Climate transition plan



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Acting collectively towards our decarbonation





In the face of the climate emergency and the growing expectations of our stakeholders, Lactalis is formalizing its climate strategy through this clear and structured Transition Plan.

E.B.: Our business is directly exposed to climate change impacts, water scarcity, and biodiversity loss. These risks heighten our responsibility to act decisively to ensure the resilience and long-term viability of our model—and our ability to keep nurturing the future.

A.B.B.: This document serves three key objectives: ensuring the consistency and clarity of our low-carbon trajectory, fostering ownership across all our teams, and increasing the transparency of our approach for all stakeholders.

It is part of a long-term commitment aligned with international standards and upcoming regulatory requirements, notably the CSRD. Through this plan, we outline our short-, medium-, and long-term actions, our governance levers and the monitoring of our commitments, in order to strengthen the credibility of our approach and position ourselves among the best practices in our industry.

E.B.: At Lactalis, we carry a major responsibility: to act in the face of climate challenges that affect both our planet and our industry. This responsibility comes with shared pride: pride in the tangible progress already achieved thanks to the daily commitment of our teams. Together, we turn climate ambition into action, guided by a clear vision: profitable and responsible growth.

Our Transition Plan reflects a pragmatic, long-term trajectory, recognized by external experts.

E.B.: We move forward step by step, starting with the areas we control most, then expanding with the support of our stakeholders. This approach is now recognized through the validation of our targets by the Science Based Targets initiative, aligned with the Paris Agreement's 1.5°C pathway.

Achieving Net-Zero by 2050 is a collective challenge. Our 85,500 employees, alongside suppliers and customers, are at the heart of this transition. Their daily efforts make possible the transformation of our operations across every level of our value chain.

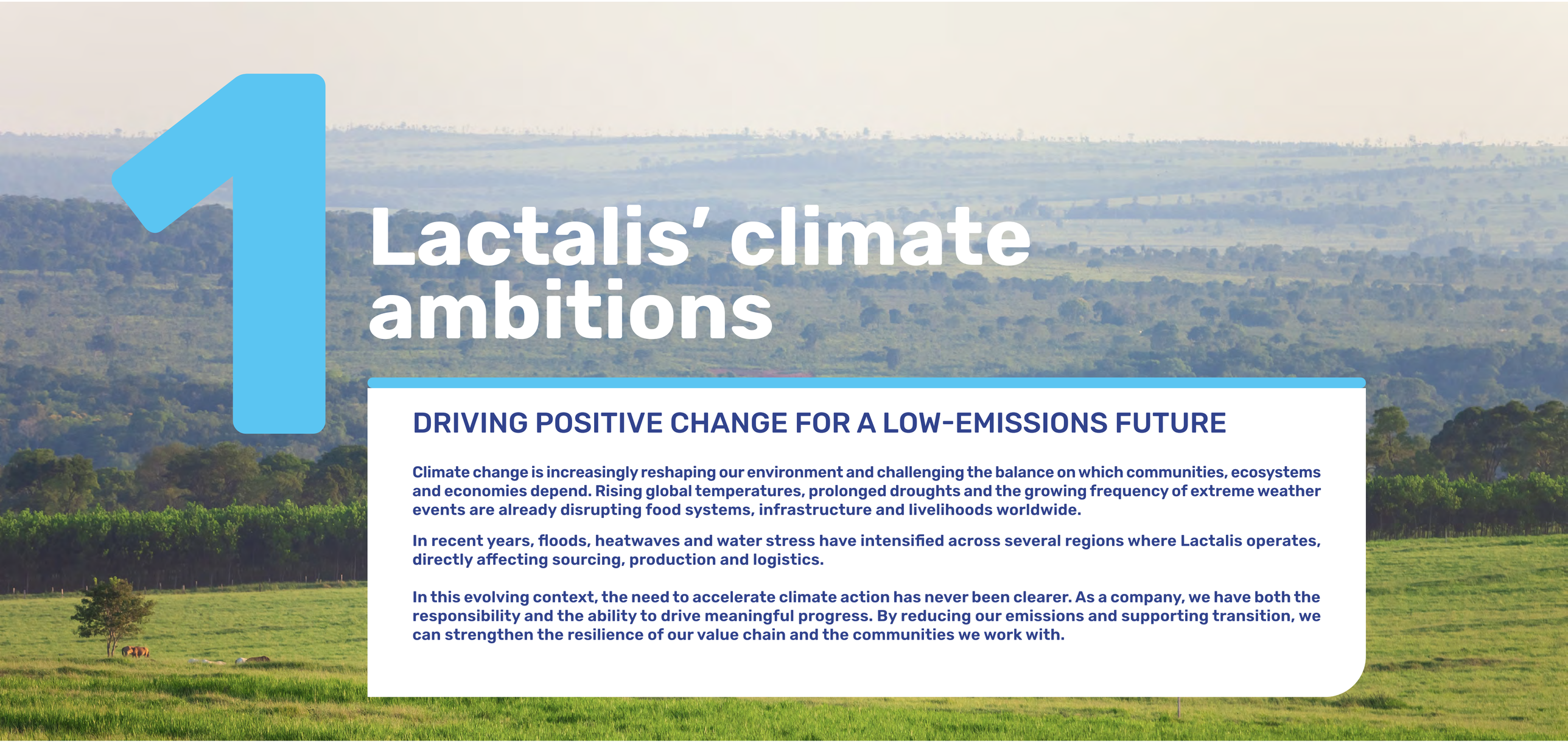
A.B.B.: This document outlines concrete actions and key decarbonization levers: reducing absolute emissions by 46.2% on scopes 1 and 2 by 2030, 30.3% on scope 3 FLAG, and ensuring that 73.8% of our partners adopt science-based targets by 2028 (scope 3 non-FLAG).

E.B.: We move forward with discipline and pragmatism, step by step, to deliver on our commitments. This Transition Plan marks a key milestone on that collective journey.

"It is not just about our trajectory towards Net-Zero, it is also about our stakeholders' trajectories. We aim to engage all our partners, because it is only together that we will be able to reduce emissions and tackle climate change."

EMMANUEL BESNIER
CEO

AGNÈS BAUDET-BARBEZANT
Group General Manager for Quality, CSR & Crisis Management



1 Lactalis' climate ambitions

DRIVING POSITIVE CHANGE FOR A LOW-EMISSIONS FUTURE

Climate change is increasingly reshaping our environment and challenging the balance on which communities, ecosystems and economies depend. Rising global temperatures, prolonged droughts and the growing frequency of extreme weather events are already disrupting food systems, infrastructure and livelihoods worldwide.

In recent years, floods, heatwaves and water stress have intensified across several regions where Lactalis operates, directly affecting sourcing, production and logistics.

In this evolving context, the need to accelerate climate action has never been clearer. As a company, we have both the responsibility and the ability to drive meaningful progress. By reducing our emissions and supporting transition, we can strengthen the resilience of our value chain and the communities we work with.

BUILDING OUR TRAJECTORY TO NET-ZERO

Understanding the Global Challenge

Climate change is one of the major challenges of our time. According to the Intergovernmental Panel on Climate Change (IPCC), the rise in global temperatures since the industrial era is unequivocally linked to human activities. The accumulation of greenhouse gases is intensifying the greenhouse effect, disturbing natural balances and placing growing pressure on ecosystems and societies.

Scientists estimate that unless humanity changes course quickly, many species will become extinct, food security will be threatened, and human activities will be compromised by 2100. We can already see the effects: temperatures are rising, leading to more droughts and more frequent and intense storms. These clear signals show us that we – individuals, governments and companies alike – must act now and act fast, mitigating climate change by reducing emissions of greenhouse gases (GHG).

We thus understand the importance of taking concrete steps towards reducing our impact and play our part in tackling climate change.



BUILDING OUR TRAJECTORY TO NET-ZERO

Taking Responsibility

As a world leader in the dairy sector, we recognize the responsibility that comes with our position. This responsibility is already shaped by the realities we are experiencing across our operations and supply chain. In regions exposed to growing water stress and climate hazards, climate pressures directly affect our industrial operations and indirectly impact our most essential raw material: milk.
For example, our milk collection was significantly disrupted in Turkey following the 2023 earthquake and in Portugal during the wildfires in September 2025.
Beyond these acute events, changing temperatures, drought episodes and water scarcity increasingly influence agricultural conditions, affecting the farmers we partner with and the long-term availability of the resources on which our value chain depends.

At the same time, we also recognize the opportunity it gives us to support collective progress. With 85,500 employees in 49 countries and 23.1 billion liters of milk collected each year from 210,000 partner farmers, our scale allows us to contribute to the transition towards a more resilient, lower-carbon future.

Lactalis' mission – *Nurturing the Future* – expresses the group's commitment to long-term responsibility and sustainable growth. In this spirit, and guided by science, Lactalis is committed to reducing its GHG emissions across Scopes 1, 2 and 3 in order to achieve Carbon Net-Zero by 2050. This ambition aligns with the objectives of the Paris Agreement to limit global warming well below 2 °C and ideally to 1.5 °C.

To focus our efforts on the right level of ambition, we have worked with the Science Based Targets initiative (SBTi), an independent organization that provides the guidance and criteria to define reduction targets aligned with what the science deems necessary to achieve Paris Agreement Goals. **SBTi reviewed and approved our targets in July 2024.**



Sharing our Climate Transition Plan

This Climate Transition Plan sets out how we will deliver on our Net-Zero ambition across our operations and extended value chain. It provides a transparent view of where we stand today, the progress already made, and the actions that will shape the future, reflecting the way we have structured our climate strategy over time — from transforming industrial processes to rethinking agricultural practices and fostering collaboration throughout the supply chain.

We are fully aware that the road ahead will be challenging. Achieving our objectives requires action beyond our direct control and close cooperation with all stakeholders, working together to turn ambition into tangible progress.

A SYSTEMIC APPROACH

IDENTIFYING OUR IMPACTS, RISKS AND OPPORTUNITIES, FROM FARM TO FORK

Our value chain is already exposed to the realities of a changing climate. Extreme weather events, water stress, evolving regulations and fluctuating energy costs influence how we produce, source, transport and deliver our products. By identifying these impacts, risks and opportunities, we strengthen our understanding of where our value chain is most vulnerable and how these pressures may evolve. This insight helps us build a strategy grounded in real operational conditions — one that anticipates challenges, guides decisions and reinforces the resilience of our business over time.

UPSTREAM ACTIVITIES



AGRICULTURAL ACTIVITIES



NON-AGRICULTURAL ACTIVITIES

SCOPE 3 FLAG

Indirect upstream GHG emissions coming from land use change, deforestation and agricultural practices. At Lactalis, these emissions are mainly associated with our milk supply activities.

SCOPE 3 NON-FLAG

Indirect upstream GHG emissions related to energy and industry. At Lactalis, these emissions are mainly arising from purchased goods and services, transport and distribution, capital goods, as well as fuel- and energy-related activities.

OWN OPERATIONS



FLEET OF VEHICLES

INDUSTRIAL SITES & WAREHOUSES

SCOPE 1&2

Direct GHG emissions from sources owned or controlled by Lactalis as well as indirect GHG emissions associated with the generation of electricity, heating/cooling, or steam purchased by Lactalis.

DOWNSTREAM ACTIVITIES



TRANSPORTATION & LOGISTICS | ADDITIONAL PROCESSING BY CLIENTS | CONSUMPTION | END OF LIFE

SCOPE 3 NON-FLAG

Indirect downstream GHG emissions related to energy and industry. At Lactalis, these emissions are mainly arising from transportation and logistics, additional processing by clients, end of life treatment of products.

	SCOPE 3 FLAG	SCOPE 3 NON-FLAG	SCOPE 1&2	SCOPE 3 NON-FLAG
IMPACTS	Major GHG emissions mainly from dairy farming, driving climate change, air pollution, ecosystem and human health impacts.		Emissions primarily from fuel combustion and electricity consumption, contributing to climate change and air quality degradation.	Additional GHG emissions from downstream activities, reinforcing climate and ecosystem impacts.
RISKS	Supply chain disruption, in particular on milk, and price volatility.		Energy dependence, exposure to price volatility, slowdown or interruption of activities due to climate events.	Supply chain disruption, potential loss of market share due to shift in consumer demand.
OPPORTUNITIES	Regenerative dairy farming, sustainable sourcing.		Optimized logistics, energy efficient operations.	Optimized logistics, circular economy.

The level of detail regarding the IROs is deliberately limited, and more comprehensive information is available in our annual CSR report.

A SYSTEMIC APPROACH
MANAGING RISKS

Lactalis faces a wide range of climate-related impacts, risks and opportunities that reflect the close interdependence between our activities and natural systems. Together, they provide a structured framework to understand where climate change affects our value chain today and where it may shape future performance. This integrated perspective helps us anticipate future challenges while laying the groundwork for clear priorities, informed decisions, and robust climate trajectories:

CLIMATE-RELATED IMPACTS refer to how our activities affect the environment. Identifying them enables us to target the areas where emission reductions and mitigation efforts are most needed.

CLIMATE-RELATED RISKS reflect how climate change and the transition to a low-carbon economy may affect our operations, supply chain and financial performance, influencing the resilience of our activities over time.

CLIMATE-RELATED OPPORTUNITIES arise from the transition toward more resilient and low-carbon systems, enabling efficiency gains, innovation and competitiveness while supporting the reduction of our environmental footprint.

Climate adaptation: laying the foundation for future action

Climate change makes adaptation an essential part of our long-term strategy alongside mitigation. This starts with building a robust understanding of climate-related physical risks across our operations and dairy supply basins—a group-level approach that will evolve over time.
Scenario analysis is central to this process. By exploring multiple scientific pathways, such as IPCC climate scenarios (SSP and RCP), we are currently assessing potential vulnerabilities and stress-test resilience under different futures. These insights will form the foundation for defining priorities and progressively shaping an adaptation plan to strengthen Lactalis' resilience.



Strengthening resilience through crisis management

As climate change amplifies environmental risks and the likelihood of extreme events, robust crisis management becomes essential to safeguard operations and ensure business continuity. To address these challenges, Lactalis relies on a structured crisis-management framework designed to anticipate, monitor, and respond to disruptions. This system is deployed across all countries through a dedicated network of trained crisis managers and supported by shared procedures, guidance and training tools. It enables Lactalis to manage situations of varying severity, limit operational impacts and protect employees while ensuring business continuity.

OUR IMPACT
WHAT GETS MEASURED GETS MANAGED

A meaningful transition starts with a clear picture of where we stand. By measuring our carbon footprint, we turn complexity into understanding and give ourselves the means to act where it matters most. This analysis strengthens the consistency of our decisions, supports transparency, and helps us move collectively towards a lower-carbon future.

Lactalis started to structure the process for calculating its GHG emissions by focusing initially on its industrial sites, warehouses, and owned fleet. This approach has then been extended to the entire value chain, integrating both direct operations and indirect activities, in line with the GHG Protocol standard.

This clear picture of our emissions represents the starting point of our climate journey and has enabled us to design an action plan that accurately reflects the scale of our impacts.

BREAKDOWN OF GREENHOUSE GAS EMISSIONS CALCULATED ACCORDING TO THE GHG PROTOCOL METHODOLOGY

SCOPE 1 & 2
GHG emissions generated by Lactalis owned operations

5%

SCOPE 1
Direct GHG emissions from sources owned or controlled by Lactalis.

SCOPE 2
Indirect GHG emissions associated with the generation of electricity, heating/cooling, or steam purchased by Lactalis.

