aimed at promoting a more sustainable dairy sector and strengthening the rural economy. Among the actions carried out in 2025, new "optimum" calf facilities designed by vets and experts in calf housing were established on one Lactalis partnering farm. At a subsequent open day, 20 other Lactalis partnering farmers visited to view the overall set-up as well as gathering specific practical tips that can be implemented without requiring major investments.

### • **Publication of the annual Lactalis Animal Welfare Progress Report**

In accordance with one of the commitments of its Animal Welfare Policy, the group published its annual progress report on animal welfare (*Lactalis Group Animal Welfare 2024 Progress Report*). This report provides an overview of the average performances of the direct farms in the 11 pilot countries, based on around thirty key performance indicators.

### Shell eggs and egg products (laying hens)

For several years now, Lactalis' global and local buyers have been engaged in discussions with suppliers of eggs and egg products used as ingredients by the group to ensure that all volumes purchased come from cage-free systems.

In the European Union, this is already the case for 100% of the volumes.

At global level, two countries (Turkey and Brazil) still had to convert their volumes to cage-free systems in order to meet the group's commitment to stop purchasing shell eggs and egg products coming from caged systems ("Code 3") by the end of 2025. Turkey did this conversion at the end of 2025. As for Brazil, the transition could not be completed in 2025 but has been approved for early 2026.



**Carlos Felipe LOS**

Lactalis Brazil  
partnering farmer

**Wilton TERNUS**

Agricultural specialist  
Lactalis Brazil

**Since 2023, you have been organizing the "Field Days" for Lactalis partnering farmers in Brazil. What do they consist of?**

**W.T.:** The *Field Days* are training sessions organized for our partnering farmers in Brazil to raise awareness and promote best practices on farms, including those related to carbon footprint, milk quality, and animal welfare (e.g., group housing for calves, best practices for disbudding, reducing antibiotic use, and improving cow comfort). Since their launch in 2023, we have been holding an increasing number of sessions each year. In 2025, we organized 19 *Field Days* across the country, bringing together nearly 500 farmers.

A typical *Field Day* takes place on one of our partnering farms and gathers around 26 farmers. Throughout the day, we alternate between classroom-style presentations and on-farm workshops. We also occasionally invite external experts, and for each session, we select topics based on the specific challenges faced in the region where the *Field Days* are being held.

**To what extent do the *Field Days* help raise farmers' awareness of animal welfare?**

**W.T.:** We believe that bringing together small groups of farmers during the *Field Days* is an effective way to raise awareness and encourage the adoption of improved practices. This format allows us to engage directly with farmers, fostering open discussions and stronger connections. Overall, feedback from our partnering farmers has been very positive, and we have observed a noticeable increase in their understanding of the topics addressed.

Many have expressed a genuine interest in implementing the recommended practices, particularly group housing for calves, improved disbudding management, and a conscious reduction in antibiotic use.



**The *Field Days* have been invaluable. For example, they provided practical guidance on improving animal comfort through better bedding management.**

Carlos Felipe Los comes from a family of dairy farmers spanning four generations. He began his own production in 2007, supplying one of the companies that later became part of Lactalis. In 2023, he relocated and began operating on a new farm.

**How did Lactalis support you through the *Field Days* to improve animal welfare on your farm?**

**C.F.L.:** The *Field Days* have been invaluable. For example, they provided practical guidance on improving animal comfort through better bedding management. We increased the depth of the bedding and now closely monitor the moisture levels of the wood shavings we use. This allows us to replace the material promptly, ensuring cows never have to lie down on wet or damp surfaces.

We also received training on modern calf management, including performing disbudding before 8 weeks of age using both analgesic and anaesthetic to eliminate pain.

**How does Lactalis support you in managing animal welfare, and what are your future plans for your farm?**

**C.F.L.:** I currently receive a monthly visit from a technical consultant. This support is essential for both technical and managerial follow-up. Together, we review various topics, including animal health, reproduction, and the growth of our calves and heifers.

Looking ahead, I plan to install a misting system along the feed line to improve cooling. At the moment, I only have one fan in the holding area, which I know is insufficient, so we are adding two more fans along with sprayers. For our dry cows, the goal is to build a dedicated barn where they can shelter from the sun during the hottest hours of the day, equipped with its own ventilation and misting systems.

**TARGETS AND RESULTS**

**Raw milk (dairy cows and calves)**

	<b>2024</b>	<b>2025</b>	<b>Target</b>
Percentage of dairy technicians in the 21 countries regularly trained in animal welfare using the CowSignals® method (at least once every 3 years) (%)	97.2%	<b>94.4%</b>	100%
Percentage of direct annual volume of collected cow raw milk in the 11 pilot countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once every 3 years) (%)	55.3%	<b>89.7%</b>	100% by 2025
Percentage of direct annual volume of collected cow raw milk in the 10 additional countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once since 2024) (%)	New indicator	<b>43.3%</b>	100% by 2027
Percentage of indirect annual volume of collected cow raw milk in the 21 countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method or an ambitious national standard (at least once every 3 years) (%)	61.1%	<b>61.7%</b>	/

National standards considered ambitious in terms of animal welfare for dairy cows and calves: ProAction (Canada), Charte des Bonnes Pratiques d'Élevage version 2022 (France), QM-Milch (Germany), ClassyFarm system (Italy), Certificado "Welfare" (Spain, Portugal), Red Tractor Assurance Scheme (United Kingdom), FARM program (United States), Keten Kwaliteit Melk-programma Protocol (The Netherlands). Given that the Swiss directives ("Directives techniques concernant la protection des animaux chez les Bovins") objectively enforce ambitious animal welfare standards, Swiss farms are also considered as regularly assessed on animal welfare.

Although significant progress has been made since Lactalis launched its Animal Welfare Policy in 2022, the company has not yet fully achieved its 2025 commitments:

- a little under 100% of its dairy technicians in the 21 countries have been trained in animal welfare using the CowSignals® method. This is because some technicians were absent at the time of the training, while others joined the company towards the end of the year and did not have time to be trained. They will undergo training in 2026;
- the target of 100% of the direct volumes collected in the 11 pilot countries assessed on animal welfare according to the Lactalis internal assessment method has not yet been met. This is mainly due to two factors: (i) in Brazil, a significant

number of farmers started supplying milk to Lactalis for the first time in 2025, and the dairy technicians were not able to assess them all before the end of the year and (ii) in France, although all Lactalis' partnering farmers have been assessed according to ambitious national standards, some farmers under specific contracts (such as the ones producing organic or PDO milk) could not be assessed according to the Lactalis internal assessment method. Lactalis will continue its efforts in 2026 to reach 100% of the farmers.

On the other hand, the results are encouraging in terms of the assessment of direct volumes in the 10 additional countries (the internal target for 2025 has almost been reached), as well as regarding the assessment of indirect volumes in the 21 countries.

**Shell eggs and egg products (laying hens)**

	<b>2024</b>	<b>2025</b>	<b>Target</b>
Percentage of annual volume of purchased shell eggs in the EU coming from cage-free systems (%)	100%	<b>100%</b>	100%
Percentage of annual volume of purchased egg products in the EU coming from cage-free systems (%)	100%	<b>100%</b>	100%
Percentage of annual volume of purchased shell eggs worldwide coming from cage-free systems (%)	100%	<b>100%</b>	100% by the end of 2025
Percentage of annual volume of purchased egg products worldwide coming from cage-free systems (%)	92.0%	<b>92.7%</b>	100% by the end of 2025

Worldwide: excluding Russia, excluding Belarus and excluding acquisitions of less than 3 years (e.g. the Marie-Morin subsidiary in Canada acquired in 2023).

In the European Union, Lactalis has reached its target of having 100% of its volumes of eggs coming from cage-free systems for a few years now.

At global level, progress has been made in 2025. Turkey has switched its purchases to cage-free systems at the end of 2025. Similarly, although not included in the results reported

above due to its recent acquisition (less than three years ago), the Marie-Morin subsidiary in Canada has also switched its volumes to cage-free systems during the year. At this stage, only one country has yet to convert its purchases: Brazil. This switch could not be completed in 2025 but has been approved for early 2026.

### SHEEP, GOAT AND BUFFALO WELFARE

Although cow's milk accounts for around 98.5% of Lactalis' global raw milk collection, the group also collects sheep's, goat's and buffalo's milk in a few countries (e.g., France for sheep and goats ; Italy and India for buffalos), for which it is also developing policies and actions to promote animal welfare.

#### Sheep and goats

In **France**, which accounts for around 72.7% of the volume of sheep's and goat's milk collected by Lactalis worldwide, animal welfare is an integral part of the *Culture Lait* initiative.

*Culture Lait* means *Milk Culture*. It is the name of Lactalis France's CSR approach to its milk supply. It aims to ensure sustainable milk production and is based on four key principles: respecting animals, preserving nature, guaranteeing quality, and strengthening the relationship with farmers. Originally developed for cow's milk, this continuous improvement approach has gradually been extended to sheep's and goat's milk.

- Regarding sheep, Lactalis has formalized and officially launched its *Culture Lait Brebis* initiative since 2023. As part of this initiative, Lactalis plans to assess all its partnering farms on animal welfare by the end of 2030. This assessment will be based on national guidelines and tools (*France Brebis Laitière* best practices charter and "OviWell" tool developed by the French livestock institute "IDEL") and on an additional Lactalis questionnaire. In 2026, Lactalis aims to train all its sheep technicians to carry out animal welfare assessments so that they can conduct them on the farms afterwards;

- Regarding goats, Lactalis has developed a diagnostic grid for animal welfare and milk quality. This grid was discussed with partnering farmers and an NGO specializing in animal welfare. Goat technicians were trained to carry out diagnostics and an IT tool was developed for this purpose. In 2025, 68 diagnostics were carried out, covering 46% of the Lactalis' goat partnering farms since the approach was launched in 2023. The aim is to reach 100% of goat farms covered by this diagnostic by the end of 2026. In addition, training sessions on disbudding best practices were organized for goat's partnering farmers (3 sessions led by vets and 33 farmers trained in 2025) and new sessions are planned for 2026.

#### Buffaloes

In **Italy**, which accounts for around 33.4% of the volume of buffalo's milk collected by Lactalis worldwide, a dedicated animal welfare approach was formalized and launched in 2023.

Among the actions carried out, 100% of the partnering farmers (i.e., around 40 farmers) are audited each year on animal welfare based on the Italian national standard "ClassyFarm". At the end of each audit, farmers receive a score from 0 to 100 (100 being the best one). In 2025, the average score was 83.3/100, representing an increase of 4 points compared to 2023. This improvement was mainly made possible through the organization of training workshops for farmers and intensive technical follow-ups. In 2026, with a view to continuous improvement, the objective is to continue routine audits.

## 5.1.4 ECONOMIC CONTRIBUTION AND RURAL AND TERRITORIAL DEVELOPMENT

The double materiality analysis conducted by Lactalis made it possible to define an additional material issue related to the economic contribution and rural and territorial development.

Lactalis wishes to contribute to the economic development of the regions in which it operates by providing support to local communities in particular. These local communities, defined by geographical proximity, are very diverse and can include employees, consumers and customers, partner farmers, local government authorities, suppliers as well as associations, academic institutions and medical players in the region.

By maintaining open dialog and paying particular attention to the expectations expressed locally, Lactalis strives to understand the concerns and needs of its stakeholders, fostering long-term, trust-based relationships. The company and its subsidiaries are committed to concrete solidarity actions adapted to the socio-economic realities of each region.

Lactalis reaffirms its commitment to acting constructively and fostering solidarity in the communities where it operates. Solidarity initiatives are carried out locally and in the various countries where the Group operates, at the discretion of the countries, regions and divisions.

Lactalis does not have a consolidated Group policy on this subject in 2025 but encourages and supports local projects.

### APPROACH

In 2025, the company's areas of focus revolved around the following issues:

#### Strengthening social cohesion and developing communities

- In **France**, cardiovascular disease is the leading cause of death in women. Since 2021, the Primevère brand has been committed to raising awareness and prevention among women, developing information tools and field actions to encourage the adoption of preventative behaviors. In 2024, Primevère strengthened its commitment to cardiovascular prevention for women by partnering with the "Women's Heart Bus," the largest mobile screening initiative dedicated to women. At each of the 16 stages of the initiative, the brand ran a nutritional advice space designed with the *Institut Pasteur* in Lille to support more than 4,000 women in achieving a more balanced diet and contribute to the creation of a national observatory for women's nutrition. This commitment has also been reflected in online initiatives, notably through the interactive "Assess Your Heart Health" and "Assess Your Diet" quizzes, which have attracted more than 279,000 participants, thereby raising awareness of cardiovascular risk factors.

## 5. INFORMATION ON GOVERNANCE

- In **Canada**, the Olympic Organic brand strengthened its commitment to communities and to organic farming through the “CARE for Communities” initiative. This initiative resulted in support for food banks in British Columbia and Alberta, as well as contributions to several organizations working to promote organic farming in Ontario, British Columbia and Alberta. This commitment resulted in financial donations totaling \$120,000 CAD (including \$50,000 CAD from an external partner).
- In **France**, the Lactel Foundation works to help families adopt healthy eating habits, starting with breakfast. In particular, it participates in national events such as *Journée des Oubliés des Vacances*, organized by *Secours Populaire*, during which it raised awareness among more than 5,000 children about the importance of a balanced breakfast through fun and educational workshops. The foundation also supports associations that help families adopt better eating habits and carries out awareness-raising actions among the general public through social media. In 2025, 50,000 breakfasts were provided, and since its inception, more than 177,600 people have been helped.
- In support of the WimBelemDon social project in **Brazil**, Lactalis mobilized its employees from the Teutônia offices and site to collect more than 200 books for the program's new public library, strengthening access to educational resources for children and adolescents in vulnerable situations.
- In **France**, the average amount of screen time of children aged 7 to 12 is 3.5 hours per day. Through its “Less Screen Time, More Life” program, developed in partnership with the *Fondation pour l'Enfance*, Lactel helps families adopt a more balanced approach to screen time and encourages them to create opportunities for shared moments in their daily lives. The initiative offers a wide selection of fun activities, simple ideas and practical tips to help children move, think and interact more. Built with the expertise of the *Fondation pour l'Enfance*, the program aims to raise parents' awareness of the issues related to digital overexposure and to promote more balanced family routines.

### Meeting basic needs and supporting vulnerable populations

- In **Brazil**, violence against women remains a major social issue, requiring accessible and safe support systems for victims. To help prevent such violence and facilitate access to immediate assistance, Lactalis Brazil has, since 2023, developed a support initiative integrated into its UHT milk packaging, in partnership with the Instituto Justiça de Saia. Using a QR code printed on more than a billion packages, women can access a free and confidential support unit available 24/7, bringing together volunteer professionals from the social, medical, legal and police sectors. Since the launch of the project, more than 580 cases have been supported, including 188 serious situations, and 210 new requests for assistance have been recorded. This initiative addresses the need for alternative reporting channels and helps improve access to emergency support for vulnerable women in the regions where Lactalis operates.
- In **India**, limited access to safe drinking water remains a major challenge for many rural communities, with direct consequences on public health. To remedy this, Lactalis has rolled out a program to provide access to drinking water by installing nine purification systems in several villages, providing filtered, safe and affordable water to around 17,000 beneficiaries. These facilities are managed locally by non-profit organizations on a pay-as-you-go basis, ensuring the sustainability of the service while empowering communities. Regular inspections are carried out to ensure the equipment is functioning properly. The project is currently underway, and there are plans to install new purification systems to strengthen sustainable access to safe drinking water. This initiative directly contributes to reducing the health risks associated with contaminated water and improving quality of life in rural areas.
- Since 2020, Lactalis **France** has been a partner of *Les Restos du Cœur*. In 2025, this corporate sponsorship partnership was renewed through a financial donation, in-kind donations made throughout the year and employee participation in the national fundraising drive held annually on the first weekend of March. In addition, Lactalis France is committed to financially supporting *Les Restos du Cœur*'s Early Childhood program, and more specifically to helping the association meet the hygiene needs of 0-3 year olds. The program's goal is to combat the poverty cycle by providing support tailored to the needs of children aged 0-3 and their parents. Moreover, Lactalis France strengthened its partnership by also offering the association in-kind support through more than €500,000 in product donations.
- In **Italy**, Lactalis supported National Food Collection Day by providing food banks with a fleet of vans driven by its volunteer employees. In 2025, more than 90 employees drove around thirty vehicles to collect and transport donations to local warehouses.
- In **Scotland**, Lactalis' "Galloway" brand continued to support communities through the “Gathering” project. Since 2022, and in partnership with FareShare, the United Kingdom's largest food redistribution charity, this initiative has focused on fighting food insecurity and social isolation. In 2025, the project distributed the equivalent of more than 92,000 meals.