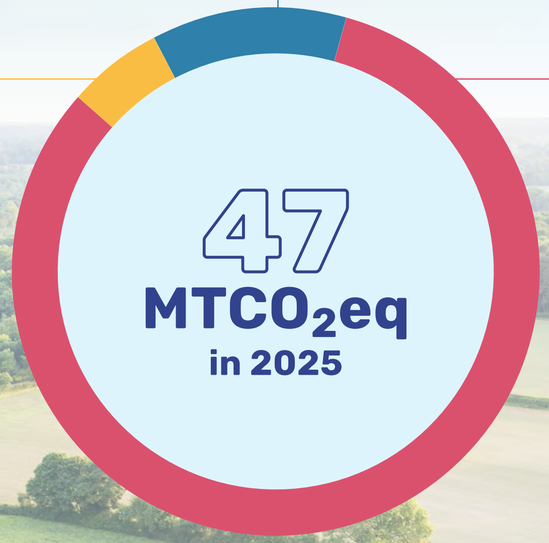
SCOPE 3
Indirect GHG emissions that are a consequence of Lactalis activities but occur from sources not owned or controlled by the company

11.5%

SCOPE 3 NON-FLAG
All other types of indirect GHG emissions related to energy and industry. At Lactalis, these emissions are mainly arising from purchased goods and services, transport and distribution, capital goods, as well as fuel- and energy-related activities.

83.5%

SCOPE 3 FLAG
(Forest, Land & Agriculture)
Indirect GHG emissions coming from land use change, deforestation and agricultural practices. At Lactalis, these emissions are mainly associated with our milk supply activities.

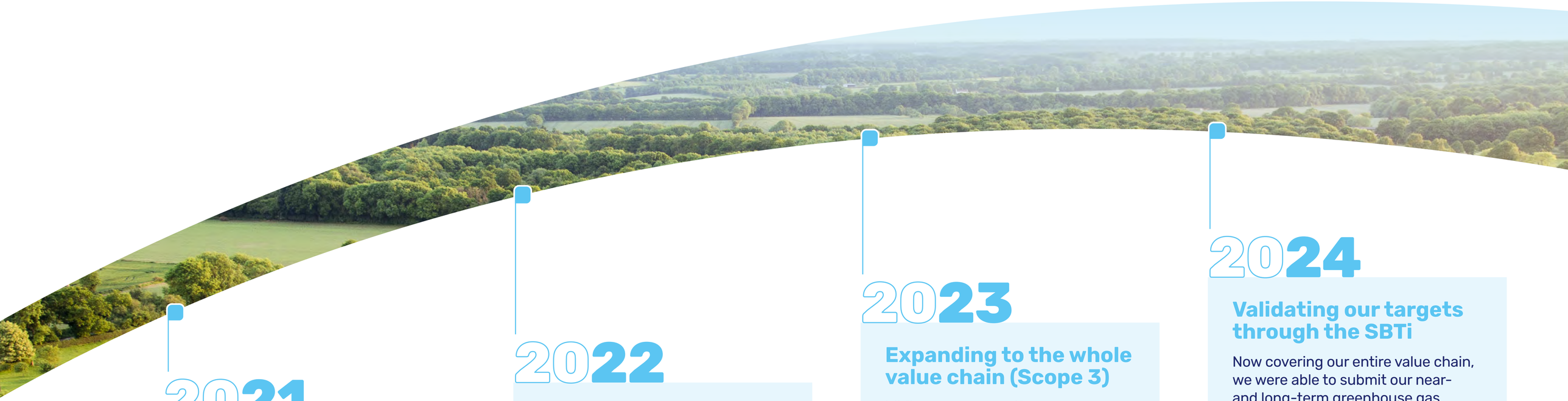


Did you know?

Apart from partnering farms included in Scope 3, Lactalis owns a very small number of farms. These emissions, classified as Scope 1 FLAG, represent a marginal share of the group's footprint.

OUR CLIMATE JOURNEY

We see our long-term climate ambition as part of a wider responsibility to Nurture the Future. By acting across People, Product and Planet, we are shaping a trajectory that supports those who make our products, improves what we offer to consumers and contributes to protect the natural resources on which our value chain depends.



2021

Establishing the foundations (Scope 1&2)

Our first step was to address the areas we directly manage: industrial sites, warehouses and owned fleet of vehicles.
This enabled us to build a solid foundation and set initial reduction commitments where we could act immediately and effectively.

2022

Committing to a science-based pathway

Building on this first step, we formally committed to the Science Based Targets initiative (SBTi), in order to align, within two years, our climate ambition with the objectives of the Paris Agreement and a 1.5°C trajectory.

2023

Expanding to the whole value chain (Scope 3)

While progress continues across our direct operations, our next main challenge was to address scope 3 emissions. As these emissions come from many different sources, we needed to adapt our approach to ensure our actions will be relevant and effective across the entire value chain.
That's why we decided to set two specific targets on scope 3, differentiating agricultural from non-agricultural activities.

2024

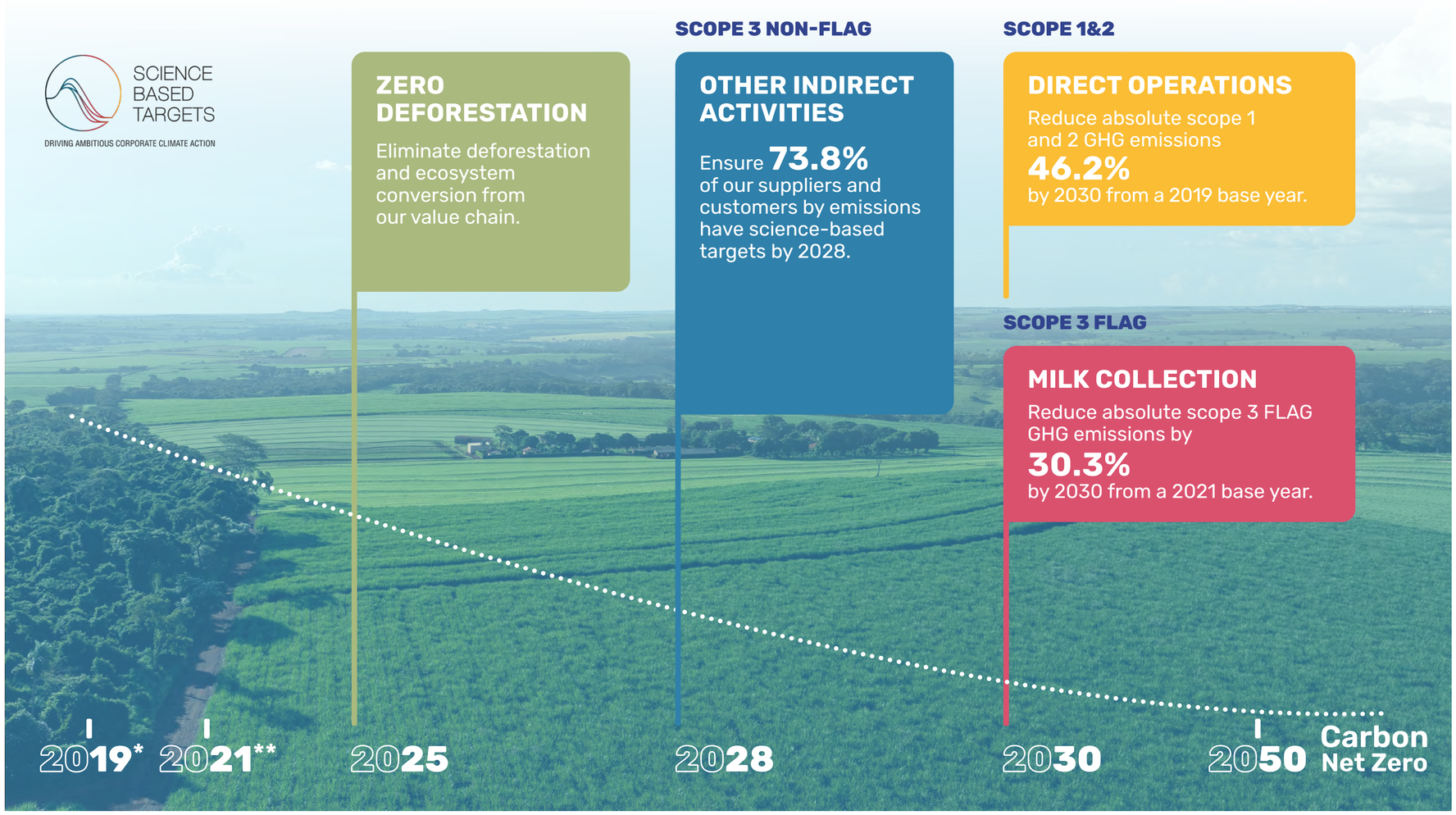
Validating our targets through the SBTi

Now covering our entire value chain, we were able to submit our near- and long-term greenhouse gas reduction targets to the SBTi in 2024. The SBTi reviewed and validated these targets in July 2024.
These targets are designed to guide us on our pathway toward achieving Carbon Net-Zero by 2050.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

KEY COMMITMENTS TOWARDS NET-ZERO

We have defined clear and measurable reduction targets to guide our transition towards Carbon Net-Zero by 2050, which have been reviewed and approved by the SBTi in July 2024. These near-term targets help us translate our Net-Zero ambition into concrete, prioritized actions that lay the groundwork for the longer-term roadmap. Combined, these actions will cultivate the success of our business and our Group's climate resilience.



What does it mean to be Carbon Net-Zero?

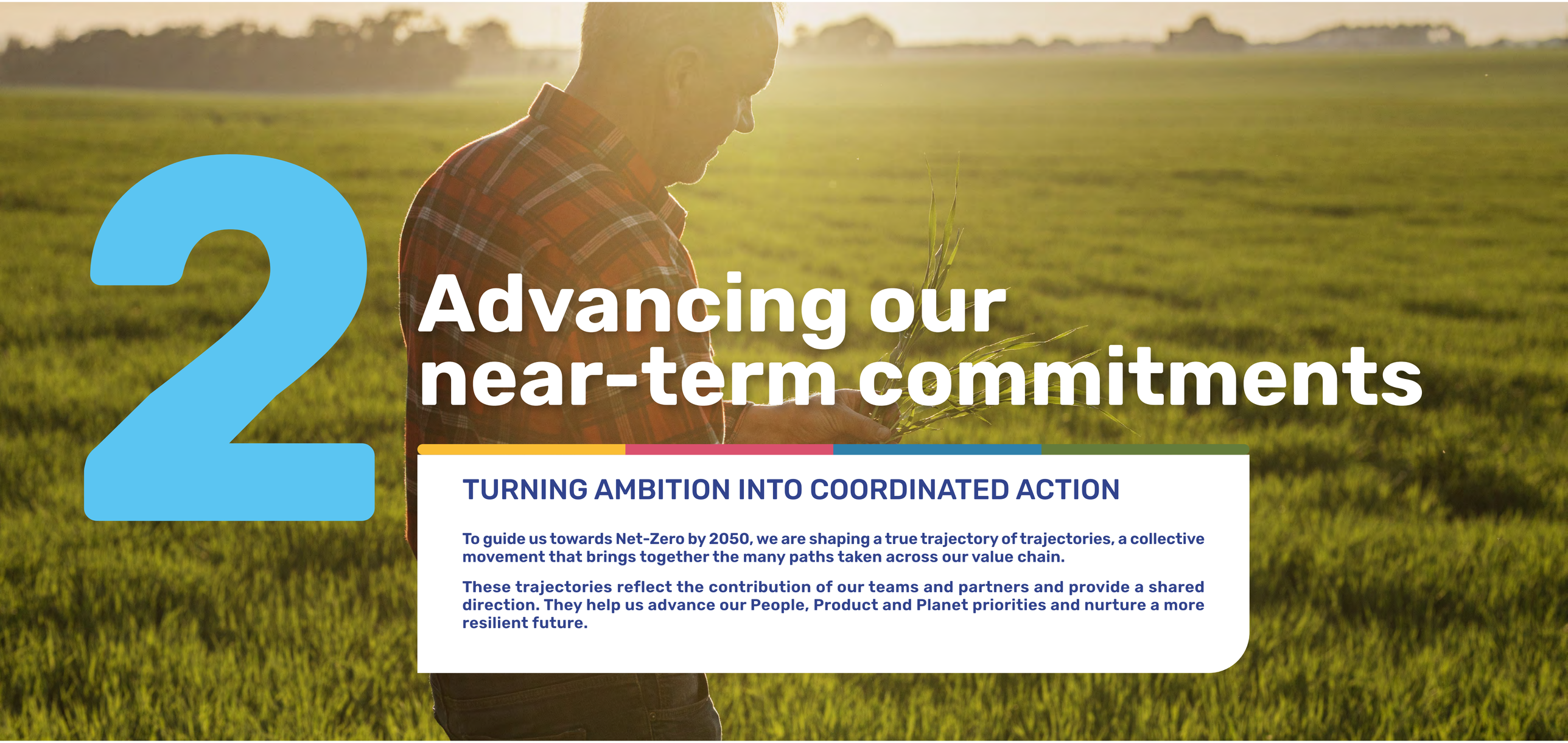
Reaching Carbon Net-Zero means reducing GHG emissions as much as possible across the value chain and neutralizing the small share of residual emissions that cannot be eliminated, so that our activities no longer contribute to additional GHG accumulation in the atmosphere.
To achieve our ambition by 2050, we are aware that our remaining emissions will need to be neutralized. In this context, plants' ability to sequester carbon in biomass and soils represents a strategic asset: carbon removals.
As a company in the Forest, Land and Agriculture (FLAG) sector, we embrace our role in unlocking the potential of our land-intensive activities and in developing removals within our value chain. We may also rely on Beyond Value Chain Mitigation to support the transition towards a Net-Zero society.

Did you know?

As the Group approaches its 100th anniversary in 2033, our climate commitments are also translated into concrete internal targets, driving action across the organization: at least –50% on absolute Scope 1 & 2 emissions and –33% on absolute Scope 3 FLAG emissions by 2033.

*Base year Scope 1 & 2 ** Base year Scope 3

For more information about our climate commitments and their perimeter, please refer to the appendix of this document.



2 Advancing our near-term commitments

TURNING AMBITION INTO COORDINATED ACTION

To guide us towards Net-Zero by 2050, we are shaping a true trajectory of trajectories, a collective movement that brings together the many paths taken across our value chain.

These trajectories reflect the contribution of our teams and partners and provide a shared direction. They help us advance our People, Product and Planet priorities and nurture a more resilient future.

A TRANSITION STRUCTURED AROUND FOUR MAJOR TRAJECTORIES

Lactalis' climate transition is organized around four trajectories that translate its long-term ambition into concrete, early actions. The first three trajectories focus on specific parts of the value chain, reflecting the Group's emissions profile and directing climate efforts where they can have the greatest impact. The fourth reinforces these actions by engaging employees across the Group.

OUR COMMITMENTS

TRAJECTORY 1 — SCOPE 1 & 2

Reduce our **SCOPE 1&2** absolute emissions by

46.2%

by 2030 from a 2019 base year

TRAJECTORY 2 — SCOPE 3 FLAG

Reduce our **SCOPE 3 FLAG** absolute emissions by

30.3%

by 2030 from a 2021 base year

TRAJECTORY 3 — SCOPE 3 NON-FLAG

Ensure

73.8%

of our suppliers and customers by emissions have science-based targets by 2028

OUR MAIN ACTIONS

These trajectories consolidate the key actions already underway and align them with the near-term objectives validated by the SBTi.
They provide a coherent framework for reducing emissions, strengthening resilience and guiding implementation across all entities. Rooted in a multilocal approach, they support the identification and deployment of solutions adapted to the specific contexts of the countries in which we operate. Together, they form the foundation of a consistent, Group-wide transition.

PRODUCTION & WAREHOUSING ACTIVITIES

- **Improve operational efficiency:** Implementation of best practices in production and storage.
- **Transition to less carbon-intensive energy sources:** Switch to less emissive types of energy, eg. from fuel to natural gas.
- **Promote transition to renewable thermal energy:** Reduce reliance on fossil fuels and strengthen the resilience of local energy systems.
- **Promote transition to renewable electricity:** Expand the share of renewable electricity to secure a decarbonized and resilient supply across different grid contexts.

TRANSPORT ACTIVITIES

- **Optimize transport flows:** Optimization of transport plans, optimization of loading efficiency…
- **Rethink our fuel usage:** Utilization of alternative fuels, installation of electric pumps…
- **Improve vehicles:** Modernization of the fleet, installation of speed limiters…
- **Enhance driving practices:** Implementation of best practices, eco-driving training…

AGRICULTURAL ACTIVITIES

- **Build and refine Climate roadmaps:** Building specific climate roadmaps for our milk supply to reduce GHG emissions at farm level.
- **Provide farmers with technical assistance:** knowledge sharing and training, digital tools for performance monitoring, access to low-carbon products and equipment.
- **Provide farmers with financial support:** performance-based incentives, support for nature-based solutions, partnership-driven grants.

ZERO DEFORESTATION
Eliminate deforestation and ecosystem conversion from our value chain.

For more information on this commitment, please refer to our public position paper

NON-AGRICULTURAL ACTIVITIES

- **Raise suppliers' awareness:** Development of support pathways according to current progress on climate topics, in-house training to adopt a climate strategy.
- **Support suppliers:** Enhance exchanges with suppliers by setting up a collaborative platform.
- **Collaborate with suppliers:** Development of joint projects to decarbonize our value chain.

OUR CATALYZER

TRAJECTORY 4 — EMPLOYEE ENGAGEMENT

- **Build climate awareness across the organization**
  Group-wide initiatives to build shared awareness of climate and CSR issues: Climate Fresk, Sustainable Development Week, World Cleanup Day…
- **Strengthen climate expertise and leadership**
  Targeted initiatives to support the people responsible for steering and delivering our climate commitments: training sessions, climate induction for CSR-related roles…

For more information about our climate commitments and their perimeter, please refer to the appendix of this document.



TRAJECTORY 1

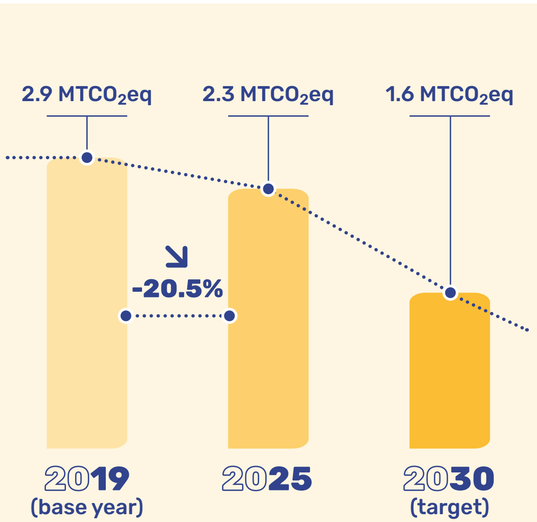
POWERING LOW-CARBON OPERATIONS THROUGH SCOPE 1 & 2 REDUCTION

ACT ON AREAS WE DIRECTLY MANAGE



INDUSTRIAL SITES, WAREHOUSES AND OWNED FLEET

Lactalis' production sites, warehouses and own fleet are at the heart of global operations and account for approximately 5% of the Group's total carbon footprint. These emissions include direct emissions from fuel combustion (Scope 1) and indirect emissions from purchased electricity and heat (Scope 2). This is where the Group holds the greatest capacity to act. In line with recognized frameworks such as the GHG Protocol or the SBTi, Lactalis has developed a Group-wide decarbonization roadmap in collaboration with operational and technical teams.



OBJECTIVE 2030

-46.2%

Scope 1 and 2 absolute emissions (incl. biogenic emissions), base year 2019*

* The target boundary includes land-related emissions and removals from bioenergy feedstocks.

1. INDUSTRIAL SITES & WAREHOUSES
WHERE OUR INDUSTRIAL TRANSITION TAKES SHAPE

Since 2019, we have made substantial progress in reducing direct emissions across our production sites and warehouses. This achievement is the result of a coordinated, cross-functional effort—bringing together experts in energy, operations, and sustainability to translate our climate ambitions into measurable impact.

At the core of this transformation lies a structured decarbonization roadmap developed by the industrial logistics teams country-by-country. While aligned with the Group's overarching climate strategy, each roadmap is tailored to local realities—regulatory frameworks, technological maturity, and country-specific constraints—ensuring that actions are both relevant and actionable.

Our approach follows a pragmatic sequence:

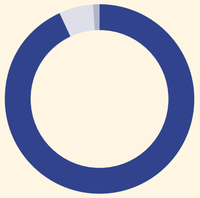
- Ensuring compliance with current and emerging regulations;
- Applying the principle of frugality by focusing on cost-efficient, low-complexity actions that reduce energy use;
- Improving energy performance through efficiency measures and high-performing equipment;
- Deploying low-carbon and renewable energy technologies where appropriate.

Centralized energy reporting platforms support this process, providing reliable data to guide local decision-making and track progress.

This structured, field-driven method has already led to measurable reductions and provides the foundation for reaching our 2030 target.

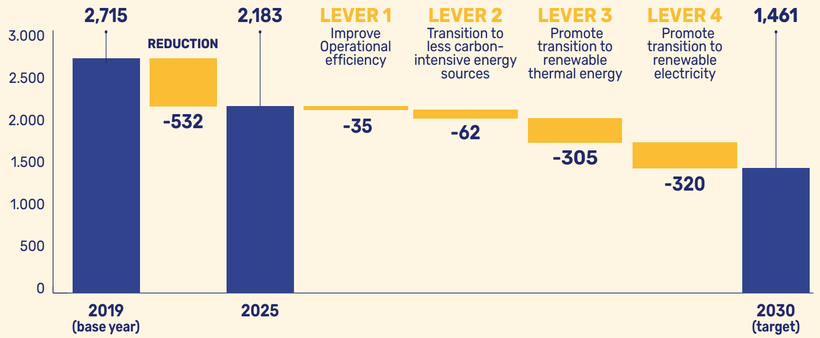
GROUP SCOPE 1 & 2 EMISSIONS IN 2025:

2.3 MTCO$_2$eq



95%
of scope 1 & 2 emissions associated to industrial sites and warehouses

ACTUAL AND PROJECTED GHG EMISSIONS REDUCTION TRAJECTORY FOR INDUSTRIAL SITES AND WAREHOUSES (2019-2030) *in kTCO$_2$eq*



Our efforts are structured around four strategic levers that define our decarbonization roadmap for industrial activities:

1. **IMPROVE OPERATIONAL EFFICIENCY**
   Reducing the amount of energy needed to produce the same output, by optimizing equipment, processes, and behaviors.

2. **TRANSITION TO LESS CARBON-INTENSIVE ENERGY SOURCES**
   Replacing high-emission thermal energy (like coal or fuel oil) with lower-carbon alternatives such as natural gas or by electrifying facilities with a low carbon electricity, as a transitional step toward full decarbonization.

3. **PROMOTE TRANSITION TO RENEWABLE THERMAL ENERGY**
   Decarbonizing the heat used in industrial processes by replacing fossil-based thermal energy with renewable sources such as biomass, biogas, or solar thermal.

4. **PROMOTE TRANSITION TO RENEWABLE ELECTRICITY**
   Increasing the share of electricity from renewable sources (like solar or wind), either by producing it on-site or purchasing it from certified green suppliers.

Decarbonization at the heart of our Industrial Roadmap

The decarbonization of our industrial sites and warehouses is fully embedded within the broader roadmap of our Energy and Environment function.
It stands as one of several strategic plans, shaping the function's long-term direction, alongside regulatory compliance and risk mitigation, environmental risk management, and the deployment of ISO 14001-aligned management systems. This strategy is grounded in a Group-wide energy policy built around three operational principles: frugality, efficiency, and energy transition. These principles guide our actions, from reducing unnecessary consumption to accelerating the shift toward lower-carbon energy sources, and are already being translated into action. For example, a technical guide was developed and is currently being rolled out to support the optimization of existing assets in projects aligned with our environmental and energy standards.

1. IMPROVE OPERATIONAL EFFICIENCY

KEY ACTIONS

- → **Implement energy-saving best practices on the industrial sites**
- → **Train and raise awareness among operators and maintenance teams**
- → **Optimize processes and utilities (heating, air compression, lighting…)**

-35 $ktCO_2eq$

Improving operational efficiency starts with the modernization of equipment and processes across our industrial footprint. Many of our sites have launched large-scale replacement programs targeting outdated and energy-intensive assets, including refrigeration systems, steam boilers and packaging lines.

By sharing best practices across sites and strengthening internal expertise, we enable each facility to independently identify and implement energy-saving actions. At several sites in France, refrigeration systems have been redesigned to incorporate heat recovery solutions; this approach is now being assessed and deployed wherever technically feasible across other countries.

In parallel, installations relying on freon HCFC are progressively being replaced with low emission refrigerant fluids systems, supporting a lower-carbon and more efficient industrial model.

Empowering people to embed climate in daily operations

At Lactalis, we believe that behind every energy-saving project is a trained, committed team. Across our sites, operators and maintenance teams are not just executing change, they are driving it. By equipping them with a solid understanding of energy and climate best practices, we ensure that efficiency is not just a one-off initiative, but a mindset embedded in daily routines. Energy audits, internal training, and cross-site sharing of solutions help building this culture of awareness and action.

2. TRANSITION TO LESS CARBON-INTENSIVE ENERGY SOURCES

KEY ACTIONS

- → **Replace high-emission fuels with transitional alternatives**
- → **Adapt energy solutions to local sites constraints**
- → **Reduce emissions while ensuring operational continuity**

-62 $ktCO_2eq$

In contexts where a full transition to renewable energy is not yet technically or economically feasible, we deploy transitional solutions that reduce emissions while preserving industrial performance. These actions include replacing fuel oil or coal with lower-carbon alternatives such as natural gas, electrifying heat where relevant, and implementing hybrid energy systems designed to prepare sites for the future integration of renewable sources.

Several initiatives are already underway. At our Retiers site, coal-fired installations have been replaced with natural gas, resulting in a reduction of more than 40% in direct greenhouse gas emissions site-wide. This pragmatic approach guides our decision-making: we prioritize solutions that deliver immediate and measurable carbon reductions, while ensuring operational reliability and business continuity across our industrial sites.

Trapping into local heat networks

Leveraging existing urban energy infrastructures offers a powerful lever for decarbonizing industrial heat - particularly district heating networks powered by municipal waste incineration plants. These incinerators are undergoing significant transformation: expanding their capacity, integrating geothermal energy, and preparing for carbon capture. As they modernize, they offer relevant, lower-carbon sources of thermal energy. This solution has already been implemented on two sites in France. Further opportunities are being explored, with a focus on France and preliminary assessments underway in other European countries.

3. PROMOTE TRANSITION TO RENEWABLE THERMAL ENERGY

KEY ACTIONS

- → **Replace fossil fuel for heat generation**
- → **Deploy renewable alternative (e.g. biomass)**
- → **Design thermal systems for long-term resilience**

-305 $ktCO_2eq$

Thermal energy is essential to our industrial processes and represents a major lever for decarbonization. We are progressively replacing fossil fuels with low-carbon alternatives tailored to local contexts, including biomass boilers, solar thermal, biogas scoping, thermal batteries.

Among the available solutions, biomass is an interesting lever for reducing reliance on fossil fuels while ensuring sustainable energy supply for industrial operations. It refers to a wide range of organic materials that can be used as renewable energy sources, including forestry residues, wood chips, agricultural waste, wood packaging shreds, and residues from hedgerow maintenance. When sourced sustainably, biomass can be converted into heat for industrial processes, offering a viable alternative to fossil fuels. Across Europe, biomass used in our operations is certified sustainable according to REDII (Renewable Energy Directive) criteria, ensuring traceability, sustainability, and robust carbon accounting.

By replacing fossil fuels with certified biomass, we can significantly reduce on-site emissions, particularly in thermal energy applications for high-temperature heat.

New biomass installations have recently been commissioned in Mayenne and Craon, delivering 173,000 MWh of renewable thermal energy annually. These projects build on earlier transitions at Charchigné and Domfront, which have been operating on biomass since 2016. A new facility is also under construction in Corcieux, in partnership with a third-party operator.

Beyond France, two additional projects are currently being developed in Spain. These initiatives are key milestones in our decarbonization roadmap, helping to strengthen local supply chains and reduce our exposure to fossil fuel price volatility.



TESTIMONY

"At Lactalis, the role of the energy expert is to bring coherence and momentum across a broad network of sites. Each year, we consolidate every idea and project emerging from the field, whether mature or exploratory, and use this global view to identify what can genuinely accelerate decarbonization. We connect teams across countries, help promising solutions surface, and draw on both internal learning and external technology watch to guide decisions. Our correspondents on the ground play a decisive role: they turn best practices into daily routines and test innovations where they make the most sense. This constant back-and-forth between local insight and global coordination is what makes the transformation possible — a collective dynamic where every contribution strengthens the whole."

Hélène, Head of Energy Department

4. PROMOTE TRANSITION TO RENEWABLE ELECTRICITY

KEY ACTIONS

- → **Increase the share of renewable electricity in total consumption**
- → **Deploy on-site production where possible through solar panels for example**
- → **Secure off-site renewable supply through PPAs or green tariffs.**

-320 $ktCO_2eq$

Electricity represents a growing share of our energy mix and a clear opportunity for decarbonization. We are ramping up the use of renewable electricity through three complementary levers: on-site generation (primarily solar), off-site sourcing through energy attribute certificates and long-term Power Purchase Agreements (PPAs) with suppliers.

Expanding photovoltaic installations

Photovoltaic installations are expanding across our sites, supporting our shift toward renewable electricity. Rooftop and ground-mounted solar panels have already been deployed in Spain, Portugal, Greece, Italy, Belgium, Turkey, India and Croatia. These systems contribute directly to reducing emissions— by around 15,000 tCO_2e —and improving energy autonomy.
Beyond carbon savings, solar projects also enhance site resilience and foster employee engagement by making the energy transition visible and tangible at the local level.



Decarbonizing our warehouses

Warehouses are also included in the company's decarbonization strategy, with tailored solutions that reflect their specific operational context. This approach is implemented and monitored by the Supply Chain teams through their CSR roadmap and is structured around the same four main pillars as those applied to industrial sites.

In the case of warehousing, common decarbonization measures include among other:
- Optimizing logistics, such as warehouse management systems, stock reduction, and shared logistics platforms.
- Enhancing thermal insulation to reduce heating and cooling needs.
- Installing rooftop solar panels to strengthen energy autonomy at local level.



NEXT STEPS

The transformation of our industrial operations is not only a technical challenge — it is a collective commitment. To accelerate decarbonization at the scale required by climate science, we will continue mobilizing our people, strengthening our processes, and staying true to our purpose.