# 6. 2025 VIGILANCE PLAN

## 6.1 INTRODUCTION

Created in 1933 by André Besnier in Laval, Lactalis has been a family business for three generations. With dairy and cheese know-how developed since the company was founded, and strengthened as it has grown, Lactalis offers consumers a wide range of dairy products in all categories: cheeses, liquid milk, yogurts, chilled dairy products, butter and cream, powdered formula and milk for infants and adults, clinical nutrition products and dairy ingredients.

As a major player in the dairy industry, Lactalis has an important responsibility for the proper conduct of business and affirms its desire to act in compliance with the laws and regulations in force, and in particular the law of March 27, 2017, on the duty of care of parent companies.

## 6.2 GOVERNANCE

The vigilance plan is defined and coordinated by a working group in charge of vigilance, comprising the CSR, Quality, and Crisis Management Department and the Compliance and Competition Service within the Legal Affairs and Audit Department. Lactalis works on vigilance in collaboration with various group departments, including Purchasing, Milk Supply, Energy & Environment, Supply Chain, Health & Safety, Food Quality & Safety and Human Resources, among others.

Operationally, vigilance is governed at two levels:

- the central functions, such as the Health & Safety Department, the Energy & Environment Department, the Human Resources Department, the Supply Chain Department, the Food Quality & Safety Department, and

the Milk Supply Department, as well as the Purchasing Department, along with the CSR team and Compliance and Competition team, are responsible for:

- mapping risks related to human rights, Health and Safety, and the environment,
- defining due diligence and risk assessment actions,
- monitoring vigilance in their activities;

- the countries and divisions oversee the roll-out of the vigilance plan at local level.

The Group Compliance Committee oversees the management of alerts arising from the whistleblowing system put in place within the group.

## 6.3 SCOPE OF THE VIGILANCE PLAN

All Lactalis companies must implement this vigilance plan.

Lactalis identifies risks and prevents any serious violation of human rights and fundamental freedoms, human Health and Safety, or the environment that could result from:

- its activities or those of its subsidiaries;
- the activities of its suppliers;
- the activities of its subcontractors.

## 6.4 STAKEHOLDER DIALOG

Lactalis is committed to collectively preparing the future of the dairy sector and its supply chains, in a spirit of co-construction and dialog with stakeholders.

In most of the countries in which Lactalis operates, the company is a member of various federations, professional organizations and advisory bodies (e.g., ANIA – French National Association of Food Industries, ATLA – Association of French Dairy Processing, EDA – European Dairy Association, IDF – International Dairy Federation) aimed at developing demanding, qualitative and sustainable production standards.

Maintaining close, honest and transparent dialog with stakeholders is essential to the conduct of the group's activities and the achievement of its targets. Lactalis maintains frequent dialog with:

- employees, employee representative bodies and trade union representatives;
- consumers;
- customers;
- federations, associations and NGO;
- farmers;
- suppliers.

## 6.5 MAPPING RISKS RELATED TO HUMAN RIGHTS, HEALTH & SAFETY AND THE ENVIRONMENT

Lactalis has identified the risks related to its duty of care based on:

- international standards and guidelines (GRI, ISO 26000);
- a study of sustainability matters in the food and dairy sector;
- the expectations expressed in the CSR questionnaires received by Lactalis;
- the double materiality analysis conducted between 2023 and 2025. This analysis covers the entire consolidated scope of the group and includes the entire value chain (upstream, operations, downstream), including potentially impacted stakeholders. A panel of internal and external stakeholders was interviewed to refine the assessment, and Lactalis' gross impact was calculated according to the formula:

$$\text{Impact materiality} = \text{Magnitude} \times \text{Extent} \times \text{Irremediability (if negative)} \times \text{Probability (if potential)}.$$

Additional studies have been carried out to make it possible to:

- identify the people, geographical areas, facilities, amenities or categories of employees most at risk;
- specify the risks specific to milk supply, industrial sites, logistics flows and commercial downstream;
- determine the time frames for each risk; and
- locate risks in the value chain (upstream, operations or downstream).

All of this work was carried out in collaboration with the operational teams, who were consulted during interviews to more accurately characterize the identified IROs and again during the final presentations.

Following this process, Lactalis considers that the actual or potential negative impacts identified constitute its main risks for the purposes of the duty of care.

6. 2025 VIGILANCE PLAN

Subject	Sub-theme	Location in the value chain	Time horizon*	Description of the risk	Reference in the report
<b>ENVIRONMENTAL RISKS</b>					
<b>Climate change: mitigation, adaptation and resilience</b>	GHG emissions	Upstream Downstream	ST/MT	<ul style="list-style-type: none"> <li>Greenhouse gas emissions from upstream and downstream value chain activities</li> <li>Greenhouse gas emissions from Lactalis' own operations</li> </ul>	3.1 / Climate change
	GES	Operations			
<b>Air and soil pollution</b>	Air pollution	Upstream Operations Downstream	ST/MT/LT	<ul style="list-style-type: none"> <li>Air pollution from the use of chemical fertilizers in upstream agriculture</li> <li>Air pollution from the use of pesticides in upstream agriculture</li> <li>Air pollution from the use of diesel vehicles</li> <li>Air pollution from shipping emissions</li> <li>Air pollution from legionella contamination in cooling towers and hot water circuits</li> </ul>	3.2 / Pollution
	Soil pollution	Upstream Operations Downstream	ST/MT/LT	<ul style="list-style-type: none"> <li>Soil pollution from the use of chemical fertilizers in upstream agriculture</li> <li>Soil pollution from the use of pesticides in upstream agriculture</li> <li>Soil pollution from oil and fuel leaks in road accidents or milk storage operations</li> </ul>	3.2 / Pollution
<b>Water resources</b>	Depletion of water resources	Upstream Operations	ST/MT	<ul style="list-style-type: none"> <li>Depletion of water resources caused by Lactalis' activities, whether directly (industrial operations) or indirectly (production of milk and other raw materials)</li> </ul>	3.3 / Water resources
	Pollution of water resources	Upstream Operations Downstream	ST/MT/LT	<ul style="list-style-type: none"> <li>Pollution of water resources caused by Lactalis' activities, directly (industrial operations, logistics operations) or indirectly (production of milk or other raw materials)</li> </ul>	3.3 / Water resources
<b>Biodiversity</b>	Deforestation and degradation of natural ecosystems	Upstream Operations	MT/LT	<ul style="list-style-type: none"> <li>Soil degradation, deforestation and conversion of natural ecosystems related to conventional agricultural practices</li> </ul>	3.4 / Biodiversity
			ST/MT	<ul style="list-style-type: none"> <li>Degradation and artificialization of natural habitats at operational sites</li> </ul>	

6. 2025 VIGILANCE PLAN

Subject	Sub-theme	Location in the value chain	Time horizon*	Description of the risk	Reference in the report
<b>Circular economy</b>	Packaging circularity	Upstream Downstream	ST	<ul style="list-style-type: none"> <li>• Depletion of stocks of renewable and non-renewable resources, such as oil for plastics or wood for paper and board, and degradation of the climate and biodiversity due to the overconsumption of virgin materials</li> <li>• Environmental pollution from the discharge of non-biodegradable and non-recyclable packaging</li> <li>• Deterioration of human health and contamination of the environment due to poor management of packaging waste</li> </ul>	3.5 / Resource use and circular economy
	Food loss and waste	Upstream Operations Downstream	ST/MT	<ul style="list-style-type: none"> <li>• Overconsumption of natural resources due to food loss and waste, in particular the loss and waste of dairy products</li> <li>• Direct and indirect greenhouse gas emissions from food loss and waste</li> </ul>	3.5 / Resource use and circular economy
	Waste management	Downstream	ST	<ul style="list-style-type: none"> <li>• Air, soil and water pollution caused by waste generation as a result of poor product and packaging management</li> <li>• Direct and indirect greenhouse gas emissions from waste management</li> </ul>	3.5 / Resource use and circular economy
<b>ANIMAL WELFARE RISKS</b>					
<b>Animal welfare</b>	Animal welfare	Upstream	ST/MT	<ul style="list-style-type: none"> <li>• Negative impact of certain farming practices on animal welfare, in particular in certain geographies for milk and egg production</li> </ul>	5.1.3 / Animal welfare

Subject	Sub-theme	Location in the value chain	Time horizon*	Description of the risk	Reference in the report
<b>SOCIAL RISKS</b>					
<b>Lactalis employees</b>	Human rights violations and incidents within the workforce	Operations	ST/MT	<ul style="list-style-type: none"> <li>Deterioration in quality of life related to psychosocial risks for workers whose working conditions, organization and relationships impact physical and/or mental health</li> <li>Risks related to forced labor or child labor</li> </ul>	4.1 / Own workforce
	Employee Health and Safety Policy	Operations	ST	<ul style="list-style-type: none"> <li>Short-term or long-term workplace injuries related to a single incident</li> </ul>	4.1 / Own workforce
			ST / LT	<ul style="list-style-type: none"> <li>Development of occupational diseases related to continuous exposure to risky working conditions</li> </ul>	
	Diversity and inclusion in the workforce	Operations	ST/MT	<ul style="list-style-type: none"> <li>Deterioration in quality of life due to employee discrimination</li> </ul>	4.1 / Own workforce
	Employee well-being at work	Operations	ST/MT	<ul style="list-style-type: none"> <li>Work-life imbalance related to night work or successive shift work</li> </ul>	4.1 / Own workforce
Social dialog and labor relations within the workforce	Operations	ST/MT	<ul style="list-style-type: none"> <li>Deterioration of well-being at work, compensation or working conditions, and an increase in employee risk-taking</li> </ul>	4.1 / Own workforce	
<b>Workers in the value chain</b>	Human rights abuses and incidents in the value chain	Upstream	ST/MT	<ul style="list-style-type: none"> <li>Risks related to forced labor or child labor</li> <li>Short-term or long-term injuries as a result of a workplace accident caused by a single incident</li> <li>Development of disabilities or occupational diseases</li> </ul>	4.2 / Workers in the value chain
	Working conditions and well-being at work in the value chain	Upstream	ST/MT	<ul style="list-style-type: none"> <li>Deterioration in quality of life related to psychosocial risks for workers in the value chain</li> </ul>	4.2 / Workers in the value chain
<b>Consumers</b>	Product safety	Downstream	ST/MT	<ul style="list-style-type: none"> <li>Danger to consumer health related to food safety</li> </ul>	4.3 / Consumers
	Nutritional quality of products	Downstream	ST/MT	<ul style="list-style-type: none"> <li>Adverse health effects of excessive or unbalanced consumption of certain dairy products (nutritional composition and use of additives)</li> </ul>	4.3 / Consumers

\* Legend: short-term (ST); medium-term (MT); long-term (LT).

The group-wide risk mapping of CSR risks related to human rights and fundamental freedoms, Health and Safety, and the environment is supplemented and refined by the various operational risk mappings conducted by the Technical Expert Services.

### 6.5.1 MAPPING SOCIAL AND HEALTH & SAFETY RISKS WITHIN THE GROUP'S ACTIVITIES

The Group Health & Safety Department has identified and maintains a list of Health & Safety risks, based on the group's expertise and common to all countries. Lactalis has also established a risk analysis methodology. Wherever Lactalis operates, this risk analysis is a golden rule.

In addition, the Group Health & Safety Department has established a mapping of its Health & Safety risks. This mapping covers the assessment of site risks based on accident results and the results of the Group health & safety audits. This assessment system is then used to establish the group's annual Health & Safety audit plan and priority actions. The risk mapping is regularly updated.

With regard to social risks, the Group Labor Relations Department has implemented a three-part methodology to:

- identify the main issues concerning labor relations;
- assess the quality of social dialog locally;
- identify social irritants in workshops in production sites and warehouses. Social irritants can be related to social dialog, social relations, well-being at work or Health & Safety, for example. These irritants are then shared collectively by the site's Management Committee and then prioritized and addressed.

### 6.5.2 MAPPING FOOD SAFETY RISKS

Food safety risks can be microbiological, chemical, physical or allergen-related.

The Group Quality Department updates the analysis of the group's food quality and safety risks.

It maps the level of criticality of sites according to:

- the results of quality audits;
- the rate of consumer complaints;
- laboratory analysis results;
- product withdrawals or recalls.

At the sites, hazard analyses and risk assessments are carried out using the HACCP method: the list of hazards is kept up to date at group level through scientific monitoring and communicated to the production sites. Each site is required to adapt this list of hazards based on site-specific characteristics and local requirements and specificities.

The likelihood of occurrence and the severity rate are assessed for each identified hazard, and the severity rate is mapped on each site.

### 6.5.3 MAPPING ENVIRONMENTAL RISKS WITHIN THE GROUP'S ACTIVITIES

The Group Energy & Environment Department analyzes Lactalis' environmental risks. The facilities in question include all high-risk facilities located on a site: refrigeration systems, heat generation systems, wastewater treatment facilities, certain production facilities, etc.

For these facilities, the Group Energy & Environment Department regularly assesses and updates the following criteria: facility capacity, age, compliance and frequency and severity levels of risks related to the facility. Each criterion is assessed according to a rating system created by Lactalis, which enables the creation of a criticality matrix.

The level of criticality derived from the matrix enables the group to determine its environmental action plan. Environmental action plans are defined with local teams.

The assessment of the group's environmental risks supplements:

- the assessment of regulatory compliance required by local regulations;
- the environmental analysis carried out on sites where an environmental management system is in place.

### 6.5.4 MAPPING SUPPLY CHAIN RISKS (EXCLUDING MILK SUPPLY)

Since 2023, Lactalis has been an active member of the Sedex (Supplier Ethical Data Exchange) platform. Since then, the process of identifying priority global suppliers has been initiated, and local teams have been trained to evaluate local suppliers.

Regarding the environmental risk related to biodiversity, Lactalis has assessed the risks related to deforestation. For this, a risk analysis method based on three criteria was implemented, in accordance with the method recommended by the IUCN Biodiversity Guidelines:

- the severity of the risk: some crops are more at risk of being planted on deforested plots (soy, oil palm, etc.). To assess this criterion, Lactalis refers to reports from NGO such as WWF as well as studies commissioned by government bodies such as CST Forêt (*Comité Scientifique et Technique Forêt*), for example;
- the scope of the risk, corresponding to the quantity of each commodity used by Lactalis. To assess this criterion, Lactalis uses the volumes purchased directly and conducts surveys and assessments with suppliers to better understand its value chain;
- the degree of control, determined according to the number of players between the group's supplier and the commodity producer.

This risk analysis made it possible to determine the group's action plan in terms of deforestation.

### 6.5.5 RISK MAPPING FOR MILK SUPPLY

For milk supply, Lactalis has mapped the risks related to:

- animal welfare;
- greenhouse gas emissions; and
- deforestation.

Based on-farm assessment results across 21 countries, this mapping has served as a foundation for the development of action plans on animal welfare, climate and deforestation, both at global level (for example, by rolling out on-farm assessments on animal welfare, climate and deforestation more widely) and at country level, where it highlights the main risks related to their national sectors.

## 6.6 REGULAR ASSESSMENT MEASURES

### 6.6.1 CSR ASSESSMENT MEASURES FOR THE GROUP AND ITS SUBSIDIARIES

An annual Group CSR reporting is carried out and audits are conducted each year by an independent third party to verify the fairness and reliability of the group's consolidated data.

These KPIs (Key Performance Indicators) are presented in section 3 to 5 of the 2025 CSR Report.

The KPIs related to the group's vigilance plan are listed in section 6.10.1 / Summary of vigilance indicators.

### 6.6.2 SOCIAL AND HEALTH & SAFETY RISK ASSESSMENT MEASURES WITHIN THE GROUP'S ACTIVITIES

The Human Resources and Group Health & Safety teams have set up specific reports to assess the performance of the group and its subsidiaries on social issues.