Empowering change through expertise and collaboration

Because decarbonizing our operations is as much about people as it is about technology, we will continue to build on what makes the transition possible: the expertise of our teams and the strength of our external collaborations.

In the years ahead, we will reinforce partnerships that are critical to scaling up renewable energy — both on-site and off-site — and continue to develop internal capabilities to support the deployment of low-carbon solutions.
Strategic collaboration will remain a key lever, particularly through our involvement in initiatives in Europe and in the United States, which provide valuable insight into emerging technologies and future decarbonization pathways.

We will also strengthen our ability to anticipate and adapt through structured regulatory and technological intelligence, supported by expert partners and internal tools.

Scaling impact through innovation and operational excellence

Decarbonization is embedded in the way we operate. We are continuously improving the energy performance of our industrial sites and warehouses, with a strong focus on stationary emissions and responsible resource use.

Capitalizing on the progress made, we are now shifting towards a broader set of solutions combining mature technologies and new breakthroughs.
A number of technologies are currently assessed for mid-term adoption, whereas others are being tracked for long-term development. Our interest mainly lies in technologies that could significantly lower thermal emissions, such as innovation in biogas production, advanced heat pumps, Power-to-X solutions, and carbon capture.

There is no one-size-fits-all solution. Our approach is pragmatic and locally adapted, recognizing that technological and regulatory contexts vary across geographies.

Embedded in the Group's strategy

Looking ahead, the decarbonization of our industrial sites and warehouses will remain a central lever in delivering the Group's ambition for long-term responsible growth. Anchored in our corporate purpose - Nurture the Future - and aligned with our 2050 vision, this roadmap will continue to evolve as a key enabler of our transformation journey.
In the coming years, the operational roadmaps of the Energy & Environment and Supply Chain functions will be further strengthened to ensure the successful implementation of the decarbonization strategy.

This means aligning industrial planning (Long-Term Plans) with investment decisions in order to stay on track with our carbon reduction targets ensuring that emissions reduction becomes a shared performance indicator across functions and geographies.

Finally, we will continue to embed decarbonization into the way we define value — not only through cost savings or compliance, but as a driver of resilience and long-term competitiveness. In doing so, we reaffirm that sustainability is not a constraint, but a strategic opportunity, one that will shape the future of our industrial model.

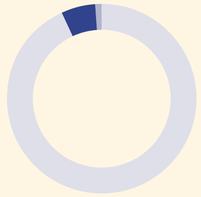
2. OWNED TRANSPORTATION
WHERE SMARTER MOBILITY DRIVES LOWER EMISSIONS

Since 2019, we have made substantial progress in reducing direct emissions across our own fleet. This achievement is the combination of several areas of action, from optimizing transport to rethinking our daily practices.

The decarbonization of our own transport operations, covering both company vehicles and all logistics flows, from raw material collection to final product delivery, is based on a collective approach that combines group-wide levers with strong engagement from local teams.
By fostering best practice exchange and strengthening internal capabilities, we enable each country to design and implement transport efficiency actions suited to its specific context.

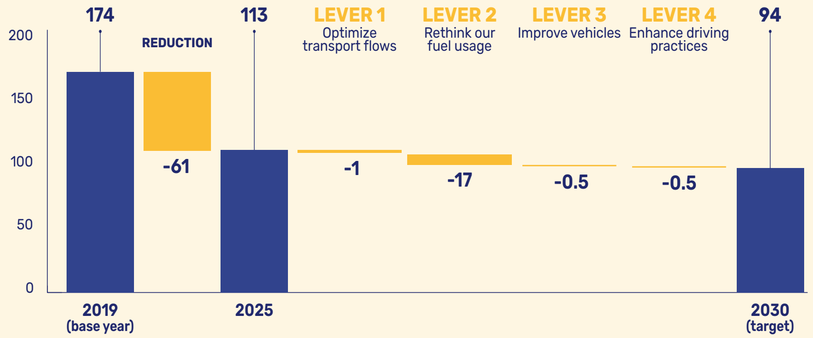


GROUP SCOPE 1 & 2 EMISSIONS IN 2025:
2.3 MTCO$_2$eq



5%
of scope 1 & 2 emissions associated to Lactalis owned fleet

ACTUAL AND PROJECTED GHG EMISSIONS REDUCTION TRAJECTORY FOR LACTALIS OWNED FLEET (2019–2030) *in kTCO$_2$eq*



As part of Lactalis' commitment to climate action, the teams in charge of vehicle fleets and transport activities deploy roadmaps to cut the greenhouse gas emissions of their activities. To this end, Lactalis has identified four key levers for action:

1. **OPTIMIZE TRANSPORT FLOWS**
Improving transport planning, particularly by optimizing delivery frequencies and load factors, in order to reduce distances travelled and maximize vehicle utilization.

2. **RETHINK OUR FUEL USAGE**
Reducing fuel consumption and expanding the use of alternative energy sources, including alternative fuels and electricity, in order to lower the carbon intensity of the energy consumed.

3. **IMPROVE VEHICLES**
Modernizing the fleet by leveraging technologies and equipment that enhance energy efficiency, such as onboard telematics systems, speed limiters and next-generation powertrains.

4. **ENHANCE DRIVING PRACTICES**
Implementing best practices and providing eco-driving training to reduce emissions.

1. OPTIMIZE TRANSPORT FLOWS

KEY ACTIONS

- → **Regularly update transport plans to align with supply patterns**
- → **Reduce empty mileage and improve load efficiency**
- → **Optimize delivery routes and frequencies through network integration**

-1 $ktCO_2eq$

Optimizing transport flows is a core logistics lever to reduce transport-related greenhouse gas emissions.

By minimizing distances traveled, reducing empty runs and maximizing vehicle load efficiency, logistics teams directly act on fuel consumption and CO_2eq emissions. In France, aligning transport plans with milk collection curves illustrates how route planning and schedule optimization can reduce unnecessary kilometers, improve fill rates and lower emissions, while also generating annual productivity gains.

Beyond route and schedule optimization, improving load efficiency is another powerful decarbonization lever embedded in daily logistics operations. By maximizing payload per trip, logistics teams reduce the number of journeys required and the carbon intensity per unit transported.

This is illustrated in Turkey, where optimizing truck loading enabled a 30% reduction in CO_2eq emissions, demonstrating how operational logistics decisions can translate into rapid and measurable impact.

Development of Multimodal Transport

Multimodal transport is a powerful lever to reduce the carbon footprint of logistics, particularly for long-distance flows. By shifting volumes from road to lower-carbon modes such as rail, it significantly lowers the carbon intensity of transport while maintaining operational performance.
This approach has been implemented in Lactalis Canada since 2020 through an intermodal program for long-distance transport from Eastern to Western Canada, with the objective of converting nearly 70% of road transport to rail. Since its implementation, this initiative has reduced associated transport emissions by nearly 30% compared to 2019—an impact equivalent to removing around 3,000 trucks from the road each year.

2. RETHINK OUR FUEL USAGE

KEY ACTIONS

- → **Adopt alternative energy sources, including alternative fuels and electricity, to reduce carbon emissions**
- → **Integrate energy-efficient technologies into vehicle fleets**
- → **Diversify fuel options to support local transitions**

-17 $ktCO_2eq$

Transport emissions are closely tied to fuel use. Reducing unnecessary fuel use delivers immediate CO_2eq savings and lowers the baseline for all subsequent actions. Operational measures and equipment upgrades—such as new tractors fitted with autonomous air-conditioning systems—limit engine idling, curb fuel consumption, and reduce emissions while improving driver comfort. This “use less, first” approach maximizes the climate return on every liter of fuel.

Once fuel demand is reduced, shifting to lower-carbon fuels enhances emissions reductions.
In this context, moving away from conventional diesel toward alternatives such as biofuels help further decrease the carbon intensity per kilometer without disrupting operations.



In several regions, vehicles configured to operate on diesel already enable a pragmatic, phased transition to cleaner fuels such as XTL, leveraging existing fleets while reducing emissions.
At the same time, the gradual deployment of dual-energy solutions across the group is expanding opportunities to use alternative energy sources and is also helping to reduce the carbon footprint of transport operations.

3. IMPROVE VEHICLES

KEY ACTIONS

- → **Modernize the fleet to reduce emissions and improve efficiency**
- → **Limit vehicle speed to optimize fuel use and enhance safety**
- → **Deploy smart technologies and onboard telematics systems to reduce engine running time**

-0.5 $ktCO_2eq$

Strengthening our decarbonization pathway also means acting on the vehicles we operate. The aim is practical: use less energy and retire the highest-emitting units to reduce absolute emissions. This includes targeted fleet renewal—such as in Italy, where 84 diesel light commercial vehicles were taken out of the fleet. Additional measures are also implemented to avoid unnecessary fuel consumption, particularly through preventive vehicle maintenance and the regular monitoring of tire pressure and condition.

To make these choices deliver consistent results in real operations, we rely on smart technologies and data from onboard telematics systems that convert intent into measurable reductions. Speed limiters and automatic engine shutdown help avoid over-speeding and idle time, thereby lowering fuel consumption and associated emissions; telemetry solutions provide real-time insights on driving and vehicle performance, making it easier to monitor outcomes and identify improvement opportunities—while supporting safer operations.

Together, these measures make the fleet cleaner, smarter, and more efficient, sustaining the emission cuts delivered by the other levers.



4. ENHANCE DRIVING PRACTICES

KEY ACTIONS

- → **Promote eco-driving through regular training and coaching**
- → **Leverage technology to monitor and optimize driving behavior**
- → **Encourage continuous improvement through performance feedback**

-0.5 $ktCO_2eq$

Enhancing driving practices focuses on how vehicles are operated to make transport safer, more efficient, and less carbon- intensive. This lever relies heavily on human behavior and awareness, complementing technical upgrades with practical skills. Through regular eco-driving training and coaching, drivers learn techniques such as smoother acceleration, anticipatory braking, and optimal gear shifting—simple habits that help reduce fuel consumption and emissions. In France, for instance, around 100 drivers attend dedicated eco-driving sessions every 13 months, embedding these practices through hands-on training and repetition.

These efforts are reinforced by digital tools that help translate behavior into measurable performance. In Poland, GPS-based systems monitor driving patterns and provide objective insights into fuel-efficient practices, while in Spain, biannual feedback compares performance across similar vehicles to encourage continuous improvement and peer benchmarking.

By delivering personalized insights, digital solutions help sustain best practices in everyday operations. Beyond environmental benefits, improved driving practices extend vehicle lifespan, lower maintenance costs, and enhance driver well-being, making this lever a cornerstone of more sustainable transport.



NEXT STEPS

Decarbonizing transport is not a one-off effort, but a sustained transformation of how we move goods every day. Building on the progress achieved so far, we will continue advancing transport decarbonization by empowering our teams, leveraging technology, and anchoring actions in the Group's long-term strategy.

Empowering and Engaging Our Teams

The success of our transition depends first and foremost on the people who make it happen every day. We will continue to train and support our drivers through expanded eco-driving programs, with a focus on raising awareness and encouraging responsible behavior behind the wheel. These trainings will be adapted to local contexts and supported by regular feedback based on real driving data.

Beyond internal engagement, we aim to strengthen external collaborations with training providers, industry coalitions, and sustainability networks. These partnerships will allow us to share best practices, stay ahead of regulatory trends, and co-develop innovative solutions.

Finally, to sustainably support our transformation, we will strengthen our ability to anticipate and adapt through a structured regulatory and technology watch within our logistics teams. This monitoring process will help inform our decisions, anticipate market and regulatory developments, and identify the most relevant innovative solutions to support our decarbonization journey.

Leveraging Technology and Innovation

To go further, we will continue to invest in technological solutions that support smarter, cleaner transport. This includes the deployment of advanced telematics, AI-powered route optimization, and real-time monitoring of fuel consumption and emissions. These tools will help us reduce empty kilometers, improve truck load rates, and identify areas for continuous improvement.

At the same time, the gradual renewal of our vehicle fleet will increasingly rely on low-emission models, including electric, hybrid, and biofuel-compatible vehicles. This transition will be guided by both environmental impact and operational efficiency.

We will tailor the pace and implementation of this transformation to local realities, ensuring that the solutions deployed in each country remain relevant and effective.

Aligning with Our Group Strategy

Our transport decarbonization roadmap is not a side project; it is a core component of our long-term vision for sustainable growth. Its implementation is based on an integrated approach in which logistics teams contribute every day to the decarbonization of transport through their operational practices and decision-making. Structured around the Supply Chain Long-Term Plan (LTP) and deployed across the Group's countries, this approach enables the coordination of transport decarbonization initiatives.

In the coming years, we will further integrate transport decarbonization into our investment decisions and transport planning, ensuring that carbon impact assessments inform mobility choices across the Group.

At the same time, we will continue exploring how efficiency gains, reduced fuel use, and optimized logistics can support our decarbonization efforts.

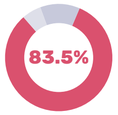
Together, these efforts will contribute to the Group's long-term transport decarbonization trajectory.



TRAJECTORY 2

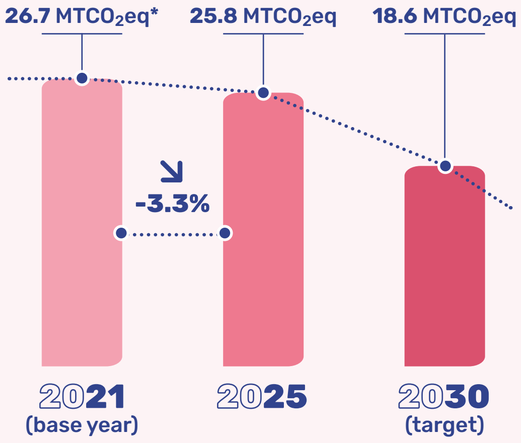
TRANSFORMING DAIRY FARMING THROUGH SCOPE 3 FLAG REDUCTION

ACT UPSTREAM TO REDUCE EMISSIONS



RAW MILK SUPPLY AND LOW-CARBON FARMING PRACTICES

Agriculture and milk supply represent the largest share of our emissions, making farm-level action central to our climate strategy. In recent years, we have strengthened our understanding of upstream emissions and built the capabilities needed to act. By bringing together CSR and milk supply teams across countries, we have established a shared foundation that now supports a growing set of practical solutions adapted to local farming systems.



OBJECTIVE 2030

-30.3%

Scope 3 FLAG absolute emissions (covering at least 67% of total Scope 3 FLAG emissions, base year 2021)

* While total Scope 3 FLAG emissions cover a broader agricultural perimeter, the Group's 2030 reduction target is intentionally focused on raw cow's milk supply only, within selected countries that together account for at least 67% of total Scope 3 FLAG emissions.

FROM BASELINE TO ACTION

At Group level, Scope 3 FLAG emissions account for approximately 39.4 $MtCO_2e$. They cover all indirect GHG emissions coming from land use change, deforestation and agricultural practices.

Within this overall perimeter, raw milk is by far the largest source of emissions, accounting for approximately 88% of total Scope 3 FLAG emissions.

It is associated with a milk supply chain of significant scale, involving approximately 210,000 partner dairy producers, 4.2 million dairy animals, and 23.1 billion liters of milk collected annually across 47 countries.

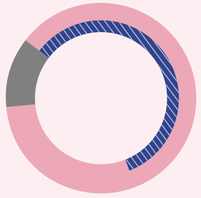
Completing the Scope 3 FLAG picture beyond raw milk

The remaining Scope 3 FLAG emissions, amounting to approximately 4.5 $MtCO_2e$ (around 12%), are associated with other agricultural and forest-related categories, including:

- ingredients and other dairy raw materials,
- paper and cardboard packaging,
- farming-related services.