Other assessment mechanisms are deployed within the group:

#### SOCIAL AUDITS AND HEALTH & SAFETY AUDITS

At the request of its customers, Lactalis may appoint independent and accredited third parties to carry out SMETA audits (Sedex Members Ethical Trade Audit) at its sites. During these audits, the management of Health and Safety at work and respect for human rights are assessed and corrective measures can be established.

Health & Safety audits are carried out by the Group Health & Safety Department on the sites and in warehouses. For these audits, the Group Health & Safety Department has developed a reference framework detailing the minimum Health & Safety requirements, combined with an internal audit grid.

The purpose of these audits is to verify the implementation of the Group Health & Safety policy, occupational Health & Safety procedures, best practices and compliance with regulatory requirements.

As part of the internal audits conducted within the group, the Group Audit Department verifies the reliability of the social and Health & Safety information transmitted by the entities and refers it to the relevant Technical Experts Services.

#### SOCIAL RELATIONS ASSESSMENT

The Group Social Relations Department has set up a three-part methodology to identify the main issues concerning labor relations, to assess the quality of social dialog locally, and to identify social irritants on the shop floors of production sites and warehouses.

Since 2022, this occupational risk assessment method has been rolled out at around thirty sites in 10 countries. On these sites, weekly field visits by site management are organized to identify social irritants in warehouses and on-site shop floors. Social irritants can be related to social dialog, well-being at work, or Health & Safety, for example. These irritants are then shared collectively by the site's Management Committee and then prioritized and addressed (see section 4.1.5 / Social dialog).

#### EMPLOYEE SURVEYS

An engagement survey is conducted every two years in each country in which Lactalis operates. This enables Lactalis to identify levers for improvement and to feed them into action plans relating in particular to well-being at work at the level of each production site, warehouse and country.

### 6.6.3 FOOD SAFETY AND RISK ASSESSMENT MEASURES

Good manufacturing practices are the most important prerequisites for food safety. Good practices in terms of hygiene, zoning, cleaning, allergen management, pest control and food handling contribute significantly to eliminating hazards relating to pathogens, chemicals, foreign bodies, allergens, and even forgery and terrorism. All these potential hazards must be included in the HACCP study of each site.

Lactalis has developed its own food safety management systems in addition to those it implements based on the ISO 22000, FSSC 22000, IFS, BRC or SQF standards.

At group level, an internal team of experts is responsible for carrying out regular assessments by supporting the sites through advice, training and quality audits, according to Lactalis' specific methodologies.

The sites are audited and prioritized according to their performance and criticality. These audits are carried out in accordance with the group's food safety standards and can be specific to a given theme, if necessary.

At the group's sites, control and analysis plans are implemented to verify the compliance of products with regard to Health & Safety and product regularity.

In addition, internal audits targeting industrial entities are carried out regularly in accordance with the annual audit plan. The aim of these audits, among other things, is to ensure the level of control and compliance of processes related to food safety as well as the proper application of the rules and recommendations issued by the Technical Experts Services.

External audits are also carried out by certification offices to ensure compliance with ISO 22000, FSSC 22000, IFS, BRC or SQF standards.

#### 6.6.4 ENVIRONMENTAL RISK ASSESSMENT MEASURES WITHIN THE GROUP'S ACTIVITIES

##### ENVIRONMENTAL AUDITS

At the request of its customers, Lactalis carries out SMETA audits on the Health & Safety, labor law, environment, and business ethics pillars at some production sites. As part of these audits, an independent auditor assesses the site's environmental management process.

In addition, the Group Energy and Environment Department conducts environmental audits on sites processing more than 100,000 liters of milk equivalent per day (representing 70% of industrial sites). The purpose of these audits is to monitor the application of the group environmental policy and environmental management procedures, as well as compliance with regulatory requirements. The Group Energy and Environment Department has developed several dedicated internal audit standards, for example, energy audits or audits of wastewater treatment plants.

In addition, the group has set itself targets for ISO 14001 certification:

- maintaining 100% of its sites subject to the Industrial Emission Directive (IED) in Europe ISO 14001 Certified;
- having sites processing more than 300,000 liters of milk equivalent per day, excluding Europe, be ISO 14001 Certified, in line with the strategy validated by the Group Industrial Department.

##### ASSESSMENT OF GREENHOUSE GAS EMISSIONS

Lactalis measures its greenhouse gas emissions annually using the GHG Protocol method.

Lactalis thus monitors:

- its emissions from its industrial and logistics activities in Scopes 1 and 2, as well as the associated biogenic emissions;
- its indirect Scope 3 FLAG emissions from the agricultural activities in its supply chain; and

- its indirect Scope 3 non-FLAG emissions from non-agricultural activities in its supply chain.

##### ASSESSMENT OF THE IMPACTS OF PACKAGING

The main environmental impacts of packaging are linked to their production (resources and transformation processes) and their end-of-life disposal.

To assess and limit the impact of its packaging on the environment, in 2023, Lactalis launched an eco-design tool for packaging, with the aim of assessing 100% of its current and future packaging solutions for its core products and packaging solutions for its product innovations <sup>(1)</sup>. This tool will incorporate lifecycle assessment methodologies.

#### 6.6.5 RISK ASSESSMENT MEASURES WITHIN THE SUPPLY CHAIN

##### ASSESSMENT MEASURES FOR SUPPLIERS EXCLUDING MILK SUPPLY

A supplier questionnaire was developed by internal experts and addresses several topics, including:

- fluid/environment/waste and energy management;
- supplier management;
- security;
- ethics.

Lactalis implements measures to assess its suppliers: a dedicated team is responsible for auditing suppliers at group level. The frequency of supplier audits depends on the criticality of suppliers, determined according to food safety criteria.

Corrective actions are requested for each instance of non-compliance identified during the audits. In the event of an unsatisfactory audit result, an action plan is established and implemented by the supplier and is monitored by the Group Supplier Audit team.

In addition, the group encourages its suppliers to share their assessments on the Sedex platform to demonstrate their compliance with the principles of its Supplier Code of Conduct.

Specifically regarding its non-agricultural supply chain, Lactalis has undertaken a process of supporting its main suppliers in their climate transition in order to enable them to establish science-based reduction targets. Monitoring this commitment involves an annual questionnaire to assess the progress of approximately 2,500 suppliers on the Climate topic. This questionnaire enables Lactalis to gradually specify the greenhouse gas emissions related to its purchases, and also to assess whether its suppliers' carbon trajectory is aligned with the group's trajectory.

With regard to its agricultural supply chain, various audits are conducted at Lactalis' suppliers, such as those related to RSPO certification for palm oil purchases and FSC, PEFC or SFI certification for paper and board purchases, for example.

1) Ambition for 23 countries, which represented 85% of the Lactalis Group's production volume in 2019.

For palm oil, in addition to certification, Lactalis is convinced that traceability is a core element in ensuring responsible palm oil production. In line with industry best practices, the group has therefore undertaken a supply-chain mapping exercise for all palm oil volumes. This work includes collecting the list of all palm oil mills that supply Lactalis. The group plans to publish this list in 2026, based on the volumes purchased in 2025. This publication will be a key milestone in Lactalis' progress toward achieving 100% traceability to mill across all palm oil volumes.

Finally, as part of the forest management project addressing climate issues in Brazil, an initial effort to track woody biomass flows has been launched to verify the management of forest rotations and the harvest-regrowth balance necessary to maintain the carbon cycle. To organize this initiative, a working group comprising the CSR, Energy & Environment and Purchasing departments was formed to develop a common methodology, including the creation of an audit framework based on recognized standards such as the GHG Protocol and the FSC's forest management principles. In 2025, a first pilot phase was conducted with a selection of some of the most significant suppliers for Lactalis Brazil. As part of this process, on-site audits were conducted by independent audit firms, preceded by a thorough document review and supplemented, where necessary, by verifications using high-resolution satellite imagery, in order to confirm the continuity of forest rotation cycles and the balance between felling and regrowth. Written commitments were also obtained from the relevant suppliers, thereby strengthening the foundation of safeguards established during this first year. In 2026, the group plans to extend the initiative to all woody biomass suppliers in Brazil by progressively integrating these criteria into contracts to improve traceability and increase the proportion of wood sourced from managed forest rotations.

### ASSESSMENT FOR MILK SUPPLY

In addition to implementing the reference frameworks developed by the local inter-professional and sectoral organizations of which it is a member, Lactalis has developed the following initiatives in 21 countries <sup>(1)</sup>, representing 90.8% of its total global raw milk collection:

- **Assessment of direct partnering farms on animal welfare**

Since 2021, Lactalis has launched a group initiative to assess the animal welfare of dairy cows and calves in its direct volumes. As there is no single international standard in this area, the group has developed an internal assessment method. This method is inspired from

recognized assessment protocols and programs such as the *Welfare Quality Assessment Protocol for cattle* and has been discussed with international NGO specializing in animal welfare. It is based on an on-farm visit lasting 2 to 3 hours, during which a Lactalis dairy technician trained for this purpose (or, in rare cases, an external service provider commissioned by Lactalis and trained for this purpose) collects and analyses around 100 data points. It includes measurable criteria assessing the respect of the "Five Freedoms" for animal welfare (see section 5.1.3 / Animal welfare).

- **Assessment of indirect partnering farms on animal welfare**

Regarding its indirect volumes, Lactalis aims to ensure that the animal welfare of dairy cows and calves is regularly assessed, as a minimum, according to ambitious national standards. To this end, the group is using two main levers: on the one hand, it is advocating for ambitious national standards and, on the other, where national standards are less demanding than the group's expectations, it is engaging discussions with its suppliers of indirect volumes (mainly cooperatives) with a view to deploying the Lactalis internal assessment method (see section 5.1.3 / Animal welfare).

- **Assessment of direct partnering farms on climate**

Since 2021, the Lactalis Milk Supply teams have been mobilized to measure the carbon footprint of direct partnering farms. Carbon footprint measurements are mainly carried out using the carbon diagnostic tool called *Cool Farm Tool* (CFT). This tool developed by the Cool Farm Alliance (CFA), a non-profit scientific organization made up of companies, NGOs and universities, is internationally recognized and already used by tens of thousands of users in 150 countries. It calculates the carbon footprint of each farm using the International Dairy Federation (IDF) method and numerous input data (volume of milk produced, composition of the dairy herd, grazing time, practices in terms of feeding and manure management, energy consumption, etc.). Since 2021, Lactalis has been an active member of the CFA, contributing to the development of the CFT within the CFA's Dairy and Beef Working group (see section 3.1 / Climate change).

- **Assessments of direct partnering farms on deforestation**

The animal welfare assessments described above also include criteria to measure the risk that the assessed farms use soy and/or palm oil (in feed) that may come from deforested areas.

1) Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi business unit acquired in 2023), Spain, Sweden, United Kingdom, United States of America (excluding the Midwest Yogurt business unit acquired in 2025), Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding Sequeira acquired in 2024 and Tavares acquired in 2025 business units), Romania, Slovenia, South Africa (excluding the Cremora business unit acquired in 2025), Switzerland and Türkiye

## 6.7 MITIGATING RISKS AND PREVENTING SERIOUS HARM

Lactalis is a signatory of the United Nations Global Compact. Lactalis respects and promotes these 10 principles.

Lactalis has established policies and processes to exercise its duty of care in all its activities. These policies and processes define the group's guidelines for the prevention of serious risks to human rights, Health & Safety and the environment.

### 6.7.1 MEASURES TO MITIGATE AND PREVENT SOCIAL RISKS

#### RULES OF PROCEDURE

In France, the rules of procedure establish the rules on Health & Safety and disciplinary measures and reiterate the legal provisions covering sexual harassment and the prevention of sexism. The rules of procedure are displayed at all sites in France.

#### SOCIAL DIALOG

Lactalis encourages continuous, simple and close dialog with employees and union representatives. To contribute to the quality of social relations within all group entities, Lactalis has developed an internal training course on its social dialog approach, the "Lactalis Labor and Employees Relations Way," currently being rolled out to local Human Resources Managers.

The group's subsidiaries are invited to set up social dialog bodies in compliance with local regulations. In addition, a European Social Dialog Body was set up in 2019 and represents 16 of the group's countries. The aim of this body is to share quantitative information on Lactalis, the levels of activity in each product universe, and the group's medium- and long-term strategic areas of development.

In addition, Lactalis is working on a social risk assessment project that aims to improve social dialog by identifying social irritants through weekly site visits and on-site meetings.

#### PROMOTING DIVERSITY

This group's Diversity, Equity and Inclusion policy established by the Group Human Resources Department is based on two pillars (gender equality and inclusion) and eight concrete commitments for which the Group Human Resources Department is responsible for establishing and proposing concrete actions:

1. integration, development and promotion of diverse talents;
2. equity of human resources management processes, in particular recruitment, retention, promotion, compensation and access to training;
3. promoting inclusive behaviors through team training and awareness-raising;

4. diversity at all hierarchical levels;
5. measuring the perception of Diversity, Equity and Inclusion through engagement surveys;
6. facilitating and coordinating the approach *via* a network of Diversity, Equity and Inclusion ambassadors;
7. progress indicators;
8. communication of this approach to the group's stakeholders.

Lactalis aims to train 100% of its employees in Diversity, Equity and Inclusion. To this end, a Diversity, Equity and Inclusion digital training course has been rolled out. It consists of a first module explaining Lactalis' Diversity, Equity and Inclusion policy, followed by five thematic modules on inclusive leadership, gender equality, cultures and origins, intergenerational issues and disability.

In addition, Lactalis has been measuring the perception of diversity, equity and inclusion using managerial surveys.

An awareness-raising workshop for internal teams was developed by the central HR teams: *Lactalis DE&I experience*.

In the subsidiaries, several initiatives to promote diversity have already been implemented, such as in Canada, Sweden, South Africa, Slovenia and Brazil, where diversity policies are being deployed.

An online reporting platform in the event of non-compliance with non-discrimination laws and regulations is accessible to all.

#### Gender equality

Lactalis is committed to offering the same opportunities and career development to men and women.

Lactalis' objective is to strive for a balance in management positions by 2033. A key performance indicator on the proportion of women in leadership positions is monitored.

#### Youth training and employment

Lactalis works to promote the employment of young people and develops partnerships with training institutions.

Lactalis provides specific support to its younger employees through training and work-study programs.

For instance, in France, since 2002, as part of the I<sup>2</sup>FA program in partnership with the *École Supérieure des Agricultures* (ESA), foreign students from 37 different countries follow a work-study program for 2 years, which enables them to access positions of responsibility within Lactalis' local teams.

In 2021, Lactalis set up a Lactalis Apprenticeship Training Center (CFA) focused on the dairy industry.

### Disability

Lactalis invests in the onboarding, integration and job retention of employees with disabilities. Policies and action plans are adapted at a national level.

In **France**, for example, Lactalis has had a Disability Agreement in place since 2010 and is working on the following issues:

- preserving jobs and hiring people with disabilities;
- adapting workstations and providing assistance *via* individual devices (hearing aids, adapted shoes, ergonomic seats);
- raising awareness and training: the group's production sites organize awareness-raising actions for all over several days to combat disability-related prejudices;
- working with adapted establishments that welcome workers with disabilities;
- individual support measures: reduced working hours, return to work assistance, *etc.*

Other initiatives are rolled out by the group's subsidiaries in the countries in which they operate (see section 4.1.3 / Promoting diversity).

### SOCIAL SECURITY COVERAGE

Lactalis has drawn up guidelines enabling its subsidiaries to implement local health insurance, life insurance and retirement measures.

### WELL-BEING AT WORK

Lactalis is developing a global and local approach to well-being at work in order to ensure that the pillars of the national well-being at work policy are consistent with the expectations of its local employees and the cultural sensitivities in the various countries in which it operates.

Lactalis is also in favor of sharing or even replicating certain social innovations that have proven successful in one or more countries.

In **France**, Lactalis has a national agreement on well-being at work: each operational division must establish its own well-being at work policy in accordance with the framework set out in the agreement. Best practices implemented in the divisions are shared and recognized through awards. The human resources teams ensure that the well-being at work policy is in line with the employee expectations at a local level. In France, some employee representatives of the Health & Safety Commission (within the Social and Economic Committee) are trained as psychological risk officers.

Inspired by the well-being at work approach in France, an international Well-being at Work approach has been rolled out since 2024 through six themes:

- working safely and protecting well-being (physical and mental);
- being in an environment conducive to quality work;
- optimized organization of work: working hours planned to ensure a good work/life balance;

- finding a source of motivation at one's work;
- developing skills and progressing within the company: ensuring employability and the ability to develop;
- living together at work: managerial relations and those between colleagues.

A group process has been developed to share and reward certain local initiatives with international Well-being at Work Awards.

### 6.7.2 MEASURES TO MITIGATE AND PREVENT HEALTH & SAFETY RISKS

For several years, Lactalis has implemented a risk management approach related to Health & Safety. Since 2022, the group has adopted a Health & Safety policy in the form of a charter in the various countries where Lactalis operates. On an operational level, the company has also formalized a roadmap to meet its ambitions.

For all its employees, Lactalis is committed to a preventive approach that includes the analysis, processing and reduction of Health & Safety risks. This approach is based on three interdependent areas:

- the behavioral pillar is an innovative approach aimed at encouraging employees to adopt preventive behaviors for themselves and their colleagues and to increase their vigilance. This approach relies on managerial leadership and the active participation of all employees. The effectiveness of the approach depends on action plans that can be quickly activated and managed;
- the organizational pillar to ensure that risks are managed, supported and controlled thanks to a robust management system as well as skills development. This also includes the implementation of a framework, rules, and, in particular, the group's 12 Golden Rules;
- the technical pillar covers specific risks that Lactalis wishes to reduce. This involves investments to reduce the exposure of teams to machine risks, for example.

This results in the following Health & Safety improvement plan:

- strengthen the Health & Safety knowledge, skills and capabilities of all employees;
- help all managers to lead by example in Health & Safety, and encourage employees to express themselves and get involved in the safety program;
- accelerate transformation through digitalization, data analysis and innovation promotion at local level to increase the maturity of Health & Safety programs;
- develop and implement effective controls for high-risk activities and maintain a safe workplace for all;
- have a positive impact on all stakeholders through effective communication.

The Group Health & Safety Department coordinates a network of country and division managers and ensures the establishment of a Health & Safety Committee at each management level.

The network of country and division Health & Safety Managers is responsible for conducting regular audits, ensuring the proper implementation of actions to ensure compliance with local regulations and Lactalis standards by each of the sites within their scope, in particular by following the recommendations made following group audits.

Any site with more than 100 employees must have a full-time Health & Safety Manager. The group's top 25 countries must also have a national Health & Safety Manager.

The Health & Safety Managers are responsible for monitoring the group's Health & Safety audit action plans: every six months, the updated action plan is communicated to the group's Health & Safety team.

The scores of the Health & Safety audits and the accident results are reported monthly and annually and are presented to the Group Executive Committee. Sites where no accidents have occurred are rewarded and may display a certificate issued by the Group Health & Safety Department.

To raise employee awareness, Lactalis organizes an international Health & Safety week on a different theme each year, based on the day defined by the International Labour Organization.

In France, Lactalis has an internal occupational health team responsible for assessing and preventing risks related to employee health.

### 6.7.3 FOOD SAFETY RISK MITIGATION AND PREVENTION MEASURES

Lactalis has set up and rolled out a Quality Policy within the group, which carries a unified vision and formalizes a shared commitment among all employees worldwide.

The Lactalis Quality Policy is based on four main pillars:

1. guaranteeing healthy and safe products that comply with current regulations and standards;
2. designing and improving products to meet the evolving and multiple expectations of consumers in terms of taste, nutritional benefits and respect for the environment, at all stages of life;
3. being efficient and striving for excellence through performance and continuous improvement processes, deployed across all group operations to offer consumers the best value for money;
4. encouraging everyone to commit to continuing to develop their expertise, to feel responsible, to work as a team and to collaborate to achieve food safety and quality objectives.

Food safety is the group's primary concern. Each product must comply with all applicable laws and regulations of the country where it is manufactured and marketed.

To ensure a holistic approach to managing product safety risk, Lactalis links several preventive measures:

- implementing a quality organisation at both headquarters and operational entity level. These different organisational levels are responsible for defining, implementing and updating food safety management plans, as well as monitoring quality action plans at operational level;
- establishing robust standards;
- strengthening quality control processes at each stage of production, from collecting milk to distributing finished products;
- staff training and awareness;
- regularly assessing raw material suppliers;
- regulatory monitoring and adherence to voluntary compliance processes.

See section 4.3 / Consumers, for more information.

### 6.7.4 MEASURES TO MITIGATE AND PREVENT THE ENVIRONMENTAL IMPACT OF THE GROUP'S ACTIVITIES

Lactalis has disseminated and published its policies and detailed its environmental protection goals and ambitions across its operations with regard to the following issues:

- greenhouse gas emissions;
- packaging circularity.

These policies can be consulted on the Lactalis intranet and website.

#### REDUCING THE ENVIRONMENTAL IMPACT AND CARBON FOOTPRINT OF THE GROUP'S ACTIVITIES

To reduce the environmental impact of its activities, Lactalis takes the entire life cycle of its products into account.

The Group Energy and Environment Policy establishes the guidelines to be implemented at these sites:

- ensuring compliance with local regulations;
- preserving water resources by reducing water consumption;
- limiting atmospheric emissions, in particular greenhouse gas emissions and their impact on climate change;
- managing environmental risks to ensure the protection of populations and prevent pollution (water, air, soil).

To support the roll-out of this Policy, the Group Energy and Environment Department:

- provides technical support;
- provides technical documents (best practices, standards, etc.);
- provides in-house training for relevant personnel (management, energy, environment and maintenance managers, etc.) at the group's industrial sites.

A network of representatives is also in place in the group's main countries to support the deployment of this policy.

A reporting tool enables changes in environmental KPIs to be monitored and the implementation of action plans.

**Preserving water resources**

Lactalis implements actions focusing in particular on the efficiency of washing cycles and preventive maintenance of equipment by deploying best practices in all the countries in which it operates. Among these actions, Lactalis calls for the segregation of water uses so as to optimize the use of this resource.

Lactalis is also exploring new technologies in order to diversify the range of solutions it uses, and, in particular, the recycling of wastewater by osmosis, in countries suffering from drought or water scarcity.

**Reducing atmospheric emissions**

In early 2022, Lactalis committed to setting targets for reducing its greenhouse gas emissions aligned with the recommendations of the Science-Based Targets initiative (SBTi). The framework set by this initiative complies with the scientific recommendations of the Paris Agreement to limit the increase in global temperatures to +1.5°C compared to pre-industrial levels. Lactalis is thus working to contribute to achieving carbon neutrality on a global scale by 2050.

In order to achieve its Net Zero ambition by 2050, the group is committed to the following targets:

1. reduce greenhouse gas emissions from the group's activities (Scopes 1 and 2):
  - cut the group's Scopes 1 and 2 greenhouse gas emissions (including biogenic emissions) by at least 46.2% by 2030 (base year 2019);
2. lead the way in terms of decarbonization across the group's value chain (Scope 3):
  - cut the group's Scope 3 FLAG absolute greenhouse gas emissions <sup>(1)</sup> by 30.3% by 2030 (base year 2021)<sup>(2)</sup>,
  - ensure that 73.8% of our suppliers and customers <sup>(3)</sup> in terms of emissions have science-based climate targets by 2028<sup>(4)</sup>;

3. end deforestation across the group's entire value chain by the end of 2025.

The Group Climate Policy is public and can be accessed from Lactalis' website. The targets presented above were validated in mid-2024 by SBTi.

**Energy efficiency and renewable energies**

To limit the impact of its industrial activities on the environment and the climate, Lactalis has an energy management policy based on three principles: energy sobriety, energy efficiency and transition to low-carbon energy sources. Lactalis is increasingly integrating renewable energies (particularly solar and biomass) into its energy mix and encourages its sites to implement conversion projects according to the group's expected performance and objectives.

**Implementation of environmental management systems**

To reduce the environmental impacts of its activities, Lactalis is working to implement environmental management systems (EMS) certified to ISO 14001, in priority, on all industrial sites processing more than 300,000 liters of milk equivalent per day.

Specifically, the sites concerned formalize their responsibility and their environmental commitments, and define quantified, site-specific targets. In addition to external certification audits, the implementation of the EMS is verified annually by an internal environmental audit.

In the longer term, Lactalis plans to expand the implementation of the EMS to all industrial sites processing more than 100,000 liters of milk equivalent per day, which would account for approximately 70% of its industrial sites.

**Industrial waste management**

Lactalis is working on reducing and recovering waste in the form of composting and methanization of sewage sludge, and preventing soil pollution and its treatment.

Through Energy and Environment policy, the group undertakes to ensure that the quantities of waste generated are reduced as much as possible, sorted at the source and recycled through sustainable channels where they exist and, at the very least, authorized by local regulations. The group is also committed to handling, storing and sorting waste under appropriate conditions to ensure environmental protection.

**Training dedicated to the environment and energy.**

Lactalis develops and provides appropriate training for those in charge of environmental and energy issues at production sites: regulations, environmental management system, energy, water, etc.

1) FLAG: *Forest, Land & Agriculture*  
 2) Commitment to 67% of Lactalis Scope 3 FLAG GHG emissions.  
 3) Covering purchased goods and services, capital goods, fuel and energy activities, transport and distribution, as well as the transformation of sold products.  
 4) Commitment to 67% of Lactalis Scope 3 non-FLAG GHG emissions.

## PACKAGING OPTIMIZATION AND WASTE REDUCTION

Lactalis favors packaging circularity and the integration of recycled materials. When these areas for improvement reach their limits, Lactalis has developed action plans to achieve the following targets <sup>(1)</sup>:

- 100% of current and future packaging solutions for pillar products and packaging for product innovations screened using an eco-design tool by 2025;
- reduce unnecessary packaging components that do not meet the specifications established for each solution;
- minimize packaging intensity by optimizing the quantities of packaging materials;
- increase the quantity of recycled material included in our packaging at group level;
- ensure the recyclability of packaging through two ambitions:
  - aim for 100% recyclable packaging by design in 2025;
  - aim for 100% recyclable packaging in practice for countries with an Extended Producer Responsibility scheme in 20233;
- ensure 100% of the virgin paper and board used is covered by a certification by the end of 2023 <sup>(1)</sup>;
- Aim for the elimination of PVC in our packaging by 2025 <sup>(1)</sup>.

Lactalis raises awareness among its internal and external stakeholders about the issue of the circular economy. In this context, Lactalis' ambitions are as follows:

- integrate waste management information on 100% of packaging by 2025 <sup>(1)</sup>;
- develop a digital module on the Lactalis Packaging Policy so that employees can become ambassadors at group level;
- promote events such as "World Cleanup Day" at group level;
- partner and engage with local collective platforms and projects to develop sorting and recycling systems.

The Group Packaging Policy is public and can be accessed from the Lactalis' website.

## 6.7.5 RISK MITIGATION AND PREVENTION MEASURES WITHIN THE SUPPLY CHAIN

### SUPPLIER CODE OF CONDUCT (EXCLUDING MILK SUPPLY)

The Lactalis Supplier Code of Conduct aims to communicate Lactalis' vision and ambitions to all its suppliers (excluding dairy farmers) and sets out the principles to be followed in order to establish ethical, fair and sustainable relationships.

The Lactalis Supplier Code of Conduct is based on compliance with:

- the 10 principles of the United Nations Global Compact;
- the United Nations Universal Declaration of Human Rights;
- the conventions of the International Labour Organization;
- the OECD Guidelines for Multinational Companies.

This Code of Conduct is sent to suppliers, who are invited to familiarize themselves with it and adhere to its principles. In the event of non-compliance with these principles by a supplier, Lactalis may decide to withdraw or discontinue its relationship with them.

Lactalis also rolls out a Food Quality and Security Charter for ingredients, raw dairy materials and packaging: by signing this charter, suppliers undertake to accept Lactalis audits for the purpose of validating and assessing food quality and safety criteria, and follow-up audits.

### CLIMATE ACTION

#### Milk supply

Milk supply (*i.e.*, milk production by Lactalis partnering farmers upstream of its activities), is the company's main source of GHG emissions, accounting for around 75% of its total carbon footprint and almost 90% of its Scope 3 FLAG emissions. It is therefore a key part of the group's climate action and Lactalis is actively working with its partnering farms to cut their GHG emissions on their farms.

Since 2023, this initiative has been guided by local roadmaps with a 2030 target, implemented specifically in 14 countries that account for a significant portion of collection volumes. By focusing its efforts on the supply of cow raw milk in these areas, which account for approximately 67% of its FLAG Scope 3 emissions, Lactalis is taking a pragmatic approach by starting its initiatives where the potential impact is greatest.

1) Ambition on a set of 23 countries accounting for 85% of Lactalis Group revenue in 2019.

Developed jointly by the CSR and Milk Supply teams, these roadmaps identify the key technical and organizational measures that can be implemented to reduce emissions at farm level while taking into account the diversity of farming systems and local contexts. It should be noted that, beyond this priority group, 7 other countries have already begun a similar process by conducting initial carbon assessments at farm level, thereby contributing to the gradual spread of this initiative.

### Non-agricultural supply chain

With regard to suppliers, excluding dairy farmers (Scope 3 non-FLAG), Lactalis assesses the progress of its suppliers that contribute the most in terms of climate emissions, and also the alignment of their climate trajectory with the group's trajectory through an annual questionnaire distributed *via* a collaborative platform. This enables the group to launch, if necessary, a personalized support program, according to a "support-first" approach.

## FIGHTING AGAINST DEFORESTATION

### Forest Policy

As part of its efforts to preserve biodiversity (especially in terms of avoiding land use change) and to fight against climate change, Lactalis published its Forest Policy in 2023, with the main ambition of tackling deforestation and conversion of natural ecosystems (also known as "land conversion") within its supply chain.

This ambition translates into different commitments depending on the type of impact the group has:

#### • Direct impacts

Lactalis defines its direct impacts on deforestation as those attributable to the suppliers with whom the group has a direct commercial relationship (direct suppliers).

For these impacts, Lactalis has defined a commitment of results. It is engaged to ensuring that 100% of the high-risk deforestation or land conversion commodities it purchases are not sourced from land that was deforested or converted for agricultural use since the cutoff date of 31 December 2020. This covers the following commodities:

- palm oil, cocoa and coffee used as ingredients;
- paper and board used for packaging;
- woody biomass used for energy production;
- soy and palm oil used in animal feed products sold by the group to farmers through its agricultural supply sales services (also known as agrosupply products).

More specifically, Lactalis requires its direct suppliers to ensure that the volumes of these commodities purchased are considered deforestation- and conversion-free (DCF) based on the following criteria:

- the raw material is traceable to the production area;

- the production area has not been subject to deforestation or to land conversion (including peatlands, savannah, grasslands, etc.) after the established cutoff date. The cutoff date of 31 December 2020 takes precedence over local legislation, whichever is earlier. When local legislation prescribes an earlier date than 31 December 2020, compliance must be demonstrated from that earlier date;
- a monitoring of natural vegetation is implemented, and the supplier responds to new deforestation or land conversion events.

#### • Indirect impacts

Lactalis defines its indirect impacts on deforestation as those arising from upstream suppliers beyond its direct commercial relationships, which include stakeholders involved earlier in the supply chain who produce, process, or trade commodities.

As a dairy company, Lactalis' main indirect impact on deforestation is related to the dairy farmers from whom the group collects milk it processes. Indeed, although these farmers (direct suppliers) are not directly involved in deforestation or land conversion, they may indirectly contribute to deforestation or land conversion through the soy or the palm oil they purchase for animal feed, which may originate from farms several intermediaries removed from them.

For these indirect impacts, as a first step and considering that the group works with hundreds of thousands of farmers in approximately 50 countries, Lactalis has decided to take a commitment of means. Thus, the group is committed to raising awareness of the deforestation and land conversion risks associated with animal feed among all its partnering farmers worldwide and to encourage them to implement practical solutions to eliminate these risks.