GROUP SCOPE 3 FLAG EMISSIONS IN 2025:

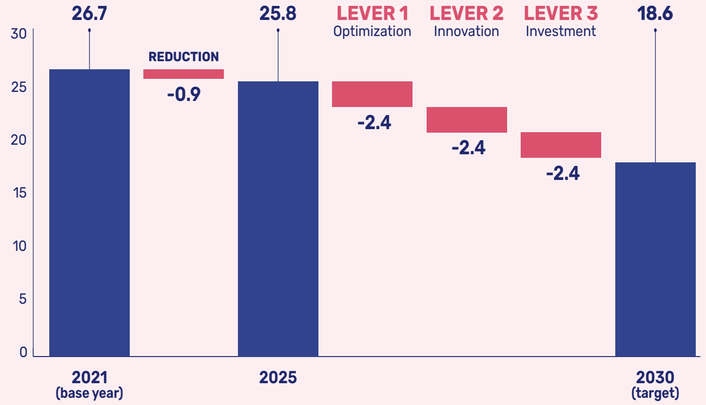
39.4 $MTCO_2eq$



- **88%** Milk supply emissions
- **67%** Portion of scope 3 FLAG emissions covered by our 2030 reduction target
- **12%** Other Scope 3 FLAG emissions, excluding milk supply

ACTUAL AND PROJECTED GHG EMISSIONS REDUCTION TRAJECTORY (2021–2030)

in $MTCO_2eq$



While total Scope 3 FLAG emissions cover a broader agricultural perimeter, the Group's 2030 reduction target is intentionally focused on raw cow's milk supply only, within selected countries that together account for at least 67% of total Scope 3 FLAG emissions.

This focus on raw cow's milk supply as a first step reflects a pragmatic prioritization approach, directing early efforts toward the most significant source of Scope 3 FLAG emissions. Defined collaboratively by CSR and Milk Supply teams, this objective turns our climate ambition into concrete action, mobilizing our milk supply ecosystem where it can deliver the greatest impact.

Three decarbonization levers guide our reduction pathway:

1. OPTIMIZATION
Enhancing agricultural practices to improve resource efficiency and reduce emissions through better feed management, optimized fertilizer use, and herd management strategies to limit environmental impact.

2. INNOVATION
Exploring and introducing advanced approaches to improve environmental performance, including feed (from natural or synthetic origin) and manure additives, precision farming tools, and technologies that enhance nutrient efficiency and reduce greenhouse gas emissions across the value chain.

3. INVESTMENT
Supporting the deployment of infrastructure and equipment that enable low-carbon farming systems, such as solutions for manure management and renewable energy production.

Looking ahead: the role of carbon removals in our FLAG journey

Carbon removals represent an important opportunity to further reduce the Group's climate impact. At this stage, our FLAG emissions reporting focuses on gross emissions only, as global methodologies for accounting biological carbon removals are still evolving. Work is underway to integrate carbon removals into the group's climate strategy in line with the latest GHG Protocol guidance for the land sector and carbon removals (Land Sector and Removals Guidance).

IMPLEMENTING TAILORED ACTION PLANS

Since 2023, Lactalis has developed local roadmaps to turn ambition into actionable plans at farm level. Covering the period 2024-2030, these roadmaps define concrete projects to reduce greenhouse gas emissions while respecting local farming systems and realities. Starting with key countries, this approach gives the Group a strong foundation to build experience, refine solutions, and progressively scale action toward 2030 and beyond.

Milk supply teams in countries remain the cornerstone of roadmap implementation, bringing their expertise and field knowledge to identify emission reduction actions adapted to local farming realities.

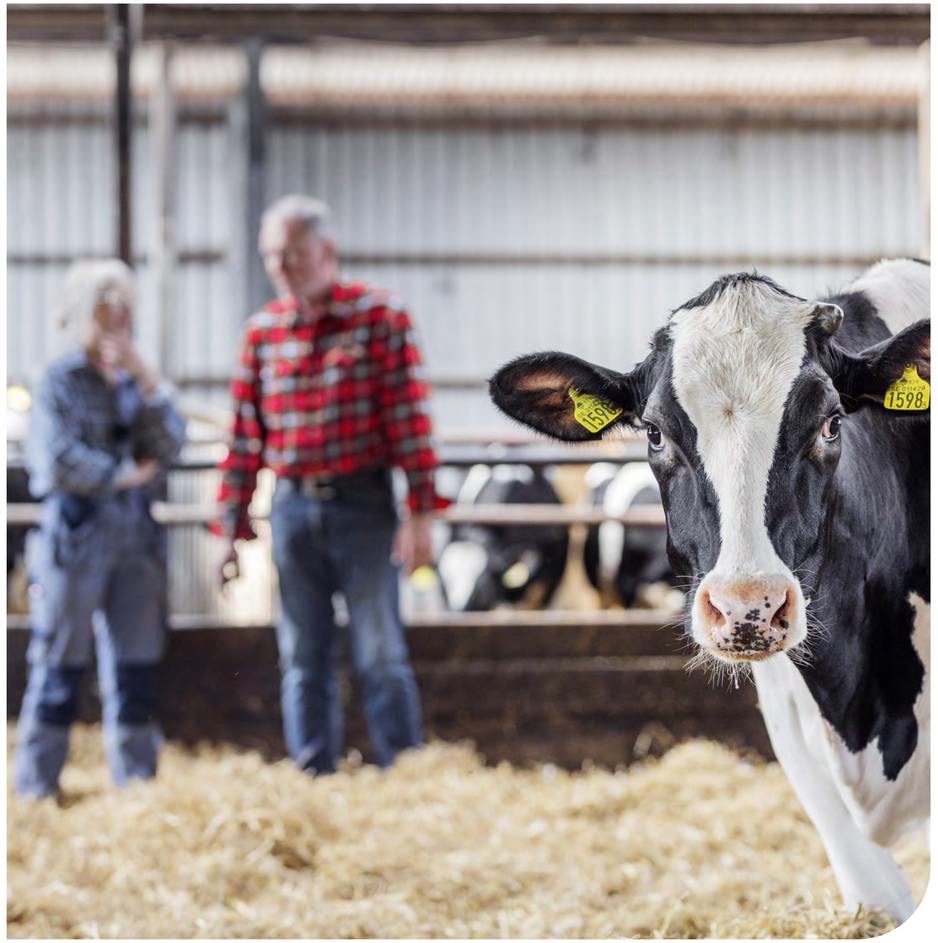
Digital tools can complement this expertise by supporting data collection, analysis and decision-making. While their use is still developing and requires further consolidation, they already provide valuable support when applied as enablers rather than substitutes. They contribute to monitoring progress and highlighting potential areas for improvement, helping to progressively make actions more targeted and effective.

When developing these projects, teams can rely on the three decarbonization levers outlined in the previous page—Optimization, Innovation and Investment—as a guiding framework to ensure a comprehensive, on-the-ground approach.
In parallel, we are strengthening our focus on carbon removals as an additional pathway to further mitigate our climate footprint, while ensuring that their integration will align with the forthcoming GHG Protocol Land Sector and Removals Guidance and the evolution of FLAG reporting practices.

In practice, to assist farmers in activating these levers, Lactalis can rely on two complementary forms of support:

1. **TECHNICAL SUPPORT,**
   to provide farmers with knowledge, tools, and solutions to decarbonize their operations.
2. **FINANCIAL SUPPORT,**
   to reward climate progress and facilitate investments in sustainable practices.

Each project may contribute to one or several decarbonization levers, but the focus remains on equipping farmers with the knowledge, tools, and resources they need to act effectively across diverse local contexts.



1. TECHNICAL SUPPORT

KEY ACTIONS

- → **Knowledge sharing and training**
- → **Progressive development of digital tools for performance monitoring**
- → **Access to low-carbon products and equipment**

Technical support is first built around knowledge sharing and capacity-building at farm level. Local teams regularly organize workshops for dairy farmers in countries such as the UK, Germany, Sweden, and Italy, focusing on practical levers to reduce emissions. These sessions cover various topics such as herd management practices or feed optimization strategies. Farmers are also trained to interpret carbon diagnostics and use the results to improve their operational efficiency.

Beyond these training formats, Lactalis also complements on-the-ground knowledge sharing by working with universities, research centers, and technical experts. These collaborations help anticipate emerging regulations and technologies, covering areas such as livestock feed innovation, milk storage and cooling technologies, and broader farm systems.
Over time, this shared expertise makes it possible to design more holistic projects and translate shared knowledge into tailored, farm-specific action plans that reflect local conditions and decarbonization priorities.

Dairy technicians: key partners for farm decarbonization

Since 2025, a dedicated climate training program has been deployed for dairy technicians across 21 prioritized countries. Combining digital learning modules with on-farm workshops, this program equips technicians with the technical knowledge, practical tools and methodological framework needed to support farmers in reducing emissions.
As trusted partners in farmers' day-to-day operations, dairy technicians are the primary interface between the Group's climate strategy and on-farm realities. Through regular farm visits, they translate carbon diagnostics into actionable improvement plans, adapted to local farming systems and individual farm constraints. In this way, they act as first ambassadors of the decarbonization approach, fostering understanding, ownership and long-term engagement among farmers.
By strengthening technicians' capabilities, we ensure that climate action is embedded directly into milk supply management practices. This proximity-based approach is a key lever to scale emissions reductions across the milk supply, turning strategic objectives into concrete progress at farm level.



To complement this hands-on training, Lactalis also provides farmers with data-driven tools to monitor performance and guide decision-making over time.
For example, the Lact@farm platform, currently being deployed in Italy, centralizes key information related to herd management, feeding practices, crop cultivation, and daily milk volumes.
It also integrates carbon footprint calculations based on the Cool Farm Tool and tracks Key Sustainability Indicators (KSIs) on a weekly basis. These insights feed into a Decision Support System (DSS), enabling farmers to identify improvement areas and prioritize actions to reduce emissions in a structured and continuous manner.
Building on this experience, Lactalis aims to progressively strengthen farm-level data and decision-support capabilities over the coming years, through solutions tailored to local contexts, existing tools, and data maturity across milk-sourcing regions.

Finally, technical support is paired with facilitated access to concrete low-carbon solutions and equipment.
Through its local subsidiaries, the Group supports the deployment of solutions such as heat-recovery water heaters or pre-cooling systems. These solutions are offered together with personalized technical assistance from Lactalis dairy technicians, competitive pricing, and flexible payment options.



TESTIMONY

“On the farm, our role goes far beyond collecting data, we help farmers make sense of it. Every visit starts with a conversation: understanding how they work, what they are proud of, and where they see room for improvement. We walk through the barns together, look at herd structure, feed practices, land use, manure management, everything that shapes both performance and emissions.
The carbon report we send them afterwards becomes a mirror: they can compare themselves with similar farms in the Lactalis network, see what already works well, and identify concrete changes with real benefits: less waste, better herd efficiency, lower costs, and often a better quality of life onsite.
Our job is to build trust and translate technical concepts into practical solutions. We answer questions long after the audit and share best practices. As data quality improves, our role is evolving toward real on-farm consultancy. In the long run, this close relationship with farmers is what will make the Group’s climate commitments achievable, one farm at a time.”

Alice, Dairy Technician

2. FINANCIAL SUPPORT

KEY ACTIONS

- **Encourage action:** Providing financial support encouraging farmers to complete key sustainability actions, such as carbon audits, herd health plans, and participation in training.
- **Reward progress:** Offering bonuses for achieving measurable environmental outcomes, including reductions in carbon footprint, to drive continuous improvement.

Financial support is one of the levers Lactalis explores to accelerate the transition toward low-carbon dairy farming. While not systematic, these mechanisms are progressively developed at country level to complement technical assistance where relevant. Their purpose is to help farmers adopt low-carbon practices, overcome financial barriers linked to investments or changes in practices, and, in some cases, reward measurable climate progress.

To support farmers in their decarbonization journey, Lactalis applies a progressive approach to financial engagement that adapts to the current progress of each country. The objective is to first encourage farmers to take concrete steps before gradually linking financial support to measurable environmental outcomes.

This sequencing ensures that capability-building comes first, creating the right conditions for performance-based incentives to be both achievable and meaningful.

The first step is therefore to enable farmers to take meaningful actions that establish the foundation for long-term progress. At this stage, financial support focuses on facilitating participation and encouraging practical, on-farm improvements.
In the United Kingdom, for example, Lactalis introduced a sustainability payment based on four engagement criteria, including the completion of a carbon audit every three years, the sharing of antibiotic use data, the provision of herd health plans, and participation in training sessions or webinars.
By rewarding foundational steps, this approach helps embed sustainability practices into farm management while progressively building the skills needed to act on climate challenges.



As capabilities mature and sustainability practices become more established, financial recognition can then increasingly reflect actual environmental performance. In this phase, incentives focus more on achieved outcomes, such as improvements in carbon footprint.

NEXT STEPS

Upstream dairy decarbonization is a long-term effort anchored in how we support farmers over time. Building on existing progress, we will continue to turn knowledge and collaboration into scalable processes, aligned with the Group's long-term strategy.

For a comprehensive overview of our commitments, implementation principles and priority action areas, please refer to our Forest Policy, which sets out the full scope of our zero-deforestation approach.

Empowering change through expertise and collaboration

People are at the heart of our upstream decarbonization pathway. To strengthen our capacity to act at farm level, we will continue to deepen internal expertise by combining the field knowledge of Milk Supply teams with Group R&D's capabilities in trial design, data analysis, and literature review, particularly to support projects on animal nutrition, a key lever for reducing farm-level emissions.

In parallel, we will foster cross-functional and cross-country collaboration to break down silos, encourage knowledge sharing and accelerate the diffusion of best practices. We will also reinforce our involvement in international working groups such as the SAI Platform ensuring alignment with evolving industry standards and benefiting from peer learning.

Finally, we will encourage local teams to actively contribute to global initiatives, moving beyond local implementation to support collective momentum and consistency across geographies.

Scaling impact through innovation and operational excellence

Scaling emissions reductions over time requires robust processes and the ability to continuously adapt to emerging solutions. We will therefore maintain active monitoring of supplier innovations and market trends, drawing on the growing number of proposals shared proactively by partners. Building on early successes, we will deploy and scale initiatives proven in pilot countries, leveraging lessons learned to accelerate large-scale implementation beyond 2030.
At the same time, we will further strengthen data collection and monitoring tools to improve progress tracking, enhance decision-making and ensure the credibility of our decarbonization pathway.

Embedded in the Group's strategy

Our upstream decarbonization roadmap is fully embedded in our climate strategy and reflects the need for a global, coordinated approach to meet our long-term ambitions. Achieving this objective requires opening up to international collaboration and ensuring consistent progress across regions. Beyond milk supply, we will progressively extend our efforts to the remaining Scope 3 FLAG categories, including ingredients and paper-based packaging, reinforcing a comprehensive and coherent approach to climate action across the agricultural value chain.

Lactalis' Zero-Deforestation Commitment

As part of its efforts to preserve biodiversity 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 within its supply chain.
This ambition translates into different commitments depending on the type of impact the group has:

- Direct impacts (i.e. those attributable to the suppliers with whom the group has a direct commercial relationship)

For its direct 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).