In parallel, Lactalis participates in several sector-wide initiatives that aim to transform soy supply chains and accelerate the transition toward DCF animal feed. Indeed, soy and palm oil supply chains are highly complex and often lack transparency, particularly when these commodities are embedded in animal feed, where multiple intermediaries make it difficult to trace products back to their origin. This opacity limits the ability of any single company to verify compliance with DCF requirements occurring thousands of kilometers away and Lactalis is convinced that collective actions are essential. Thus, for example:

The Group Forest Policy is public and can be accessed from the Lactalis' website.

### Palm oil Policy

Regarding Palm Oil, Lactalis has decided to adopt a more holistic approach to this sensitive commodity. Therefore, in addition to the Forest Policy, the company published a dedicated Palm Oil Policy in 2022.

The Lactalis Palm Oil Policy applies to all ingredients containing palm oil and derivatives purchased by Lactalis worldwide<sup>(1)</sup> and is organized around three axes:

- **Mitigating deforestation and land conversion risks**

Lactalis is engaged to source RSPO (Roundtable on Sustainable Palm Oil) Certified volumes (Segregated or Mass Balance) that are traceable. RSPO is the world's leading multi-stakeholder initiative dedicated to transforming the palm oil sector through robust sustainability standards, transparent governance, and collective action. The RSPO certification provides assurance that production complies with criteria related to, among others, deforestation and land conversion prevention and peatland protection. Thus, the group has made the following commitments:

- 100% of the palm oil and derivatives volumes purchased in the European union or by SANULAC<sup>(2)</sup> will be RSPO Segregated Certified by December 2023;
- 100% of the palm oil and derivatives volumes purchased worldwide will be RSPO Mass Balance or Segregated Certified by December 2025;
- 100% of the palm oil and derivatives volumes purchased worldwide will be traceable up to the mill by December 2025.

- **Protecting the rights of workers and local communities**

To ensure that the rights of workers, indigenous peoples and local communities are respected and that the principles of Free, Prior and Informed Consent (FPIC) are applied, Lactalis requires all its direct palm oil suppliers, at least, to be RSPO Certified and to complete a self-assessment on the Sedex<sup>(3)</sup> platform. Furthermore, the group has decided to develop its own grievance hotline. In a nutshell, the group has made three commitments linked to this axis:

- 100% of Lactalis' direct palm oil suppliers worldwide will be RSPO Certified by December 2025;
- 100% of Lactalis' direct palm oil suppliers worldwide will be at least Sedex self-assessed by December 2025;
- Lactalis will set up a grievance hotline by 2026.

- **Going beyond the supply chain, supporting smallholders and restoring forests**

Lactalis is committed not only to certification and traceability, but also to driving the broader transformation of the palm oil sector. Smallholders, who account for around 40% of global palm oil production, are essential to the sector's long-term resilience. Supporting their inclusion in the responsible supply chains requires investment in capacity building and landscape level initiatives. Besides, the group acknowledges that preventing deforestation and land conversion in palm producing regions requires long-term investment in forest conservation and restoration. That's why the group aims:

- to participate in at least one initiative to support palm oil smallholders on a yearly basis (starting in 2023);
- to participate in at least one initiative to support reforestation on a yearly basis (starting in 2023).

The Group Palm Oil Policy is public and can be accessed from the Lactalis' website.

## ANIMAL WELFARE

Lactalis has published its animal welfare policy since 2022, with the objectives of ensuring that animals have a good life, meeting the expectations of its stakeholders (clients, customers, NGO, etc.), and helping to improve the performance of its partnering farms. The group aims to apply this policy to all the animals in its supply chain, regardless of the related finished product. The version in force concerns three main products of animal origin in the group's supply chain: raw milk (dairy cows and calves), dairy ingredients (dairy cows and calves) and shell eggs and egg products (laying hens) used as ingredients.

### Raw milk (dairy cows and calves)

The group has made five main commitments concerning cow raw milk:

1. ensuring that all its partnering farms are not responsible of any acts of animal cruelty and comply with local and international regulations;
2. enrolling direct partnering farms<sup>(4)</sup> (and indirect ones where possible) in a process of continuous improvement, phasing out the most the most problematic practices and implementing the best ones;
3. advocating for the implementation, deployment and reinforcement of ambitious national animal welfare standards;

1) Excluding ingredients containing palm oil and derivatives not labelled as fat, excluding ingredients containing palm oil and derivatives used by co-manufacturers other than those working for the SANULAC subsidiary, excluding acquisitions of less than 3 years.

2) SANULAC is Lactalis's international subsidiary dedicated to infant formulas and specific nutrition products.

3) Sedex (Supplier Ethical Data Exchange) is an international platform that enables companies to assess, monitor, and share the social, ethical, and environmental performance of their suppliers to promote greater accountability across the supply chain.

4) A farm supplying raw milk to Lactalis is considered as "direct" if a) there is an individual contract between Lactalis and the Farm Manager and/or b) Lactalis can individually propose to the Farm Manager a plan to improve their farming practices without having obtained the prior formal agreement of any third party (e.g. a cooperative). Otherwise, the farm is considered as "indirect" (including farms supplying milk to Lactalis via "brokers").

4. collaborating with its stakeholders to improve scientific knowledge and develop innovations on animal welfare;
5. reporting publicly and annually on its actions and progress.

As a first step, the group has focused its efforts on its direct volumes <sup>(1)</sup> in 11 pilot countries <sup>(2)</sup> (representing around 43.1% of its total cow raw milk collection worldwide) and on 10 animal welfare topics. Specifically, within these 11 pilot countries, the group has committed to:

- training 100% of its dairy technicians in animal welfare best practices by the end of 2023, through the internationally recognized CowSignals® training program;
- assessing 100% of its direct volumes by the end of 2025;
- prioritizing its work on the following sensitive topics: tethering, bedding space, calves in groups, access to pasture, effective species-specific environmental enrichment, growth hormones, antibiotics, disbudding/dehorning, tail docking and animal derived proteins in feed.

Since 2024, Lactalis has extended its efforts to its direct volumes in 10 additional countries <sup>(3)</sup> representing around 10.7% of its total cow raw milk collection worldwide). Specifically, within these 10 additional countries, the group has committed to:

- training 100% of its dairy technicians in animal welfare best practices by the end of 2024, through the internationally recognized CowSignals® training program;
- assessing 100% of its direct volumes by the end of 2027;
- prioritizing its work on the same sensitive topics listed above.

#### Dairy ingredients (dairy cows and calves)

Regarding dairy ingredients other than raw milk (e.g. milk powder), the group's "animal welfare" approach is part of its Responsible Purchasing Policy overseen by the Group Purchasing Department.

In the context of this policy, Lactalis' dairy ingredients suppliers must adhere to two documents:

- the Supplier Code of Conduct, which details the conduct to be adopted with regard to various topics, including animal welfare. This Code of Conduct is sent to suppliers, who are invited to familiarize themselves with it and adhere to these principles. In the event of non-compliance, if the supplier does not implement effective corrective actions, Lactalis may decide to withdraw or discontinue its relationship with the supplier;
- a Food Quality and Safety Charter for ingredients, dairy raw materials and packaging. By signing this charter, suppliers undertake to accept Lactalis audits for validation, assessment and follow-up purposes.

#### Shell eggs and egg products (laying hens)

The group uses shell eggs and egg products as ingredients in some recipes, especially in dairy desserts.

Like for dairy ingredients, the group's "animal welfare" approach on shell eggs and egg products is part of its Responsible Purchasing Policy overseen by the Group Purchasing Department.

In concrete terms, the group has set the following commitments for its sourcing of shell eggs and egg products used as ingredients <sup>(4)</sup>:

- in the European Union, the group has committed to stop purchasing shell eggs and egg products coming from caged systems ("Code 3") by the end of 2021;
- at global level, the group has committed to stop purchasing shell eggs and egg products coming from caged systems ("Code 3") by the end of 2025.

The Group Animal Welfare policy is public and can be accessed from the Lactalis' website.

## 6.8 WHISTLEBLOWING SYSTEM

The Lactalis reporting platform ("Lact@lert") enables employees and external stakeholders to report any situation that is against the law through a secure platform: violation of human rights, fundamental freedoms, occupational Health & Safety, the environment and food safety and hygiene rules, among others.

These reports are collected directly by the Group Compliance Committee, which examines them in a strictly confidential manner, in accordance with its rules of procedure.

The reporting platform is available on Lactalis' website and at the following address:

<https://www.bkms-system.com/Lactalis>

1) A volume of collected raw milk is considered as "direct" when coming from a "direct" farm (see previous note). Otherwise, the volume is considered as "indirect" (including volumes coming from "brokers" and "spot milk").  
 2) Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi business unit acquired in 2023), Spain, Sweden, United Kingdom and United States of America (excluding the Midwest Yogurt business unit acquired in 2025).  
 3) Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding Sequeira acquired in 2024 and Tavares acquired in 2025 business units), Romania, Slovenia, South Africa (excluding the Cremora business unit acquired in 2025), Switzerland and Türkiye.  
 4) Excluding potential purchases of eggs and egg products used by R&D departments and excluding acquisitions of less than 3 years.

## 6.9 MONITORING MEASURES AND ASSESSING THEIR EFFICACY

Lactalis deploys the Vigilance Plan in each group subsidiary.

As stated previously, Lactalis has set up a dedicated reporting and monitoring process for the various vigilance-related issues.

The Group CSR Department maintains a CSR dashboard that details the sustainability performance of the operating divisions using KPIs on three priority topics for Lactalis (climate - including deforestation, animal welfare, packaging).

The CSR dashboard also assesses the construction and alignment of national roadmaps with the group's objectives. It is presented every year to the Group Management Committee.

To supplement the CSR dashboard, the relevant central departments and the Group CSR Department monitor additional KPIs to assess the effectiveness of the measures and take the necessary action if needed; see section 6.2 / Governance.

## 6.10 REPORT ON THE 2025 VIGILANCE PLAN

### 6.10.1 SUMMARY OF VIGILANCE INDICATORS

Lactalis has set up a dedicated reporting and monitoring process for the various issues related to its duty of care. The central Departments carry out awareness-raising and support work with the group's various subsidiaries to ensure that vigilance measures are understood, applied and monitored throughout Lactalis.

Below are the indicators for 2025 relating to risks identified by Lactalis in the context of the implementation of the Vigilance Plan in the group's activities and with regard to its suppliers:

Issue	Indicators*	2024	2025
Climate, water, pollution, waste and biodiversity	Number of internal environmental site audits carried out	68	76
	Percentage of Lactalis' industrial sites subject to the Industrial Emission Directive (IED) ISO 14001 Certified (%)	98.7%	100%
	Percentage of total energy consumption from renewable sources (%)	16%	17.8%
	Percentage change in emissions related to Lactalis' SBTi commitment on Scopes 1 and 2 (including biogenic emissions) between 2019 and 2025 (%)	-13.7%	-20.5%
	Percentage of suppliers (in emissions) with science-based commitments validated by SBTi, linked to Lactalis' SBTi commitment on Scope 3 non-FLAG (%)	24%	28.5%
	Percentage change in emissions related to Lactalis' SBTi commitment on Scope 3 FLAG (raw cow's milk collected) between 2021 and 2025 (%)	-5.0%	-3.3%
	Percentage of the palm oil and derivatives volumes purchased worldwide RSP0 Mass Balance or Segregated Certified (%)	92.1%	95.2%
Packaging circularity	Percentage of recycled materials in our packaging (%)	32.3%	32.9%
	Metric tons of PVC in packaging (tons)	866	752.9
	Percentage of packaging recyclable by design (%)	82.8%	82.2%
	Percentage of packaging bearing waste management information (%)	New indicator	>70%
	Percentage of virgin paper and board packaging covered by sustainable certification (%)	95.9%	98.1%
Animal welfare	Percentage of direct annual volume of collected cow raw milk in the 11 pilot countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once every 3 years) (%)	55.3%	89.7%
	Percentage of direct annual volume of collected cow raw milk in the 10 additional countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once since 2024) (%)	New indicator	43.3%
	Percentage of indirect annual volume of collected cow raw milk in the 21 countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method or an ambitious national standard (at least once every 3 years) (%)	61.1%	61.7%
	Percentage of annual volume of purchased shell eggs worldwide coming from cage-free systems (%)	100%	100%
	Percentage of annual volume of purchased egg products worldwide coming from cage-free systems (%)	92.0%	92.7%
Social issues	Number of safety observation visits	New indicator	76,646
	Percentage of women in leadership positions (%)	27.7%	28.3
Food safety and quality	Number of Group Quality audits	84	57
	Number of advisory visits	118	97
	Percentage of industrial activities certified according to at least one of the 5 certificates: ISO 22000, FSSC 22000, IFS, BRC or SQF (%)	88%	89%
	Number of subcontractors audited by the Lactalis Supplier Audit team	445	477

\* See the methodological note for comments regarding the scope of the indicators.

6.10.2 SUMMARY OF ACTIONS IMPLEMENTED IN 2025

Issue	Summary of alerts and actions to implement the vigilance plan in 2025
Climate, water, pollution, waste and biodiversity	<p>The Lactalis climate roadmap has been validated by <i>SBTi</i> since July 2024.</p> <p>With regard to the Industrial Environment topic, Lactalis is continuing to implement environmental action plans in all countries. Regarding its milk supply, in 2025, the group continued and widely extended carbon assessments, in particular using the <i>Cool Farm Tool</i>. As a result, Lactalis' dairy technicians measured the carbon footprint of around 4,500 partnering farmers in the 14 pilot countries that had signed the FLAG Scope 3 reduction commitment (representing 38% of farms in these countries). In addition, Lactalis implemented several concrete projects to support its partnering farmers in reducing their carbon footprint through technical and financial support (see 3.1 / Climate change).</p> <p>In 2025, Lactalis started an internal work to define its future Group Biodiversity Policy, which is expected to be published in 2026. The main objective of this policy will be to contribute to the global goal of the Kunming-Montreal Global Biodiversity Framework, namely, to halt and reverse biodiversity loss by 2030. In this context, Lactalis has carried out an analysis of its risks and impacts in terms of biodiversity in its value chain with an external expert firm.</p> <p>More specifically, with regard to deforestation issues, Lactalis Procurement and CSR teams actively worked to translate the group's DCF pledge into concrete, commodity-specific sourcing options. To support this work, they consulted a wide range of external stakeholders such as certification bodies, NGO and consultants, and engaged directly with Lactalis' main suppliers for each commodity.</p> <p>Regarding palm oil, Lactalis reached 95.2% RSP0 Certified volumes globally, consisting of 40.3% Certified under the Mass Balance supply chain model and 54.9% Certified under the Segregated model. In addition, progress has been made in terms of reporting with the publication of results for 3 new indicators (see section 3.4 / Biodiversity).</p>
Packaging circularity	<p>Lactalis has continued to implement its roadmaps for the implementation of the Packaging Policy in 21 priority countries (Russia and Ukraine left the initial scope of the 23 countries). At the same time, an eco-design tool for packaging was rolled out internationally to teams trained in its use.</p> <p>Lactalis has worked on strengthening its packaging reporting process and has deployed a digital training module to make the Packaging Policy known to all employees. This training has been available since 2025.</p> <p>Numerous projects to improve the recyclability of packaging, integrate recycled materials and reduce packaging have been carried out (see section 3.5 / Resource use and circular economy).</p> <p>Lactalis organized the World Cleanup Day 2025 event to raise employee awareness of waste management: 4,600 employees in 43 countries took part and collected more than 37 tons of waste.</p>
Animal welfare	<p>As part of its partnership with CowSignals®, an organization specializing in animal welfare training, Lactalis has trained 33 dairy technicians, bringing the total number of technicians trained to around 260 since the launch of the approach (<i>i.e.</i>, 94.4 % of dairy technicians in 21 countries).</p> <p>In the field, assessments of direct partnering farms on animal welfare using the Lactalis internal method were continued in the 21 countries: around 4,100 direct farms were assessed in the 11 pilot countries (<i>i.e.</i>, 32.2% of direct farms in these countries) and around 900 direct farms were assessed in the 10 additional countries (<i>i.e.</i>, 26.8% of direct farms in these countries).</p> <p>Various animal welfare awareness-raising and/or training actions for partnering farms, regarding both direct and indirect volumes, have been carried out by Lactalis Country Milk Supply Departments, particularly the publication of technical guides and the organization of face-to-face or online training.</p> <p>Lactalis has published its annual progress report on animal welfare (2024 data).</p> <p>Regarding the supply of shell eggs and egg products, Lactalis has continued to work with its suppliers to ensure that all purchased volumes come from cage-free systems. As a result, Turkey has switched its purchases to cage-free systems at the end of 2025. Similarly, although not included in the consolidated results due to its recent acquisition (less than three years ago), the Marie-Morin subsidiary in Canada has also switched its volumes to cage-free systems during the year. At this stage, only one country has yet to convert its purchases: Brazil. This switch could not be completed in 2025 but has been approved for early 2026. (see section 5.1.3 / Animal welfare).</p>
Social issues	<p>Concerning its own operations:</p> <p>Lactalis has developed a social risk assessment methodology on 30 sites in 10 countries. Lactalis monitors the implementation of Health &amp; Safety action plans in all countries and continues to raise awareness.</p> <p>The Group' Diversity, Equity and Inclusion Policy has been rolled out in all of the group's countries: a network of DE&amp;I ambassadors has been created to pool best practices, continue to raise awareness and contribute to achieving the objectives set by the policy.</p> <p>Lactalis uses the Sedex platform to assess the human rights risks for its activity.</p> <p>Regarding its value chain:</p> <p>Lactalis continued to roll out the Supplier Code of Conduct.</p> <p>Lactalis continued to assess of the performance of its priority suppliers <i>via</i> the Sedex platform.</p>
Food safety and quality	<p>In 2025, Lactalis continued to roll out its food quality and safety strategy, "Act for Quality, because we care," along with the associated information and awareness campaign.</p> <p>A total of 115 Food Quality and Safety training courses were organized, covering 231.5 days and involving 1,136 participants. In addition, 57 internal audits were conducted at plants and in laboratories, and 97 consulting visits were carried out on these same scopes by experts from the Group' Quality Department, as well as 477 audits at suppliers and co-manufacturers' sites.</p> <p>The year was also marked by the continued formalization of Food Quality and Safety standards, in-depth work on risk mapping, positive release practices, risk analyses applicable to ingredients and the continued roll-out of the Pathogens Plan.</p>