- Indirect impacts (i.e. those arising from upstream suppliers beyond Lactalis' direct commercial relationships)

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 are not directly involved in deforestation or land conversion, they may indirectly contribute to it through the soy or the palm oil they purchase for animal feed.
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.



TRAJECTORY 3

DRIVING CLIMATE ALIGNMENT IN SCOPE 3 NON-FLAG ACTIVITIES THROUGH SUPPLIER ENGAGEMENT

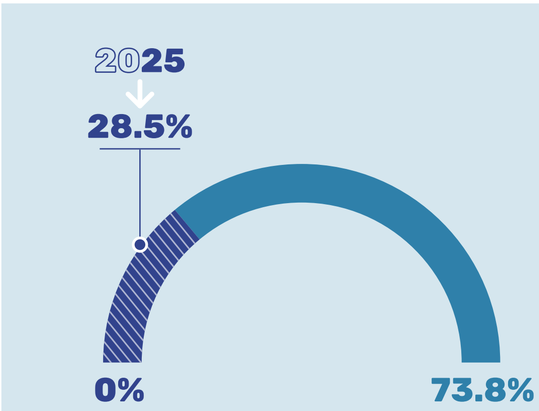
ACT ACROSS OUR VALUE CHAIN



PURCHASED GOODS AND SERVICES, LOGISTICS AND CAPITAL GOODS

Beyond dairy farming, a substantial portion of our Scope 3 emissions comes from the broader network of suppliers we work with. Engaging these suppliers in the transition is essential to achieving meaningful change across every part of our value chain.

That's why we encourage them to set ambitious, science-based climate targets, fostering collaboration and strengthening partnerships to accelerate aligned climate action.



In 2025, 28.5% out of 73.8% of our suppliers and customers (by emissions) have science-based targets

OBJECTIVE 2028:

73.8%

of our suppliers and customers by emissions pursuing science-based targets*

* Commitment on 67% of Lactalis' Scope 3 non-FLAG emissions, covering purchased goods and services, capital goods, fuel-and energy-related activities, upstream transportation and distribution and processing of sold products.

FROM BASELINE TO ACTION

Lactalis operates through a wide network of subsidiaries around the world, shaping a value chain that is both diverse and deeply interconnected. This diversity can be a strength as it gives us the ability to act decisively and to positively influence our partners. Yet, Scope 3 non-FLAG emissions remain dispersed across many actors, highlighting the importance of connecting efforts into a shared, coordinated approach. We are therefore convinced that achieving our climate ambition requires mobilizing suppliers, fostering a common understanding of climate challenges, and aligning with science-based trajectories.

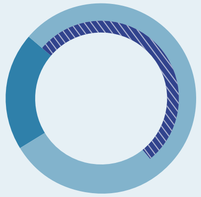
Supplier engagement is a core commitment within Lactalis' climate strategy, validated by the Science Based Targets initiative (SBTi). This approach is designed to drive collaboration and reduce greenhouse gas emissions across our value chain, activating decarbonization by leveraging our influence to encourage climate action among suppliers.

More than a technical solution, it represents a shift in how we work together: reshaping relationships, practices, and decision-making to embed climate considerations into everyday business interactions. This reflects our conviction that meaningful progress requires shared commitment and coordinated action across the entire value chain.

Did you know?

Supplier engagement, as defined by the Science Based Targets initiative (SBTi), refers to a Scope 3 target-setting method in which a company commits to ensuring that a defined portion of its suppliers set their own science-based emissions reduction targets within a specified timeframe.

GROUP SCOPE 3 NON-FLAG EMISSIONS IN 2025:
5.5 $MTCO_2eq$



- **80%** Emissions related to the Scope 3 non-FLAG categories covered by our commitment
- **67%** Portion of scope 3 non-FLAG emissions covered by our 2028 supplier engagement
- **20%** Emissions associated with the other Scope 3 non-FLAG categories

2,500
selected suppliers in the program

Nearly 60 countries involved

Our roadmap is structured around three complementary pillars that connect internal teams with external stakeholders:

1. UNDERSTAND AND RAISE AWARENESS
Strengthen awareness across internal teams and suppliers to ensure consistent, informed climate dialogue throughout the value chain.

2. ACT, SUPPORT AND EQUIP
Provide structured support through shared tools, assessments, and tailored guidance to help suppliers progress toward science-based targets.

3. TRANSFORM
Collaborate to drive value chain transformation.

Employees play a central role in this approach, acting as the direct link between Lactalis and its suppliers. Their day-to-day involvement is essential to securing effective supplier engagement.

1. UNDERSTAND & RAISE AWARENESS

INTERNAL TEAMS

KEY ACTIONS

We aim to strengthen employees' climate-related capabilities to support engagement with suppliers through:

- → **Dedicated cross-functional working group**
- → **Internal webinars and supporting documentation**
- → **Local implementation through the involvement of technical departments and the CSR network**

To effectively raise supplier awareness, we must first ensure our internal teams are well-informed and equipped. This includes both operational roles and strategic functions, at corporate and local levels. Internal contacts are the key interface with suppliers, making their engagement a foundational step.
A dedicated cross-functional working group—bringing together CSR, Purchasing, Transport & Logistics, Equipment & Engineering teams—coordinates supplier engagement efforts at Group level. This structure ensures consistency between the global strategy and the key supplier-oriented actions deployed, including internal webinars, awareness-raising sessions and the provision of practical supporting documentation such as Q&A materials.
While the strategic framework is defined globally, implementation is driven locally.

Country-level ownership is therefore essential to translate these key actions into effective supplier engagement on the ground. Local CSR referents play a key role in supporting the implementation of the approach. Working closely with central technical and CSR departments, they help tailor messages to local contexts, support local technical teams in their climate-related discussions with suppliers, and translate the Group's expectations into concrete actions for suppliers.

This internal engagement creates the foundation for effective supplier action. As the direct link with suppliers, internal teams ensure that expectations are clearly understood and consistently relayed. Building on this groundwork, supplier engagement becomes more effective, as internal and external efforts reinforce each other.

SUPPLIERS

KEY ACTIONS

We aim to increase supplier awareness, understanding, and expertise on climate-related topics through:

- → **Transparency: External webinars and commitment letter**
- → **Dialogue: Integration of climate topics into supplier interactions**
- → **Practical resources: Provision of documentation**

Building a shared understanding with suppliers around climate expectations is a key priority. This is the foundation for any future collaboration and a critical step toward aligning the entire value chain with our long-term ambition.

Transparency is the starting point of this approach. Regular communications, including annual webinars and commitment letters, are used to share the Group's objectives and expectations with suppliers. These actions set the foundation for collaboration and signal the importance of climate alignment in our partnerships.

Awareness must then be integrated into everyday interactions. That's why we progressively embed climate topics into routine discussions with suppliers, ensuring that sustainability becomes part of the ongoing dialogue rather than an isolated initiative. This approach will help normalize climate considerations as a shared area of action.

Finally, we provide practical resources to make expectations actionable. Documentation such as Q&A guides and reference materials offer clear guidance and support, helping suppliers navigate climate requirements with confidence. These tools reinforce our commitment to partnership and shared progress.

2. ACT, SUPPORT AND EQUIP

KEY ACTIONS

- → **Assessment: annual climate questionnaire to monitor supplier progress**
- → **Collaboration: shared platform to ease communication and coordination at all levels**
- → **Support: practical resources and local expertise to guide towards next steps**

Supporting and equipping both suppliers and internal teams helps ensure that awareness can then be translated into action. This axis focuses on building confidence and providing the tools needed to make climate engagement practical and measurable.

Each year, we send a climate questionnaire to suppliers to assess their progress on climate-related topics. These insights allow us to define tailored next steps and offer targeted support, reinforcing a "support-first" approach that builds robustness and transparency before moving toward more binding expectations.

To streamline this process, we rely on a collaborative platform accessible to internal teams and selected suppliers. This central exchange platform facilitates collaboration, information sharing, and internal coordination.

Finally, this approach is supported by practical resources and the combined expertise of central and local technical and CSR teams. Awareness-raising materials are made available to help make the group's climate expectations clearer, more tangible and easier to translate into action.

TESTIMONY

"Making supplier engagement a reality starts with our own teams feeling ready to talk about climate with suppliers. My role is not only to make the Group's expectations clear, but also to translate our climate commitments into locally relevant actions, provide context, and support teams in aligning their practices. Through training on CSR topics, clarifying expectations and resolving misunderstandings, I help ensure teams feel confident and consistent when engaging with suppliers, whether by phone or in meetings. A large part of the work consists in providing ongoing support: ensuring questionnaires are completed, helping teams address suppliers' questions, and stepping in when clarification is needed. This approach is paying off. During debriefs, I increasingly see initiatives emerging on the ground, such as coordinated transport routes, collaborative projects, and new ideas taking shape. This shows that climate topics are gradually finding their place in everyday practices. Keeping this internal dialogue alive is essential. When teams feel supported and know they're not alone in these conversations, they engage suppliers with more confidence. That's when real progress begins to spread across the value chain."

Noémie, CSR country manager, Spain and Portugal

SWEEP

A collaborative platform supporting supplier engagement and climate strategy

Since 2024, Lactalis has introduced a collaborative platform, SWEEP, to support its main non-agricultural suppliers in defining science-based reduction targets.
A cross-functional working group (CSR, Purchasing, Equipment & Engineering, Transport & Logistics) develops the methodologies and tools supporting this program, which will involve around 2,500 suppliers through 2028. SWEEP enables more efficient teamwork, data sharing, and cross-team coordination. In the future, we aim to make it the core management tool for our entire climate strategy.

3. TRANSFORM
Collaborate to drive value chain transformation

At Lactalis, supplier engagement goes beyond the validation of science-based targets. Our objective is to progressively translate these commitments into measurable emission reductions while fostering collaboration across our value chain. This requires moving beyond information sharing to build a shared understanding of responsibilities and opportunities, and to test how climate considerations can be integrated into operations and purchasing in practice.

At this stage, our approach remains largely exploratory. We are initiating discussions with suppliers to co-develop and test emerging solutions, with a focus to work on joint decarbonization projects including:

- Advancing multimodal transport solutions;
- Exploring energy efficiency improvements in equipment;
- Rethinking purchasing practices, for example through R&D initiatives to reduce material use in packaging.

These exploratory efforts rely largely on local implementation and internal alignment. Our purpose is not only to build internal readiness, but to enable collaboration with suppliers and the emergence of concrete decarbonization initiatives. Operational teams in direct contact with suppliers help surface collaboration opportunities, support early discussions, and translate climate objectives into potential joint projects adapted to local contexts.

These short-term actions represent the first, necessary step in a longer journey to actively engage our suppliers, build shared understanding and trust, and lay the foundations for deeper decarbonization efforts over time. Although still at an early stage today, this phase is designed to experiment, learn, and progressively structure more impactful value chain collaborations.



Packaging as a lever for supplier engagement

Packaging holds a specific place within our supplier engagement approach, as it contributes not only to our Scope 3 non-FLAG decarbonization pathway but also to the Group's broader circular economy ambition.
As our current internal packaging objectives reach their term, Lactalis is in the process of revising its Packaging Policy. This update aims to build on the progress already achieved while clarifying expectations for the years ahead, in a context shaped by evolving regulations, developments in recycling infrastructure, and growing stakeholder expectations.

NEXT STEPS

Developing effective supplier engagement requires time and a progressive strengthening of climate-related practices, tools and ways of working across the value chain. Building on the first phase of our approach, the next steps aim to reinforce local skills and ownership, enable the development and scaling of collaborative decarbonization initiatives), while maintaining alignment with the Group's long-term climate strategy.

Keep mobilizing the value chain

Following our initial awareness-raising efforts, the next steps will focus on deepening climate-related understanding and expertise across both internal teams and the supplier network, enabling a more consistent dialogue on climate issues.

The objective is to support a shared baseline on key climate challenges and solutions, while progressively increasing the ability of all parties to engage on more technical and actionable topics. In parallel, we aim to support suppliers in progressing beyond basic compliance toward more proactive climate action. This evolution will naturally occur at different paces, reflecting suppliers' starting points, sector-specific constraints and available resources.

A key priority will therefore be to address structural challenges that can limit engagement, including differing levels of readiness, data availability and capacity for change. Throughout this process, local internal teams will contribute to adapting expectations to operational realities and supporting constructive progress across diverse supplier contexts.

Continuing the transformation

At this stage, the focus will be on remaining attentive to emerging solutions and actively listening to supplier proposals that could contribute to decarbonization across the value chain. This exploratory phase will help identify potential areas for collaboration, while recognizing that appropriate processes and approaches will need to be progressively defined, taking into account local contexts and the diversity of supplier profiles.

The emphasis will be on learning from early exchanges to inform the progressive development of suitable collaboration processes.

Aligning with Group strategy

In alignment with the Group's climate strategy, the supplier engagement approach will evolve in two distinct phases.

Our primary objective is to foster collaboration and build strong partnerships with selected suppliers, offering support to help them progress on carbon-related issues. This collaborative foundation is essential to create meaningful synergies and ensure long-term impact. At the same time, we are equipping our teams with the knowledge and tools needed to guide suppliers effectively, ensuring that climate expectations are understood, shared and embedded in everyday interactions.

A more stringent approach will only be appropriate once the full value of alignment and cooperation has been realized. Suppliers who fail to demonstrate sufficient progress or commitment to a credible climate strategy will be encouraged to set science-based targets. The integration of climate-related requirements into contracts and calls for tenders will also be considered.

This gradual evolution reflects the Group's ambition to further integrate climate issues across its value chain, in line with its overall CSR strategy.



TRAJECTORY 4

ENABLING CLIMATE ACTION THROUGH EMPLOYEE ENGAGEMENT

ACT ON WHAT MAKES US MOVE
EMPOWERING PEOPLE

Behind every step of Lactalis' climate transition are the people who make it possible. Our 85,500 employees are the driving force, bringing expertise, collaboration and energy to integrate sustainability into daily operations and accelerate the shift toward low-carbon practices.

Strengthening climate awareness and technical capabilities drives our ability to act where it matters most. By building this shared foundation, we create the conditions for every part of the business to move faster and more consistently on decarbonization.

Employee engagement acts as a cross-cutting enabler within the transition plan, increasing Lactalis' capacity to:

- Enhance expertise to prioritize the most relevant mitigation actions and accelerate their implementation,
- Build bridges between departments to enable integrated action,
- Embed long-term climate thinking within practices,
- Foster ownership and innovation across teams.

Although employee engagement is not covered by an SBTi target, it plays a vital role in enabling emissions reductions across the Group. By strengthening the capabilities and systems that help teams act on climate in their daily work, we support progress across all climate trajectories and act as a catalyst for delivering our commitments.

Our approach is structured around two complementary action areas:

1. **BUILDING CLIMATE AWARENESS ACROSS THE ORGANIZATION**
2. **STRENGTHENING CLIMATE EXPERTISE AND LEADERSHIP**

EMPOWERING TEAMS THROUGH CLIMATE EDUCATION & GOVERNANCE

Since 2019, Lactalis has achieved significant milestones in training and awareness:



WORLD CLEANUP DAY

Acting Together for a Cleaner Planet

Every year since 2019, our teams have joined World Cleanup Day, a global initiative dedicated to reducing waste and protecting ecosystems. By taking part in cleanup activities across our sites, employees experience firsthand the impact of pollution, deepening awareness of climate challenges. This collective action thus not only improves local environments but also fosters a culture of responsibility.