# 7. METHODOLOGICAL NOTE

## 7.1 ORGANIZATION OF CSR REPORTING

The Group CSR team is in charge of the annual CSR reporting. It relies on:

- the Group Technical Expert teams (Purchasing, Quality, Milk Supply, Energy and Environment, Supply Chain, Human Resources, Health and Safety, Nutrition Marketing, Equipment and Engineering, Finance, Management Control, General Services, Real Estate);
- the CSR Referents in the group's various entities, who are responsible for distributing CSR reporting instructions and sharing the best country practices.

The CSR team and Group Technical Expert teams prepare and update KPI sheets, which are distributed to all employees in charge of technical reporting.

## 7.2 TIME AND GEOGRAPHICAL SCOPE OF REPORTING

The data used to calculate the various indicators covers the period from January 1, 2025 to December 31, 2025, with the exception of data on waste, energy and water in logistics, for which the reporting period runs from December 1, 2024 to November 31, 2025.

The previous report covered the period from January 1, 2024 to December 31, 2024, with the exception of energy in logistics, for which the reporting period was from December 1, 2023 to November 31, 2024.

The geographical scope covered by the various indicators (KPIs) is detailed in the table below:

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THEME	KPI	Scope covered in 2025	Coverage rate 2025
<b>ENVIRONMENT</b>			
	Energy consumption (kWh LHV/kg finished products)	Group scope excluding Russia, Belarus and acquisitions made within the last 3 years	100% of the group's production volume excluding Russia, Belarus and acquisitions made within the last 3 years
	Total energy consumption from fossil and nuclear sources related to own operations (MWh)	Group scope excluding Russia and Belarus	100% of the group's production volume excluding Russia and Belarus
	Percentage of total energy consumption from fossil and nuclear sources (%)		
	Consumption of coal and derivatives (MWh)		
	Consumption of crude oil and petroleum products (MWh)		
<b>Energy</b>	Natural gas consumption (MWh)		
	Consumption from other fossil sources (MWh)		
	Consumption of purchased or acquired electricity, heat and steam from fossil and nuclear sources (MWh)		
	Percentage of total energy consumption from nuclear sources (%)		
	Percentage of total energy consumption from renewable sources (%)		
	Consumption of fuel from renewable sources (MWh)		
	Consumption of purchased or acquired electricity, heat and steam from renewable sources (MWh)		
	Self-generated renewable energy consumption not from fuels (MWh)		

7. METHODOLOGICAL NOTE

THEME	KPI	Scope covered in 2025	Coverage rate 2025
Climate	Scope 1 greenhouse gas emissions (tCO <sub>2</sub> e)	Group scope excluding Russia and Belarus	100% of the group's production volume excluding Russia and Belarus
	Scope 2 greenhouse gas emissions - Location Based (tCO <sub>2</sub> e)		
	Scope 2 greenhouse gas emissions - Market Based (tCO <sub>2</sub> e)		
	Scopes 1 and 2 greenhouse gas emissions of the consolidated accounting scope - Market Based (tCO <sub>2</sub> e)		
	Biogenic CO <sub>2</sub> emissions not included in Scope 1 greenhouse gas emissions, reported according to the <i>GHG Protocol methodology</i> (tCO <sub>2</sub> e)		
	Biogenic CO <sub>2</sub> emissions not included in Scope 1 greenhouse gas emissions included in Lactalis' <i>SBTi</i> trajectory (tCO <sub>2</sub> e)		
	Percentage change in emissions related to Lactalis' <i>SBTi</i> commitment on Scopes 1 and 2 (including biogenic emissions) between 2019 and 2025 (%)		
Gross greenhouse gas emissions from Scope 3 FLAG (raw cow's milk collected) related to Lactalis' <i>SBTi</i> commitment on Scope 3 FLAG (tCO <sub>2</sub> e)	Australia, France, Canada, Brazil, Spain, Italy, the United States (excluding Midwest Yogurt subsidiary acquired in 2025), South Africa (excluding Cremora), Germany, Croatia, Sweden, Belgium, the United Kingdom, the Netherlands	67% of the group' Scope 3 FLAG emissions	
Percentage change in emissions related to Lactalis' <i>SBTi</i> commitment on Scope 3 FLAG (raw cow's milk collected) between 2021 and 2025 (%)			
Percentage of suppliers (emission-weighted) with science-based targets (Scope 3 non-FLAG) (%)	67% of Scope 3 non-FLAG emissions, group scope	73.8% of Scope 3 non-FLAG emissions from categories 1, 2, 3, 4, 10	
Water resources	Total volume of water withdrawn (m <sup>3</sup> )	Group scope (excluding Russia, Belarus and acquisitions made within the last 3 years)	100% of the group's production volume excluding Russia, Belarus and acquisitions made within the last 3 years
	Water withdrawal ratio (m <sup>3</sup> /t of finished products)		
	Total volume of wastewater discharges (m <sup>3</sup> )		
	Wastewater quantity ratio (m <sup>3</sup> /t of finished products)		
	Average concentration of the effluent load for industrial sites equipped with an on-site wastewater treatment plant and discharging to the natural environment of the nine pilot countries (COD in mg O <sub>2</sub> /L)		

7. METHODOLOGICAL NOTE

THEME	KPI	Scope covered in 2025	Coverage rate 2025
<b>Biodiversity</b>	Percentage of Lactalis' industrial sites subject to the Industrial Emission Directive (IED) ISO 14001 Certified (%)	Group scope in the EU (excluding acquisitions made within the last 5 years)	100% of the group's revenue in the EU, excluding acquisitions made within the last 5 years
	Percentage of the palm oil and derivatives volumes purchased in the EU or by SANULAC RSP0 Segregated Certified (%)	Group scope in the EU and SANULAC subsidiary (excluding acquisitions made within the last 3 years)	100% of the group's revenue in the EU and for the subsidiary SANULAC, excluding acquisitions made within the last 3 years
	Percentage of the palm oil and derivatives volumes purchased worldwide RSP0 Mass Balance or Segregated Certified (%)	Group scope (excluding Russia, Belorussia and acquisitions made within the last 3 years)	100% of the group's revenue excluding Russia, Belarus and acquisitions made within the last 3 years
<b>Circular economy</b>	Percentage of recycled materials in our packaging (%)	France, Canada, Italy, USA, Brazil, Spain, Australia, Turkey, Germany, Sweden, United Kingdom, South Africa, Romania, Poland, Switzerland, Belgium, Croatia, Portugal, the Netherlands, Czech Republic, Slovenia	91% of the group's revenue
	Metric tons of PVC in packaging (tons)		
	Percentage of packaging recyclable by design (%)		
	Percentage of packaging bearing waste management information (%)		
	Percentage of virgin paper and board packaging covered by sustainable certification (%)		
<b>SOCIAL</b>			
<b>Company employees</b>	Percentage of leadership positions recruited through internal promotion (%)	Group scope, with Russia	100% of the group's workforce
	Engagement rate (%)	Group scope: trends according to the 2024 and 2025 Managerial Survey	
	Resignation rate (%)	Group scope with Russia	
	Number of managers who received an individual performance review meeting		
	Percentage of women in leadership positions (%)		
	Workplace accidents with lost time frequency rate for employees (FR1 employees)		
	Workplace accidents with lost time frequency rate for employees and temporary workers (FR2)		
	Workplace accidents with lost time severity rate for employees		
	Number of near misses and risk observations		
	Number of safety observation visits		

7. METHODOLOGICAL NOTE

THEME	KPI	Scope covered in 2025	Coverage rate 2025
<b>Consumers</b>	Percentage of industrial activities certified according to at least one of the 5 certificates: ISO 22000, FSSC 22000, IFS, BRC or SQF (%)	Group scope excluding Russia, sites producing animal feed, inter-sites, collection sites and refining cellars (without production site)	99% of group revenue
	Percentage of volumes in line with internal sugar recommendations for ultra-fresh and milk categories (%)	France (Mainland & DROM COM), Canada, Italy, the United States, Brazil, Spain, Australia, Germany, Sweden, United Kingdom, South Africa, Romania, Poland, Switzerland, Benelux, Croatia, Portugal, Czech Republic, India, Turkey, Saudi Arabia, Slovenia, Kazakhstan	80% of group-brand revenue (excluding infant & specialized nutrition and B2B ingredients)
	Percentage of volumes in line with internal salt recommendations for processed cheese categories (%)		
<b>GOVERNANCE</b>			
<b>Animal welfare (raw milk from cows)</b>	Percentage of direct annual volume of collected cow raw milk in the 11 pilot countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once every 3 years) (%)	Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi subsidiary acquired in 2023), Spain, Sweden, the United Kingdom and the United States (excluding the Midwest Yogurt subsidiary acquired in 2025)	90.8% of the total volume of cow raw milk collected by the group worldwide (excluding acquisitions made in 2025)
	Percentage of direct annual volume of collected cow raw milk in the 10 additional countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once since 2024) (%)	Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding the Sequeira subsidiaries acquired in 2024 and Tavares acquired in 2025), Romania, Slovenia, South Africa (excluding the Cremora subsidiary acquired in 2025), Switzerland and Turkey	
	Percentage of indirect annual volume of collected cow raw milk in the 21 countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method or an ambitious national standard (at least once every 3 years) (%)	Australia, Belgium, Brazil, Canada, France, Germany, Italy (excluding the Ambrosi subsidiary acquired in 2023), Spain, Sweden, the United Kingdom and the United States (excluding the Midwest Yogurt subsidiary acquired in 2025), Croatia, Czech Republic, the Netherlands, Poland, Portugal (excluding the Sequeira subsidiaries acquired in 2024 and Tavares acquired in 2025), Romania, Slovenia, South Africa (excluding the Cremora subsidiary acquired in 2025), Switzerland and Turkey	

7. METHODOLOGICAL NOTE

THEME	KPI	Scope covered in 2025	Coverage rate 2025
<b>Animal welfare (shell eggs and egg products from laying hens)</b>	Percentage of annual volume of purchased shell eggs in the EU coming from cage-free systems (%)	Group scope in the EU (excluding acquisitions made within the last 3 years and R&D volumes)	100% of the total volumes of shell eggs and egg products purchased by the group in the EU (excluding acquisitions made within the last 3 years and R&D volumes)
	Percentage of annual volume of purchased egg products in the EU coming from cage-free systems (%)		
	Percentage of annual volume of purchased shell eggs worldwide coming from cage-free systems (%)	Group scope (excluding Russia, Belarus, acquisitions made within the last 3 years and R&D volumes)	100% of the total volumes of shell eggs and egg products purchased by the group worldwide (excluding Russia, Belarus, acquisitions made within the last 3 years and R&D volumes)
	Percentage of annual volume of purchased egg products worldwide coming from cage-free systems (%)		

The reference framework for calculating and establishing performance indicators is available on request by email from the Group Communication Department.

Acquisitions are included in the CSR reporting within a maximum of three years following their integration into the Lactalis Group.

### 7.3 INFORMATION ON ENVIRONMENTAL INDICATORS

#### 7.3.1 CLIMATE CHANGE INDICATORS

The CSR Department is in charge of calculating the group's greenhouse gas emissions annually using the *GHG Protocol* methodology.

The input data used in the calculation comes from:

- for Scopes 1 & 2: the Energy and Environment and Supply Chain Departments;
- for Scope 3 FLAG: the Milk Supply Department;
- for Scope 3 non-FLAG: the Purchasing, Equipment & Engineering, and Supply Chain Departments, and the Lactalis Ingredients division.

#### REPORTING OF DATA FOR SCOPE 1 AND 2 CALCULATIONS

Warehouses over which Lactalis has operational control, its own vehicle fleets and industrial sites are included in the calculations. Only emissions from Scope 1 and 2 Energy and Industry are included in this report. Scope 1 and 2 FLAG emissions, related to group-owned dairy farms, are reported separately and are not included here.

The following are excluded from Scope 1 and 2 calculations:

- assets other than industrial sites, warehouses and vehicles, as these emissions are not considered significant;

- emissions related to refrigerant leaks in independent warehouses and refrigerated trucks;
- energy consumption related to the pumps of tank trucks or refrigeration units on trailers;
- energy consumption of independent warehouses other than electricity;
- emissions related to the group's entities in Russia and Belarus.

The conversion factors used come from several external databases - such as DEFRA, ADEME, IPCC, AIB, EPA - and are updated annually by an external service provider. Scope 2 emissions are presented using the market-based method.

The reference year chosen by Lactalis for the calculations relating to Scopes 1 and 2 is 2019.

The nuclear energy consumption indicator is calculated based on reference data from the summary of World Energy Budgets published by the International Energy Agency's (IEA). This data constitutes the primary source used for estimating energy flows and for breaking them down by sector, in accordance with international energy accounting methodologies.

Reporting by the Energy and Environment Department:

Information concerning energy consumption is collected by the sites using meter readings or invoices and transmitted then consolidated by the Group Energy and Environment Department using a reporting tool.

## 7. METHODOLOGICAL NOTE

This information concerns:

- industrial sites engaged in the production of semifinished products: milks, yogurts, powders, cheeses, butter, fruit juices, cold meats;
- pasteurization or cutting/packaging sites located at a site physically separate from the production activity;
- the sites where the milk is prepared before it is sent to other manufacturing sites.

Sites carrying out only one activity are excluded:

- offices;
- independent logistics sites (outside France);
- collection center with pasteurization.

For the purpose of expressing energy consumption on an intensity basis, the plant reference volume used is derived from Management Control data and is equal to the production volume representative of the plant cost.

Reporting by the Supply Chain Department:

The Group Supply Chain Department asks its country officers to report all the information concerning vehicles used by Lactalis (owned directly or under long-term leases), fuel consumption and kilometers traveled, as well as information on electricity consumption for warehouses independent of industrial sites. Some warehouse energy consumption data has been estimated *via* a surface-based approach. Supply Chain reporting is carried out between December of the previous year and November of the current year.

### DATA REPORTING FOR SCOPE 3 FLAG CALCULATION

For Milk Supply, consolidated results at farm level (gross carbon footprint) and the associated volumes of cow's milk covered by a carbon diagnosis were provided by the Milk Supply Department. The annual volumes of cow's milk (direct and external) collected by country, in L/year, as well as the fat and protein content, in g/100 g, are provided by the Management Control Department.