2019



CLIMATE INDUCTION FOR CSR

Building expertise for local impact

Since 2021, employees in CSR-related roles receive a dedicated induction program to embed sustainability fundamentals from day one. In 2024, we expanded this approach with deep-dive sessions led by corporate teams, equipping employees with advanced skills and climate literacy. Aim is to ensure local activation happens with the right expertise.

2021



CLIMATE AWARENESS FOR BOARD MEMBERS

Embedding climate considerations at the top

Since 2022, Board members have taken part in targeted sessions to strengthen their understanding of climate issues and their implications for business strategy.
Led by CSR and technical teams, these briefings provide essential insights on emissions management and global climate commitments, ensuring that governance decisions are informed by science and aligned with our sustainability goals.

2022



CLIMATE AWARENESS FOR COUNTRY LEADERS

Embedding climate considerations in countries

In 2022, Countries' leaders participated in targeted webinars on emissions reduction, circular economy, and animal welfare.
These sessions were rolled out across the Group's most impactful markets to reinforce leadership knowledge.



CLIMATE FRESK TRAINING

Empowering internal CSR ambassadors to drive climate awareness

In 2024, CSR referents from 20 pilot countries were trained as Climate Fresk facilitators. The program equips them to raise employee awareness around climate change, its causes and consequences, and to deploy Climate Fresk workshops locally through a structured network of internal and external facilitators.

More than
2,800
collaborators trained since 2024

2024



SUSTAINABLE DEVELOPMENT WEEKS

Mobilizing employees through interactive sustainability events

Since 2024, Lactalis has organized Sustainable Development Weeks to engage employees around key environmental and climate topics. Each year, the program combines immersive workshops, expert insights, and interactive activities.
These initiatives help employees connect with key topics while fostering actions that contribute to the Group's broader sustainability ambition.



ENERGY TRAINING IN INDUSTRIAL SITES

Bringing climate into energy practices

Since 2025, the Corporate Energy and Environment department is progressively deploying training across our industrial sites to bring a stronger climate lens into energy practices.
Building on existing expertise, these sessions reinforce energy-efficiency and operational performance methods while helping teams integrate climate know-how into daily routines.

2025

1. BUILDING CLIMATE AWARENESS ACROSS THE ORGANIZATION

KEY ACTIONS

- → **Standardize climate onboarding**
- → **Cascade awareness at scale**
- → **Create engagement moments**

Climate awareness is not just a prerequisite, it's a catalyst. Engaging employees unlocks the collective intelligence and creativity needed to turn ambition into action.

To ensure employees understand the "why" behind the Group's climate strategy and the "how" in their day-to-day roles, a standardized induction is now implemented for all newcomers. Combining an online module with an in-person presentation of the CSR strategy, this learning path sets a common baseline so everyone shares the same references from day one.

From there, we cascade awareness at scale through interactive formats that make climate and CSR topics accessible and engaging. Since 2024, more than 2,800 employees have participated in Climate Fresk workshops, transforming complex science into collaborative problem-solving.

These sessions help teams connect global challenges to local realities, creating synergies between functions and inspiring practical solutions.

Finally, we create regular engagement moments, ranging from site-level workshops to expert conferences and employee mobilization events to maintain momentum throughout the year. From World Cleanup Day to Sustainability Weeks, these initiatives help convert awareness into on-the-ground actions aligned with the decarbonization pathway.

Together, these actions form a continuous learning journey: a shared entry point, a scalable framework, and recurring opportunities to engage.



TESTIMONY

"Rolling out the Climate Fresk has changed the way we talk about climate on site. At first, many colleagues were unsure of what to expect, the topic could feel distant or abstract. But once people built their own Fresk and saw how everything connects, it gave us a common reference point and made the subject easier to discuss.
What I notice most is that climate action feels more concrete for everyone. People now understand why these topics matter, which strengthens their engagement in day-to-day sustainability actions.
Once all teams have completed the workshops, my role will be to keep the conversation going. When the 'why' becomes clear, people naturally feel more able — and more willing — to contribute."

Olivier, Health, Safety & Environment Manager – Climate Fresk Facilitator

2. STRENGTHENING CLIMATE EXPERTISE AND LEADERSHIP

KEY ACTIONS

- → **Strengthen climate leadership at the top**
- → **Equip country decision-makers to drive transformation**
- → **Deepen expertise for CSR-related roles**

Climate engagement proves its value when leadership sets the tone. Building on this principle, driving climate progress starts with informed leadership: equipped leaders make better choices, inspire their teams, and accelerate the Group's transition.

To strengthen climate knowledge at the top, Lactalis has rolled out targeted capacity-building initiatives since 2022. Group Board members receive regular technical briefings on key frameworks such as the GHG Protocol, SBTi, Scope 1–2–3 boundaries, and FLAG guidance, ensuring strategic decisions are grounded in science.

We also equip leaders across the organization to translate ambition into action at country level. In 2022, Countries' General Managers engaged in targeted training webinars on key topics such as GHG reduction, circular economy, and animal welfare—rolled out across our most impactful markets. These initiatives aim to strengthen understanding of climate priorities and support informed decision-making in local contexts.

Finally, we deepen expertise for CSR-related roles that are the backbone of local activation. Since 2021, employees working on CSR topics receive a dedicated induction program complemented by deep-dive sessions to strengthen technical skills and climate literacy. This targeted approach aims to ensure that CSR referents have the tools they need to lead and facilitate local implementation, working closely with the technical teams responsible for operational implementation.

Together, these efforts build a leadership ecosystem where knowledge drives action.



NEXT STEPS

Empowering people is the starting point for lasting change. By strengthening capabilities and engagement, we will create the conditions for processes to evolve and for purpose to guide decisions. This approach, where people, processes, and purpose reinforce each other, is essential to embed climate considerations into the way we work.

Turning commitment into collective action

In the coming years, we will continue to expand climate awareness and technical skills across all levels of the organization, building a stronger foundation for informed decisions and consistent action. We will deepen sustainability leadership by helping managers integrate climate priorities into daily practices, so ambition becomes part of everyday management. At the same time, we will strengthen individual engagement by connecting local initiatives to global ambition—showing how each effort contributes to Group-wide goals and creates value on the ground. This approach will reinforce alignment between capabilities, leadership, and individual action, driving measurable progress over time.

Embedding climate action into everyday work

As we strengthen the human dimension of our climate journey, we will also ensure that processes evolve to support this change. In the years ahead, we aim to gradually embed sustainability into how decisions are made and projects are delivered—so that climate priorities become a natural part of business routines.

Over time, this alignment will provide the structure and clarity needed for people to act confidently and consistently, supporting their ability to turn ambition into everyday action.

Anchoring the climate transition into strategy and culture

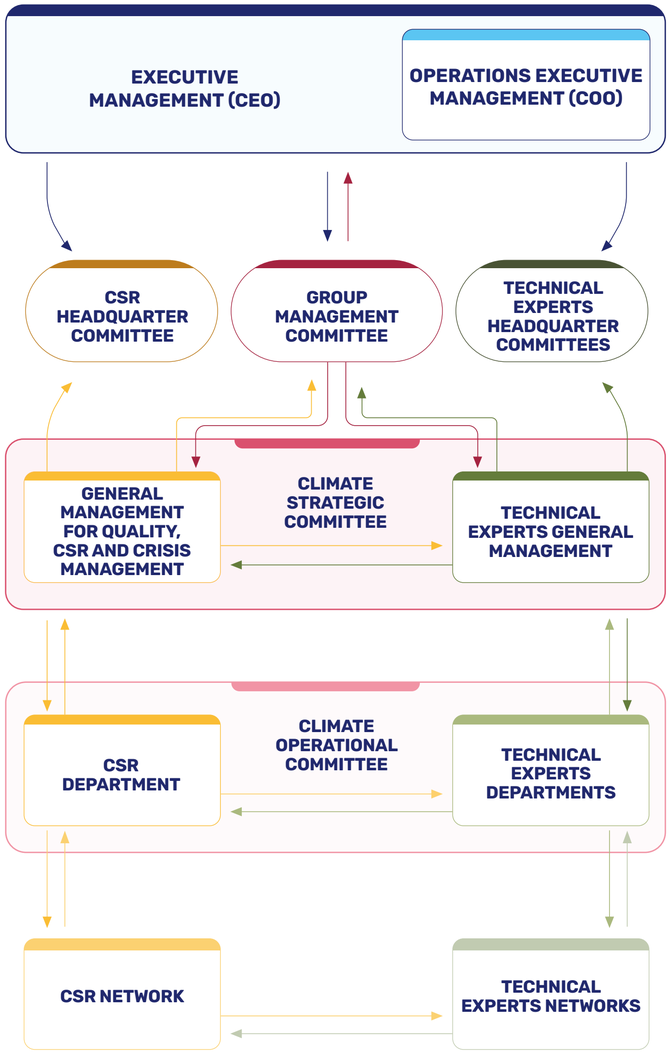
Purpose gives meaning to our climate ambition and will guide the next phase of our journey. We aim to embed it more deeply into governance, ensuring climate priorities influence both strategic choices and day-to-day actions.

By mobilising our teams and adapting our ways of working, we will gradually reinforce the adoption of our climate commitments and support their effective implementation across the company's practices and projects.



3 Enabling the transition

A DEDICATED GOVERNANCE STRUCTURE



We consider governance as a lever that helps our climate ambition take shape across the Group. By creating stronger links between strategic intent, decision-making and operational action, we ensure that the Climate Transition Plan progresses in a coherent and practical way. With Board involvement, defined responsibilities and dedicated committees, we support a collective dynamic that steadily embeds climate action into how we work.

HEADQUARTERS COMMITTEES

Validates strategic directions related to emerging CSR and business challenges, together with the associated strategies.

CSR HEADQUARTER COMMITTEE • Informed every 6 to 12 months

- Reviews and validates CSR priorities;
- Oversees the setting of corporate CSR targets, including climate-related targets;
- Monitors progress against the Group's overall climate trajectory by consolidating achievements across the Technical Experts Departments;
- Oversees and guides the development of the climate transition plan.

Decision-making participants: CEO, COO, Quality & CSR General Manager, CSR Department.

TECHNICAL EXPERTS HEADQUARTER COMMITTEES • Informed every 6 to 12 months

- Reviews and validates operational priorities;
- Oversees the setting of corporate targets associated with operational roadmaps;
- Monitors progress against established targets, including climate-related targets;
- Oversees and guides the investment budget of each Technical Experts Department.

Decision-making participants: CEO, COO, General Managers of Technical Experts Departments, Technical Experts Departments.

GROUP MANAGEMENT COMMITTEE • Informed every 6 to 12 months

Discusses and validates the strategy proposals for climate issues.

- Reviews, validates and monitors results of Lactalis overall climate strategy, roadmap and priorities;
- Provides all conditions for best implementation over the Group's operations and countries.

Decision-making participants: CEO, COO, General Managers of involved functions and Zone's General Managers.

CLIMATE STRATEGIC COMMITTEE • Meets every 6 to 12 months

Discusses and validates the proposals of the operational working group regarding the climate strategy and its evolution, and submits them to the Group Management Committee for approval.

Led by the Group CSR Department jointly with the Technical Experts Departments.
Decision-making participants: Quality & CSR General Manager, General Managers of Technical Experts Departments concerned.

CLIMATE OPERATIONAL COMMITTEE • Meets every month

Establishes forward looking thinking and develops a proposal for strategy, policy, priorities, action plans and reporting methods - for facilitating deployment at Group level and country level.

Coordinated by the Group CSR Department.
Decision-making participants: Members of the Group CSR department and of Technical Experts Departments involved in the climate strategy.

CSR DEPARTMENT

- Defines and continuously improves climate-related methodological frameworks and performance indicators;
- Ensures overall alignment between the Group's climate trajectory and the roadmaps of the Technical Experts Departments;
- Monitors the Group's climate trajectory, consolidates results at Group level, and prepares the associated reporting;
- Supports Technical Experts Departments and Countries in deploying the Group's climate strategy.

TECHNICAL EXPERTS DEPARTMENTS

For their respective activities:

- Develops proposals on technologies, priorities and action plans;
- Develops the roadmaps designed to achieve the agreed objectives;
- Proposes the key steps for the operational deployment of the Group's climate strategy at Group and country levels;
- Supports and inspires local operational units.

LOCAL NETWORKS

Ensure the effective deployment of the Group's climate strategy across countries.

CSR NETWORK • Meets every 6 weeks

Promotes, explains and embeds the Group's climate strategy at country level by training and engaging stakeholders, taking local specificities into account, ensuring alignment with the Group's methodological framework and positions, and working closely with the Group CSR Department and technical expert networks.

- Establishes an appropriate CSR governance framework in each country;
- Develops and promotes dialogue with internal and external stakeholders on CSR topics, including climate;
- Regularly engages with the regional, country or local technical experts to monitor roadmaps, LTPs and climate targets.

TECHNICAL EXPERTS NETWORK

Collaborate continuously on local projects and meet at global level several times a year, notably for the Long-Term Plan (LTP) validation and the annual technical experts' seminar.

- Ensure the technical and economic viability of initiatives and their alignment with operational realities, in line with the Group's methodological framework and positions, and in close collaboration with the Group's technical experts;
- Translate overall reduction targets into concrete action plans tailored to each activity;
- Ensure the technical and economic validation of projects and their feasibility through their operational expertise;
- Coordinate the implementation and monitoring of thematic roadmaps.

Functionally managed by the departments involved in the climate strategy, particularly the Energy & Environment, Supply Chain, Milk Supply, Purchasing, and Equipment & Engineering Departments.

Governance & operational coordination

Lactalis operates with a decentralized model in which CSR initiatives are led at local level, supported by corporate expertise (technical and CSR) to ensure consistency and alignment. To align these efforts around shared priorities and support the Group's long-term ambitions, a reinforced CSR governance framework has been established at Group level.

For each CSR issue, the Group CSR Department coordinates dedicated operational committees by topic, bringing together technical experts from the relevant departments. In this context and to support the ambitions of the Climate Roadmap, a dedicated Climate Committee brings together each month representatives from Energy & Environment, Transport and Logistics, Milk Supply, Purchasing, Equipment and Engineering, and CSR.

Climate Committee members work closely with their respective local networks to design strategies, define action plans and develop the methodologies and tools needed for implementation. Its proposals are submitted to a Climate Strategic Committee and then presented to the Group Management Committee, the COO and the CEO for review and approval.

Incentives & managerial accountability

Reflecting its multi-local model, Lactalis actively empowers its subsidiaries to embed sustainability at the heart of their management practices, making climate ambition a shared driver of leadership and action.

While no Group-wide financial incentive mechanism exists today, several countries are already integrating environmental and social impact considerations into performance evaluations.

For example, in Canada, dedicated objectives have been incorporated into the annual appraisal framework and progressively extended across the organization. In Sweden, CSR-related objectives are now also included in the performance assessments of local Management Board members, ensuring that sustainability topics within their remit are actively considered.

These initiatives will guide future developments in support of Lactalis' climate transition.



FINANCING THE TRANSITION

Lactalis progressively integrates climate considerations into its financial planning, ensuring that decarbonization initiatives are embedded within operational and strategic investment cycles. Across industrial sites, a dedicated share of the Group's annual CAPEX is allocated yearly to improving energy performance and strengthening the environmental approach.

This long-standing focus on efficiency, equipment upgrades and energy systems creates the foundation for deeper decarbonization, while supporting the competitiveness and resilience of the operations. By anchoring climate-related investments in regular planning processes, Lactalis reinforces its capacity to prioritize the most impactful projects, secure long-term continuity and explore complementary external funding when relevant.