The conversion factors used to obtain the results at farm level come from the following tools:

- Cool Farm Tool: Australia, Belgium, Brazil, Spain, Italy, United States, Croatia, South Africa
- Cap2ER: France
- Agrecalc: United Kingdom
- Agrarklimacheck: Germany
- Vera, Klimatkollen: Sweden
- Kringloopwijzer: Netherlands

In 2025, the group will complete a first three-year cycle of carbon diagnosis of direct farms in the 14 countries concerned. Under this framework, each country must cover its entire direct volume at least once every 3 years, thereby

ensuring a complete sample at national level over a rolling period. In 2025, the emission factors associated with operations will thus be calculated on a weighted basis, based on the volumes actually audited each year. This approach ensures that the emission factor used reflects the realities of the overall scope over a three-year cycle, while ensuring the continuity and comparability of results.

For certain scopes, a specific approach is adopted when the collection structure or the pace of assessment differs from the standard three-year cycle:

- Canada: the emission factor representative of Canadian volumes is reported annually by DFC (Dairy Farmers of Canada).
- Belgium, Sweden, the Netherlands: as the carbon assessments conducted in 2025 are representative of all volumes, the 2025 emission factor is used.
- United Kingdom: as the results of the carbon assessments conducted in 2025 were not yet available at the time of publication of this CSR report, the 2024 emission factor is retained for 2025.
- Germany: as the carbon assessments conducted in 2025 are not representative of the diversity of dairy farms in Germany, the emission factor for 2024 is retained for 2025.

When no carbon assessment has been carried out, FAO conversion factors (FAO 2022) are used: these factors differ according to the geographical area and type of milk. All conversion factors are updated annually according to available updates.

The Scope 3 FLAG emissions included in this report cover those associated with Lactalis' Scope 3 FLAG commitment, specifically the Scope 3 FLAG emissions from the following 14 countries: Australia, South Africa, Germany, Belgium, Brazil, Canada, Croatia, the United States, Spain, France, Italy, the Netherlands, the United Kingdom and Sweden.

The reference year chosen by Lactalis for the calculations relating to Scope 3 FLAG is 2021.

### DATA REPORTING FOR SCOPE 3 NON-FLAG CALCULATION

The process for reporting the data used to calculate non-FLAG Scope 3 emissions is based on the collection of activity data from the various group departments listed at the beginning of section 7.3.1 / Climate change indicators. This data is consolidated according to the internal reports specific to each department, and retains a level of detail by country when available.

For the calculation of Scope 3 non-FLAG emissions, the activity data collected is secondary data, in this case expenditure data, converted into USD.

Activity data is multiplied by emission factors specific to each Scope 3 category. These factors are updated annually from external databases such as Open CEDA and WIOD, as new sources or more accurate data become available.

## RECALCULATION POLICY

Lactalis will adjust its calculations related to the reference year for any change greater than 5% in the cumulative emissions of Scopes 1, 2 or 3 of the reference year. The reference year may be recalculated in the following cases:

- a significant acquisition: if the acquisition takes place in the middle of the year, the acquisition year and the reference year will be recalculated for the entire year. The recalculation will take place within three years of the acquisition;
- a change in the calculation methodology or improvement in the quality of emission factors or data;
- the discovery of errors or other changes. Lactalis will recalculate the emissions for its reference year in the event of a significant difference;
- significant changes in the group's organizational or operational limits (e.g., transition from an operational approach to a financial control approach, or the inclusion of a new Scope 3 emission category).

Adjustments to the reference year may be calculated at the beginning of each calendar year and will be made public.

The data for 2024 has been recalculated for the 2025 scope of reporting.

## 7.3.2 WATER RESOURCES INDICATORS

Information on water withdrawals and water discharges is collected by the sites using meter or invoice readings. For the COD (chemical oxygen demand) load of effluents, the data comes from analyses carried out by the sites. All this data is transmitted and then consolidated by the Group Energy and Environment Department using a reporting tool.

This information concerns:

- industrial sites engaged in the production of semifinished products: milks, yogurts, powders, cheeses, butter, fruit juices, cold meats;
- pasteurization or cutting/packaging sites located at a site physically separate from the production activity;
- the sites where the milk is prepared before it is sent to other manufacturing sites.

Sites carrying out only one activity are excluded:

- offices;
- independent logistics sites (outside France);
- collection center with pasteurization.

For the purpose of expressing water withdrawal and discharge on an intensity basis, the volume of manufactured products corresponds to the plant reference volume derived from Management Control data. It corresponds to the production volume representative of the plant cost.

## 7.3.3 BIODIVERSITY-RELATED INDICATORS

Information on the percentage of Lactalis' industrial sites subject to the Industrial Emission Directive (IED) ISO 14001 Certified comes from the reporting conducted by the Group Energy and Environment Department. The reporting concerns all industrial sites subject to the IED Directive within the European Union, excluding acquisitions of less than 5 years. With regard to ISO 14001 certification, it is the date on the certificate that is taken into account, not the date of the external audit.

Information on the percentage of the palm oil and derivatives volumes purchased worldwide RSPO Mass Balance or Segregated Certified comes from the reporting conducted by the Group Purchasing Department. The reporting concerns the quantities of palm oil and derivatives purchased by the group, excluding ingredients containing palm oil and derivatives not labelled as fat, excluding ingredients containing palm oil and derivatives used by co-manufacturers other than those working for the SANULAC subsidiary, excluding acquisitions of less than 3 years and excluding any volumes purchased in Russia and Belarus.

## 7.3.4 CIRCULAR ECONOMY INDICATORS

The indicators relating to packaging and to the circular economy are taken from the specific annual reporting carried out by the CSR departments. The calculation of the "percentage of recycled materials in packaging," "metric tons of PVC in packaging," "percentage of packaging recyclable by design" and "percentage of virgin paper and board packaging covered by sustainable certification" indicators is sometimes based on data collected from suppliers. This data is not systematically subject to in-depth verification by Lactalis, either in terms of the methodology used or the results transmitted.

Some of the indicators (tons of PVC, percentage of recycled materials, percentage of recyclability by design and percentage of certified virgin paper and board) are calculated based on reporting carried out with the Purchasing departments of the countries concerned. This reporting concerns the volume of packaging materials purchased (by material) as well as information on their origin (virgin or recycled, certified virgin, or non-certified virgin for paper and board).

The scope of reference for these indicators concerns primary, secondary and tertiary packaging, excluding pallets, for the group's brands and private labels manufactured by Lactalis entities.

A recycled material is defined as a post-consumption material that is reprocessed, by means of a manufacturing process, into a product or a component incorporated into a product or a secondary (recycled) raw material (excluding energy recovery and use of the product as fuel).

Packaging is considered recyclable by design according to an internal classification by material. The materials considered recyclable by design are as follows: PE, PP or PET bottles; other rigid PE or PP packaging; glass; paper/board; the paper/board part of boxes; steel; aluminum; and flexible mono-PE films. Packaging not considered recyclable by design are rigid packaging made of PS or PET; PVC; the non-board part of boxes; flexible mono-PP packaging; rigid or flexible multi-layer packaging; and other packaging.

The certifications recognized under the indicator on the percentage of virgin paper or board packaging covered by a sustainable certification are FSC, PEFC or SFI.

The indicator concerning the percentage of products bearing information on waste management is calculated based on a report produced by the CSR Department in conjunction with the Marketing departments of the countries concerned. The reference scope of this indicator concerns the reference

number of branded products sold to consumers (BtoC). Food service packaging, industrial packaging, private label packaging and exported products are excluded from the reporting scope of each country.

The indicator concerning the percentage of recyclability in practice for countries with an Extended Producer Responsibility (EPR) system is calculated with different departments, depending on the organization in the countries concerned. This indicator is based on the quantity of materials placed on the market in each country concerned. This is often data reported to environmental agencies within those countries.

In countries where the data is not accessible, purchasing data could be used instead of put on the market data. In countries where 2025 data is not yet available, data from the most recent year is used.

## 7.4 INFORMATION ON SOCIAL INDICATORS

### 7.4.1 EMPLOYEE INDICATORS

#### INFORMATION FROM THE GROUP HUMAN RESOURCES DEPARTMENT

The number of employees (Headcount), full-time equivalents (FTE) and the number of hours worked are taken from the group's HR Management Control information system.

The number of employees and FTE does not include interns. However, they take into account fixed-term contracts and apprentices. FTE take into account temporary workers.

Information on the number of resignations and turnover is taken from the HR reporting provided by the network of HR Managers.

The resignation date corresponds to the end of the contract (regardless of the employee's situation in the days preceding this date).

For the calculation of the resignation rate, departures concern permanent or temporary employees who leave Lactalis voluntarily, regardless of their level. Terminations of trial periods, whether initiated by the employer or the employee, are excluded. Dismissals and layoffs are also excluded. The calculation is based on the physical workforce present at December 31 of year N.

For the calculation of the turnover rate, the number of departures corresponds to the number of group employees (excluding temporary staff) who left the company during the year.

Information on the percentage of managers who have received an individual performance review is taken from the HR information system relating to the evaluation of performance and the development of employees. This system has been rolled out in all Lactalis subsidiaries. All management-level employees have an account. The annual appraisal interview must be carried out before February 28 of year N + 1 in relation to the events of year N.

Information on the number of women in leadership positions is taken from the central Compensation and Benefits department.

The term "leadership" position means the following:

- at the group's head office: the CEO and Chief Operating Officer, members of the Group Executive Committee and Management Committee, and all people who report directly to a member of the Group Executive Committee;
- in the countries: the General Manager and the people who report to him/her, as well as all the members of the Executive Committee of the business unit, if one exists in the country, and plant Managers;

Information on internal promotions for leadership positions is taken from the analysis of appointment announcements from the Group's countries and head office. The data is also verified *via* the up-to-date organizational charts, online on the internal talent management software and the lists of employees participating in the leadership integration program. It is specified that it is the number of internal promotions that is counted, and not the number of people promoted internally during the year.

Information on the employee engagement rate is extracted from the external survey software used by Lactalis. The results of the survey are valid for two years. Thus, the engagement rate for the current year also includes the results of the surveys conducted in the previous year.

**HEALTH AND SAFETY INDICATORS**

The number of hours worked is taken from the group’s HR Management Control information system and concerns Group employees.

The number of days off work and the number of employee accidents are reported by the sites to the Group Health and Safety Department, which is responsible for consolidating the data.

The frequency rate of workplace accidents with lost time for employees (FR1 employees) is calculated as follows:

$$FR1 \text{ (employees)} = \text{Total number of accidents with lost time (employees)} / \text{Number of hours worked (employees)} \times 10^6$$

The severity rate (SR employees) is calculated as follows:

$$SR \text{ (employees)} = \text{Number of days lost (employees)} / \text{Total number of hours worked (employees)} \times 1,000$$

The number of near-misses and risk observations are reported by the sites to the Group Health and Safety Department, which is responsible for consolidating the data.

The number of safety observation visits is reported by the sites to the Group Health and Safety Department, which is responsible for consolidating the data.

**7.4.2 CONSUMER INDICATORS**

**FOOD SAFETY INDICATORS**

The food quality and safety indicator is taken from the group’s annual Quality reporting on the production sites.

The food safety management standards recognized as part of this report are: ISO 22000, FSSC 22000, IFS, BRC and SQF.

The certification must be completed or valid on December 31 of the current year to be taken into account.

If a plant renews its certification, the new certificate can be received up to 90 days after the end of the audit.

If a site has several activities, each of the certified activities is included in the reporting. One activity is associated with one health approval.

The following were excluded from the reporting: pasteurization sites (without production sites), milk collection sites, animal feed production sites, warehouses and sites that only deliver to other Lactalis sites, as well as sites in Russia.

**NUTRITION INDICATORS**

The group’s nutritional indicators are based on the compliance rate of branded products with a sugar recommendation or processed cheeses with a sodium-based salt recommendation.

This compliance rate is established on a regular basis by the Group Marketing and Sales Department under the coordination of the Nutrition Marketing Director and under the governance of the Strategic Nutrition Committee.

This monitoring is limited to the countries within the defined scope to achieve a representative rate of 89% of the group’s revenue from brands.

The total salt or total values are those labeled (or, if not indicated or required by local regulations, those analyzed or established by R&D) related to 100 g or 100 ml of the product and communicated according to the local organizations by the country’s marketing, quality or R&D departments.

The sugar or salt compliance rates are established based on the volumes sold of products under recommendation and compliant, reduced to the total volume sold of products under the sugar or salt recommendation and reported (products not reported are not taken into account in the calculation of the compliance rate, but this missing volume is evaluated in addition for the proper monitoring of the representativeness of the indicator).

- The following are excluded from this monitoring:
  - products intended for a particular diet (sports nutrition, senior re-nutrition, etc.);
  - infant products;
  - industrial ingredients or products.
- The following are not subject to a sugar recommendation:
  - plain yogurts and plain milk;
  - powdered or condensed milks not consumed as they are;
  - ultra-indulgent desserts (pastry desserts, butterscotch, etc.).
- Only processed cheeses are subject to a salt recommendation due to their nature, except:
  - processed cheeses incorporating blue cheese (Roquefort, etc.), Parmesan or Grana Padano, which are, by nature, more salty and not subject to a specific WHO recommendation.

Where data for 2025 is missing, data from previous years has been used. These reversals are plotted and quantified in the update rate of the data used to calculate the indicator for the current year.

## 7.5 INFORMATION RELATED TO GOVERNANCE

### 7.5.1 ANIMAL WELFARE INDICATORS

Information concerning the indicators on the animal welfare of dairy cows and calves comes from a specific reporting coordinated by the Group Milk Supply and CSR Departments.

For each farm, the volume of raw milk collected by Lactalis is considered as "direct" if:

- there is an individual contract between Lactalis and the Farm Manager;
- and/or Lactalis can propose to the Farm Manager individually, a plan to improve his farming practices, without having obtained a prior formal agreement of any third party (e.g. a cooperative).

Otherwise, the volumes are considered "indirect" (this includes, in particular, volumes from brokers and spot milk volumes).

For each farm, the annual volume of cow raw milk collected by Lactalis corresponds to the total quantity of cow raw milk delivered by the farm to Lactalis during the reporting period (from January 1 to December 31). Volumes of milk collected on behalf of third parties (for example, as part of "swaps" with another dairy) are excluded.

A farm is considered as regularly assessed on animal welfare according to the Lactalis internal assessment method if it has been assessed using this method at least once every three years for the 11 pilot countries, or at least once since 2024 for the 10 additional countries.

A farm is considered as regularly assessed on animal welfare according to the Lactalis internal assessment method or an ambitious national standard if it is subject to one of the following assessments at least once every 3 years: Lactalis internal assessment, ProAction (Canada), *Charte des Bonnes Pratiques d'Elevage version 2022* (France), *QM-Milch* (Germany), ClassyFarm system (Italy), *Certificado "Welfare"* (Spain, Portugal), Red Tractor Assurance Scheme (United Kingdom), FARM program (United States), *Keten Kwaliteit Melk-programma* Protocol (the Netherlands). Given that the Swiss directives ("*Directives techniques concernant la protection des animaux chez les Bovins*") objectively enforce ambitious animal welfare standards, Swiss farms are also considered as regularly assessed on animal welfare.

Information concerning the indicators on the animal welfare of laying hens comes from the reporting conducted by the Group Purchasing Department. The reporting concerns the quantities of shell eggs and egg products purchased by the group worldwide, excluding any volumes used by the R&D departments, acquisitions made within the last 3 years and any volumes purchased in Russia and Belarus.

## 7.6 DATA CONTROL AND VERIFICATION

- Internal verification: the data from the aforementioned reportings is checked by the Group Technical Expert teams and the Group CSR team. They validate the consistency and plausibility of the data. To this end, consistency tests are carried out on the indicators, changes are identified and justified.
- External verification: certain data are audited by an independent third party. The list of audited data is specified in the appendix of the assurance report. Verification takes place at three levels, depending on data availability:
  - at production site level for information concerning energy, water, environment, quality, and health and safety;
  - at country or subsidiary level for information related to employee, animal welfare, emissions related to milk supply, biodiversity, food safety, kilometers traveled, vehicles and fuel consumption, energy and water consumption for warehouses independent of industrial sites, salt and sugar content;
  - at group level for all KPIs listed in the appendix of the opinion.

## 7.7 COMPARABILITY

The geographical reporting scope has been extended for certain indicators presented in this report between 2024 and 2025, for example by integrating certain acquisitions. This change does not make it possible to compare the indicators from one year to another.

# 8. CROSS-REFERENCE TABLES

## 8.1 CROSS-REFERENCE TABLE WITH THE GRI STANDARD

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>Elements of the CSR Report in line with GRI requests</b>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	1. / Presentation of Lactalis
	2-2 Entities included in the organization's sustainability reporting	7. / Methodological note
	2-3 Reporting period, frequency and contact point	7. / Methodological note
	2-5 External assurance	9. / Audit report
	2-6 Activities, value chain and other business relationships	1. / Presentation of Lactalis
	2-7 Employees	4.1 / Own workforce
	2-9 Governance structure and composition	2. / General information
	2-10 Nomination and selection of the highest governance body	2. / General information
	2-12 Role of the highest governance body in overseeing the management of impacts	2. / General information
	2-13 Delegation of responsibility for managing impacts	2. / General information
	2-14 Role of the highest governance body in sustainability reporting	2. / General information
	2-15 Conflicts of interest	5.1.1 / Fair practices
	2-17 Collective knowledge of the highest governance body	2. / General information
	2-20 Process to determine remuneration	4.1.6 / Competitive compensation and benefits
	2-22 Statement on sustainable development strategy	1.3 / CSR strategy
	2-23 Policy commitments	4.2 / Workers in the value chain 6. / 2025 Vigilance plan
	2-24 Embedding policy commitments	4.2 / Workers in the value chain 6. / 2025 Vigilance plan
	2-25 Processes to remediate negative impacts	6. / 2025 Vigilance plan
	2-26 Mechanisms for seeking advice and raising concerns	5.1.1 / Fair practices 6. / 2025 Vigilance plan
	2-29 Approach to stakeholder engagement	2. / General information
2-30 Collective bargaining agreements		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	2. / General information
	3-2 List of material topics	2. / General information
	3-3 Management of material topics	3. / Environmental information 4. / Social information 5. / Information on governance 6. / 2025 Vigilance plan
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	5.1.1 / Fair practices
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	3.5 / Resource use and circular economy
	301-2 Recycled input materials used	3.5 / Resource use and circular economy
<b>GRI 302: Energy 2016</b>	302-3 Energy intensity	3.1 / Climate change

## 8. CROSS-REFERENCE TABLES

GRI STANDARD	DISCLOSURE	Elements of the CSR Report in line with GRI requests
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	3.3 / Water resources
	303-3 Water withdrawal	3.3 / Water resources
	303-4 Water discharge	3.3 / Water resources
	303-5 Water consumption	3.3 / Water resources
<b>GRI 304: Biodiversity 2016</b>	304-2 Significant impacts of activities, products and services on biodiversity	3.4 / Biodiversity
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	3.1 / Climate change
	305-2 Energy indirect (Scope 2) GHG emissions	3.1 / Climate change
	305-5 Reduction of GHG emissions	3.1 / Climate change
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	3.2 / Pollution 3.5 / Resource use and circular economy
	306-2 Management of significant waste-related impacts	3.2 / Pollution 3.5 / Resource use and circular economy
	306-3 Waste generated	3.5 / Resource use and circular economy
	306-4 Waste diverted from disposal	3.5 / Resource use and circular economy
	306-5 Waste directed to disposal	3.5 / Resource use and circular economy
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	4.2 / Workers in the value chain 3.1 / Climate change 5.1.3 / Animal welfare
	308-2 Negative environmental impacts in the supply chain and actions taken	4.2 / Workers in the value chain 3.1 / Climate change 5.1.3 / Animal welfare
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	4.1.2 / Attracting, retaining and developing talent
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	4.1.1 / Health & safety
	403-2 Hazard identification, risk assessment and incident investigation	6. / 2025 Vigilance plan
	403-5 Worker training on occupational health and safety	4.1.1 / Health & safety
	403-6 Promotion of worker health	4.1.1 / Health & safety
	403-7 Prevention and mitigation of occupational Health and Safety impacts directly linked by business relationships	4.1.1 / Health & safety
	403-9 Work-related injuries	4.1.1 / Health & safety
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	4.1.2 / Attracting, retaining and developing talent
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	4.1.3 / Promoting diversity
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	5.1.4 / Economic contribution and rural and territorial development
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	4.2 / Workers in the value chain
	414-2 Negative social impacts in the supply chain and actions taken	4.2 / Workers in the value chain 6. / 2025 Vigilance plan
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the Health and Safety impacts of product and service categories	4.3.1 / Food safety

## 8.2 SDG CROSS-REFERENCE TABLE

2025 CSR Report	Corresponding Sustainable Development Goal (SDG)
1. / Presentation of Lactalis	
2. / General information	
3. / Environmental information	
3.1 / Climate change	   
3.2 / Pollution	 
3.3 / Water resources	  
3.4 / Biodiversity	 
3.5 / Resource use and circular economy	     
4. / Social information	
4.1 / Own workforce	     
4.2 / Workers in the value chain	  
4.3 / Consumers	  
5. / Information on governance	
5.1 / Business conduct	       

# 9. AUDIT REPORT

## LIMITED ASSURANCE REPORT FROM ONE OF THE STATUTORY AUDITORS ON SELECTED ESG INFORMATION <sup>(1)</sup>

Financial year ended December 31, 2025

To the Chairperson,

In our capacity as statutory auditor of your company, we have performed procedures in order to express a limited assurance conclusion on a selection of ESG information (hereinafter the "Information", listed in the appendix to this report), voluntarily determined and prepared by B.S.A. (hereinafter the "Entity") in accordance with your reporting framework (hereinafter the "Reporting Framework"), for the financial year ended December 31, 2025, as presented in the 2025 CSR Report (hereinafter the "Report").

Our assurance does not extend to information relating to prior periods, nor to all the information presented in the Report, other than that subject to this report. In particular, we do not express a conclusion on whether the Report taken as a whole complies with the ERS standards.

### LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed, as described in the section "Nature and scope of procedures", and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information has not been prepared, in all material respects, in accordance with the Reporting Framework.

### EMPHASIS OF MATTER

Without modifying our conclusion, we draw your attention to section "7.2 / Time and geographical scope of reporting" of the Report, which specifies, in particular, that the scope covered of the Scope 3 FLAG emissions (raw cow's milk collected) and their evolution relates to 14 countries, i.e., the countries covered by the SBTi commitment.

### PREPARATION OF THE INFORMATION

The absence of a commonly used generally accepted reporting framework or established practice on which to evaluate and measure the Information allows for the use of different, but acceptable, measurement techniques, which may affect comparability between entities and over time.

Consequently, the Information should be read and understood together with the Reporting Framework, available upon request from the Entity's headquarters, the significant elements of which are presented in the Report.

### INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to inherent uncertainty arising from the state of scientific knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it.

In addition, the quantification of greenhouse gases is subject to inherent uncertainty due to incomplete scientific knowledge used to determine emission factors and the values necessary to combine emissions from different gases.

### RESPONSIBILITY OF THE ENTITY

The Information has been prepared under the responsibility of the Management, which is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information (*i.e.*, the Reporting Framework);
- preparing the Information in accordance with the Reporting Framework; and
- designing, implementing and maintaining internal control relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

### RESPONSIBILITY OF THE STATUTORY AUDITOR

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Information is prepared, in all material respects, in accordance with the Reporting Framework and is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Entity's Management.

As we are engaged to form an independent conclusion on the Information as prepared by Management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

1) Environmental, Social, and Governance standards

**PROFESSIONAL GUIDANCE AND STANDARD APPLIED**

We performed the work described below in accordance with the professional guidance issued by the French Institute of Statutory Auditors (CNCC - *Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement and with international standard ISAE 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standards Board* (IAASB).

They do not constitute an audit or a review within the meaning of the professional standards applicable in France. Nor do they constitute a "certification" in accordance with the guidelines of the *Haute Autorité de l'Audit* (H2A).

**INDEPENDENCE AND QUALITY MANAGEMENT**

Our independence is defined by the provisions of the French Commercial Code (*Code de commerce*), French Code of Ethics for Statutory Auditors (*Code de déontologie*) as well as *International Code of Ethics for Professional Accountants (including Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA). This Code is based on the compliance with the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

In addition, we apply International Standard on Quality Management 1, which requires to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, applicable legal and regulatory requirements and French professional guidance.

**NATURE AND SCOPE OF THE PROCEDURES**

We planned and performed our work taking into account the risk of material misstatement in the Information. As part of our limited assurance engagement and based on our professional judgment, we:

- obtained an understanding of the Entity and its environment, including relevant internal control;
- assessed the suitability of the Reporting Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, industry best practices;
- obtained an understanding of internal control procedures implemented by the Entity to ensure that the Information complies with the Reporting Framework;
- assessed whether the methods used by the Entity to prepare the Information are appropriate with regard to the Reporting Framework and, where applicable, assessed whether changes in methods or assumptions are relevant;
- verified that the Information has been prepared in accordance with the scope specified in the Reporting Framework;

- for the Information subject to our work, we:
  - performed analytical procedures to verify the consistency of changes and, if appropriate, ask Management for an explanation regarding any unusual items identified;
  - performed tests of details using sampling techniques or other selection methods to verify the correct application of the calculation methods and assumptions described in the Reporting Framework and to reconcile underlying data with supporting documentation;
  - for estimates, obtained an understanding of the methods used and assessed their appropriateness and correct application as well as the reliability of data sources;
  - through discussions with management, we reviewed the method used to calculate the estimated data. We assessed the appropriateness and correct application of this method, as well as the appropriateness of the information sources used;
- assessed the overall consistency of the Information with our knowledge of the Entity.

We believe that the evidence obtained is sufficient and appropriate to support our conclusion.

Procedures performed in a limited assurance engagement are less extensive than those required for reasonable assurance; a higher level of assurance would have required more extensive procedures.

**RESTRICTIONS ON DISTRIBUTION AND USE**

This report has been prepared solely for your attention within the context described in the first paragraph and may not be used, distributed or referred to for any other purpose.

The work carried out for the purposes of this report is not intended to replace any work that third parties who receive a copy of this report may need to carry out in accordance with their own requirements.

In our capacity as statutory auditor of B.S.A, our responsibility towards B.S.A. and the shareholders is defined by French law and we do not accept any extension of our responsibility beyond that set out in French law. We do not owe or accept any duty of care to any third party. In no event shall Forvis Mazars SA be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentation or wilful misconduct on the part of the Directors, employees or agents of B.S.A. or its subsidiaries.

This report is governed by French law. The French courts have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with this report.

Rennes, April 20, 2026

One of the Statutory Auditors,

**Forvis Mazars S.A.**

Gaëlle Piriou

Partner

**APPENDIX 1: LIST OF INFORMATION SUBJECT TO OUR LIMITED ASSURANCE**

**Energy-related indicators**

*(section "3.1 / Climate change" of the Report)*

- Energy consumption (kWh LHV/kg finished products)
- Total energy consumption from fossil and nuclear sources related to own operations (MWh)
- Percentage of total energy consumption from fossil and nuclear sources (%)
- Consumption of coal and derivatives (MWh)
- Consumption of crude oil and petroleum products (MWh)
- Natural gas consumption (MWh)
- Fuel consumption from other fossil sources (MWh)
- Consumption of purchased or acquired electricity, heat and steam from fossil and nuclear sources (MWh)
- Percentage of total energy consumption from nuclear sources (%)
- Total energy consumption from renewable sources (MWh)
- Percentage of total energy consumption from renewable sources (%)
- Consumption of fuel from renewable sources (MWh)
- Consumption of purchased or acquired electricity, heat and steam from renewable sources (MWh)
- Self-generated renewable energy consumption not from fuels (MWh)

**Climate-related indicators**

*(section "3.1 / Climate change" of the Report)*

- Scope 1 greenhouse gas emissions (tCO<sub>2</sub>e)
- Scope 2 greenhouse gas emissions – Location Based (tCO<sub>2</sub>e)
- Scope 2 greenhouse gas emissions – Market based (tCO<sub>2</sub>e)
- Scopes 1 and 2 greenhouse gas emissions of the consolidated accounting scope – Market based (tCO<sub>2</sub>e)
- Biogenic CO<sub>2</sub> emissions not included in Scope 1 greenhouse gas emissions, reported according to the GHG Protocol methodology (tCO<sub>2</sub>e)
- Gross greenhouse gas emissions from Scope 3 FLAG (collected raw cow's milk) related to Lactalis' SBTi commitment on Scope 3 FLAG (tCO<sub>2</sub>e)
- Percentage change in emissions related to Lactalis' SBTi commitment on Scope 3 FLAG (raw cow's milk collected) between 2021 and 2025 (%)
- Percentage of suppliers (in emissions) with science-based commitments validated by SBTi, linked to Lactalis' SBTi commitment on Scope 3 non-FLAG (%)

**Water-related indicators**

*(section "3.3 / Water resources" of the Report)*

- Total volume of water withdrawn (m<sup>3</sup>)
- Water withdrawal ratio (m<sup>3</sup>/t of products manufactured)
- Total volume of wastewater discharges (m<sup>3</sup>)
- Wastewater quantity ratio (m<sup>3</sup>/t of products manufactured)
- Average concentration of the effluent load for industrial sites equipped with an on-site wastewater treatment plant and discharging to the natural environment of the 9 pilot countries (COD in mg O<sub>2</sub>/L)

**Biodiversity-related indicators**

*(section "3.4 / Biodiversity" of the Report)*

- Percentage of Lactalis' industrial sites subject to the Industrial Emission Directive (IED) ISO 14001 Certified (%)
- Percentage of the palm oil and derivatives volumes purchased in the EU or by SANULAC RSPO Segregated Certified (%)
- Percentage of the palm oil and derivatives volumes purchased worldwide RSPO Mass Balance or Segregated Certified (%)

**Indicators related to the circular economy**

*(section "3.5.1 / Improving packaging solutions" of the Report)*

- Percentage of recycled materials in our packaging (%)
- Metric tons of PVC in packaging (tons)
- Percentage of packaging recyclable by design (%)
- Percentage of packaging bearing waste management information (%)
- Percentage of virgin paper and cardboard volumes covered by sustainable certification (%)

**Social and health and safety indicators**

*(section "4.1 / Own workforce" of the Report)*

- Number of Group employees (full-time own workers)
- Workplace accidents with lost time frequency rate for employees (FR1 employees)
- Workplace accidents with lost time severity rate for employees
- Number of near misses and risk observations
- Number of safety observation visits
- Resignation rate (%)
- Percentage of leadership positions recruited through internal promotion (%)
- Percentage of managers who have had an annual individual employee interview (%)
- Percentage of women in leadership positions (%)

**Food safety indicator**

*(section "4.3.1 / Food safety" of the Report)*

- Percentage of industrial activities certified according to at least one of the five certificates: ISO 22000, FSSC 22000, IFS, BRC or SQF (%)

**Animal welfare indicators**

*(section "5.1.3 / Animal welfare" of the Report)*

- Percentage of direct annual volume of collected cow raw milk in the 11 pilot countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once every 3 years) (%)
- Percentage of direct annual volume of collected cow raw milk in the 10 additional countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method (at least once since 2024) (%)
- Percentage of indirect annual volume of collected cow raw milk in the 21 countries coming from partnering farms regularly assessed on animal welfare, according to the Lactalis internal assessment method or an ambitious national standard (at least once every 3 years) (%)
- Percentage of annual volume of purchased shell eggs in the EU coming from cage-free systems (%)
- Percentage of annual volume of purchased egg products in the EU coming from cage-free systems (%)
- Percentage of annual volume of purchased shell eggs worldwide coming from cage-free systems (%)
- Percentage of annual volume of purchased egg products worldwide coming from cage-free systems (%)

**Nutrition-related indicators**

*(section "4.3.2 / Nutrition" of the Report)*

- Percentage of volumes in line with internal sugar recommendations for ultra-fresh and milk categories (%)
- Percentage of volumes in line with internal salt recommendations for processed cheese categories (%)



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