Beyond industrial investments, Lactalis also works with partners who help strengthen the implementation and financing of decarbonization initiatives and actions taken at the farm level. Across several countries, the Group develops sustainability incentive schemes that support farmers in adopting practices that reduce emissions, improve animal welfare or enhance biodiversity.

To further accelerate the transition, we continue to explore funding solutions that can bring additional leverage — including long-term renewable energy agreements for industrial sites and warehouses — and help scale low-carbon practices across our value chain.

As part of these efforts to refine how the transition is financed, Lactalis is also advancing its work on an internal carbon price. This approach aims to make the cost of emissions more visible in the decisions we take — both operational and investment-related — and to build the capacity needed for more climate-aligned planning over time. Lactalis is developing this mechanism progressively, combining a shared reference framework with more detailed assessments when specific projects require it. While still at an early stage, this work marks an important step toward integrating environmental externalities into our financial processes and supporting a transition that is both responsible and forward-looking.

TESTIMONY

"For many years, we have devoted substantial investment to improving our industrial assets, enhancing efficiency and reinforcing the reliability of our operations. Each year, a dedicated share of our capital expenditure is allocated to upgrading equipment, improving processes and strengthening our energy systems across all sites. These investments support long-term performance and help us integrate climate and energy considerations into our industrial decisions."

Yoann, Group General Manager for Industry and Innovation





4 Leveraging collective dynamics

Achieving a low-carbon, resilient dairy sector requires shared efforts across the ecosystem. Through partnerships with farmers, industry actors, scientific institutions, NGOs, and public bodies, we contribute to collective solutions that extend beyond the scope of any single organization.

SCIENTIFIC AND TECHNICAL ALLIANCES

Lactalis collaborates with a diverse community of scientific and technical partners to advance shared understanding of mitigation levers, strengthen measurement frameworks and accelerate the emergence of credible low-carbon solutions across the dairy value chain. By engaging in both research initiatives and specialized technical networks, the Group helps drive innovation and support the transformation of industrial and agricultural practices.

Strengthening knowledge and innovation in dairy farming

These collaborations take different forms, ranging from scientific research programs to participation in shared methodological initiatives. Through the Cool Farm Alliance, for example, Lactalis contributes to the development of the Cool Farm Tool by supporting methodological updates, platform improvements and integration with internal systems – strengthening the robustness and comparability of farm-level assessments across the value chain.
In parallel, the Group engages with scientific institutions to deepen knowledge on agricultural emissions and evaluate mitigation levers:

TSIP

In the United States, Stonyfield works with the **Soil Inventory Project and Regrow** to analyze soil carbon on more than 2,000 hectares and identify practices with measurable mitigation potential.

CSIC
Consejo Superior de Investigaciones Científicas

In Spain, since 2025 a collaboration with **CSIC*** aims to analyze over 600 carbon diagnostics and develop pilot projects on partner farms.

WAGENINGEN UNIVERSITY & RESEARCH

At Group level, Lactalis works with the **University of Wageningen** to evaluate innovative solutions such as feed additives, manure-management technologies and probiotics, assessing their maturity and effectiveness for dairy systems.

Exploring technology foresight within industrial decarbonization networks

Lactalis also participates in technical networks that explore emerging technologies and support the decarbonization of industrial operations. These platforms support knowledge-sharing, collective foresight and the identification of future solutions:

ALLICE

ALLICE (France / Europe)
ALLICE is a collaborative platform that brings together industrial companies, technology providers and research institutions to accelerate the development and deployment of low-carbon technologies. Each year, the network conducts several in-depth studies on key decarbonization topics — such as energy-efficiency optimization, integration of alternative energies, electrification of processes, and CO_2 capture solutions. Through technical working groups, workshops and cross-sector exchanges, ALLICE enables members to benchmark options, challenge technological assumptions and build a shared understanding of the feasibility and maturity of emerging solutions.

RENEWABLE THERMAL COLLABORATIVE

Renewable Thermal Collaborative (United States)
The Renewable Thermal Collaborative (RTC) is a global coalition supporting the transition away from fossil-based thermal energy in industrial sectors. By participating in the RTC, Lactalis gains access to collective analyses on renewable heat technologies, including solar thermal, advanced heat pumps, geothermal energy and innovative bio-based solutions. The platform facilitates dialogue with technology developers, peer companies and policymakers, helping members identify promising low-carbon heat pathways, understand implementation challenges and prioritize solutions with the greatest potential for industrial applications.

* CSIC = Consejo Superior de Investigaciones Científicas (Spanish National Research Council).

NGO PARTNERSHIPS AND LANDSCAPE PROGRAMS

In addition to its scientific and technical collaborations, Lactalis also works with NGOs and landscape-level initiatives to strengthen responsible sourcing and support environmental protection in key supply regions. These partnerships help address broader ecosystem challenges that extend beyond farm – or industrial sites – level interventions.

Earthworm Foundation

In France, since 2022, Lactalis has supported the annual 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 approach 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.



Sungai Linau Landscape and Livelihood Conservation Programme (SLP), Indonesia

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.



French Soy Manifesto

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 NGOs, and is supported by the French ministry in charge of environment.



TERRITORIAL AND SECTORAL INITIATIVES

Alongside its scientific, technical and NGO partnerships, Lactalis contributes to territorial and sectoral initiatives that reinforce shared commitments, support regulatory and technical progress, and help guide the long-term evolution of the dairy sector.

Supporting regulatory and technical progress

Lactalis participates in national and international organizations that shape the regulatory and technical foundations of the sector.

In France for example, the Group contributes to ATLA-led working groups on topics such as water-reuse implementation, supporting the development of practical guidance for dairy manufacturers.

In parallel, through its involvement in ANIA, ATLA, EDA and IDF organizations, Lactalis takes part in collective reflections on environmental challenges, regulatory evolutions, and the promotion of consistent and responsible production standards.

Engaging in reflections on dairy supply chain resilience

The Group also supports initiatives focused on the sustainability of dairy farming and the resilience of upstream supply chains.

At local level for example, Lactalis contributes to France Terre de Lait through ATLA, aligned with UN Global Compact principles and targeting on-farm emission reductions, with new ambitions currently being defined for 2030 and 2050. In the United States, Lactalis USA is a member, since 2023, of the Dairy Methane Action Alliance (DMAA), a coalition dedicated to accelerating methane-reduction efforts across the dairy sector.

Internationally, Lactalis participates in Pathways to Dairy Net-Zero, a coalition committed to accelerating GHG reductions across the dairy value chain. In parallel, the Group also contributes to agricultural sustainability frameworks such as the SAI Platform and uses recognized tools — including the Cool Farm Tool — to reinforce farm-level measurement and continuous improvement.

WE SUPPORT

ADVANCING TRANSPARENCY AND GLOBAL DISCLOSURE PRACTICES

As part of its wider engagement in collective initiatives, Lactalis also contributes to strengthening transparency and convergence in global climate-disclosure practices. The Group discloses annually to CDP (Carbon Disclosure Project) and contributes to the harmonisation of corporate reporting frameworks by participating in public consultations — including those led by the GHG Protocol — and by providing feedback that informs future methodological developments. By supporting greater convergence in climate disclosure practices across the sector, Lactalis helps strengthen shared methodologies and the collective ambition of the global dairy industry.

Lactalis' participation in the following international initiatives also contributes to advancing transparency and strengthening global disclosure practices:

UN Global Compact
Provides a recognized framework that supports transparent and responsible business conduct, including environmental stewardship.

Business Ambition for 1.5°C
Encourages the alignment of corporate climate pathways with a 1.5°C trajectory and strengthens the comparability of disclosed transition plans.

Science Based Targets initiative (SBTi)
Ensures that climate targets follow robust scientific methodologies, enhancing the credibility and clarity of publicly disclosed reduction trajectories, including for land-intensive sectors through the FLAG guidance.

We Mean Business Coalition
Supports the convergence of climate-disclosure practices and fosters more harmonized approaches across companies worldwide.





5 Afterword

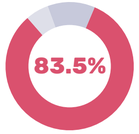
IN SHORT

OUR COMMITMENTS

UPSTREAM ACTIVITIES



AGRICULTURAL ACTIVITIES



SCOPE 3 FLAG

Reduce our Scope 3 FLAG absolute emissions by

30.3%

by 2030 from a 2021 base year

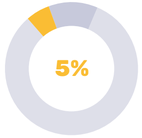
OWN OPERATIONS



TRANSPORT ACTIVITIES



PRODUCTION & WAREHOUSING ACTIVITIES



SCOPE 1 AND 2

Reduce our Scopes 1 and 2 absolute emissions by

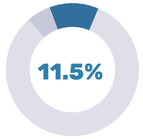
46.2%

by 2030 from a 2019 base year

UPSTREAM & DOWNSTREAM ACTIVITIES



NON-AGRICULTURAL ACTIVITIES



SCOPE 3 NON-FLAG

Ensure

73.8%

of our suppliers and customers by emissions have science-based targets by 2028

OUR TRAJECTORIES

TRAJECTORY 2

TRANSFORMING DAIRY FARMING THROUGH SCOPE 3 FLAG REDUCTION

1. Build and refine climate roadmaps
2. Provide farmers with technical assistance
3. Provide farmers with financial support

ZERO DEFORESTATION
Eliminate deforestation and ecosystem conversion from our value chain.

For more information on this commitment, please refer to our public position paper.
Forest Position Paper

TRAJECTORY 1

POWERING LOW-CARBON OPERATIONS THROUGH SCOPE 1 & 2 REDUCTION

PRODUCTION & WAREHOUSING ACTIVITIES
1. Improve operational efficiency
2. Transition to less carbon-intensive energy sources
3. Promote transition to renewable thermal energy
4. Promote transition to renewable electricity

TRANSPORT ACTIVITIES
1. Optimize transport flows
2. Rethink our fuel usage
3. Improve vehicles
4. Enhance driving practices

TRAJECTORY 3

DRIVING CLIMATE ALIGNMENT IN SCOPE 3 NON-FLAG ACTIVITIES THROUGH SUPPLIER ENGAGEMENT

1. Raise suppliers' awareness
2. Support suppliers
3. Collaborate with suppliers

TRAJECTORY 4

ENABLING CLIMATE ACTION THROUGH EMPLOYEE ENGAGEMENT

1. Build climate awareness across the organization
2. Strengthen climate expertise and leadership

OUR GOVERNANCE

We consider governance as a lever that helps our climate ambition take shape across the Group. By creating stronger links between strategic intent, decision-making and operational action, we ensure that the Climate Transition Plan progresses in a coherent and practical way.
With Board involvement, defined responsibilities and dedicated committees, we support a collective dynamic that steadily embeds climate action into how we work.

For more information about our climate commitments and their perimeter, please refer to the appendix of this document.

TRAJECTORIES, CONTINUED

As climate risks intensify and regulatory expectations evolve, we will advance the next chapter of our climate strategy with a stronger focus on long-term resilience. We will deepen our analysis of how climate change may affect our operations and supply chain, using these insights to guide strategic choices and future investments. These efforts will help us target priority areas and shape a more resilient trajectory for the years ahead.

We also believe that dairy will continue to play an essential role in providing affordable access to key nutrients worldwide, while recognizing that dietary models are evolving and that plant-based products are developing in certain markets. We remain convinced that dairy and plant-based products are complementary within balanced diets, and this perspective will continue to guide our commitment to protect the resources that sustain dairy production and to reduce greenhouse gas emissions across our value chain. By directing future efforts where they can create the greatest impact, we aim to contribute meaningfully to the global journey toward carbon Net-Zero.

As we look to the future, we know that achieving this ambition will require collective progress. In the coming years, we will strengthen value-chain collaboration to deploy region-appropriate solutions, uphold more responsible practices, and maintain long-term investment—so the dairy sector remains viable, competitive, and aligned with the needs of future generations.



Acknowledgements

We thank all our internal and external stakeholders for the role they play in shaping our climate trajectories. The exchanges we maintain across our value chain, in our reporting processes and through sector initiatives contribute directly to the progress we make. Sustained by this collective dynamic, Lactalis will continue to advance its commitments, strengthening transparency and regularly updating its climate strategy as it evolves.

We recognize that reducing emissions and improving resilience are shared efforts. As we move forward, we remain focused on contributing constructively, working alongside all our stakeholders to support a transition in which responsibility and progress are built together.



6 Appendix

GLOSSARY

- **Absolute target:** a target defined by reduction in absolute emissions over time (e.g., reduce absolute CO_2e emissions by 25% below 2015 levels by the end of 2020).
- **Base year:** a historic year against which a company's emissions are tracked over time.
- **Boundaries:** greenhouse gases (GHG) accounting and reporting boundaries can have several dimensions, i.e. organizational, operational, geographic, business unit, and target boundaries. The inventory boundary determines which emissions are accounted for and reported by the company.
- **Carbon dioxide equivalent (CO_2e):** the universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases on a common basis.
- **Direct GHG emissions:** GHG emissions from sources that are owned or controlled by the reporting company.
- **Emission factor:** a value that estimates the quantity of emissions per unit of activity (e.g., per tonne of fuel consumed, per tonne of product produced), allowing absolute GHG emissions to be estimated from activity data.
- **FLAG:** Forest, Land and Agriculture.
- **GHG (Greenhouse gases):** any of various gaseous compounds (such as carbon dioxide or methane) that absorb infrared radiation, trap heat in the atmosphere, and contribute to the greenhouse effect. GHGs considered in this document are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH4); nitrous oxide (N20); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF6).
- **GHG Protocol:** an internationally recognized standard for measuring and managing greenhouse gas emissions.
- **GWP (Global Warming Potential):** a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO_2.
- **Indirect GHG emissions:** GHG emissions that are a consequence of the operations of the reporting company but occur at sources owned or controlled by another company.
- **Location-based approach:** a method for calculating Scope 2 emissions based on the average greenhouse gas emission intensity of the electricity grid where energy is consumed.
- **Market-based approach:** a method for calculating Scope 2 emissions that reflects the greenhouse gas emissions associated with the specific electricity contracts a company has chosen (e.g., renewable energy contracts or Energy Attribute Certificates).
- **Mobile combustion:** burning of fuels by transportation devices such as cars, trucks, trains, airplanes, ships, etc.
- **Net-Zero:** a state in which a company reduces its GHG emissions across its value chain to a residual level consistent with limiting global temperature increase to 1.5°C, and neutralizes any remaining emissions through permanent carbon removals.
- **Recalculation policy:** a defined process for adjusting base-year and reported emissions when significant structural or methodological changes occur (e.g., acquisitions, divestitures, updated emission factors).
- **Removal:** the transfer of a greenhouse gas from the atmosphere to storage within a non-atmospheric pool. Removals can be from biogenic or technological sinks.
- **Science Based Targets initiative (SBTi):** a global partnership between the CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Its mission is to encourage companies worldwide to set greenhouse gas emission reduction targets that are aligned with the latest climate science and consistent with the goals of the Paris Agreement.
- **Scope:** a concept helping delineate direct and indirect emission sources. Three "scopes" (scope 1, scope 2, and scope 3) are thus defined for GHG accounting and reporting purposes.
- **Scope 1:** a reporting organization's direct GHG emissions.
- **Scope 2:** a reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption.
- **Scope 3:** a reporting organization's indirect emissions other than those covered in scope 2, occurring in the upstream and downstream activities of an organization.
- **Stationary Combustion:** burning of fuels to generate electricity, steam, heat, or power in stationary equipment such as boilers, furnaces etc.
- **Supplier engagement:** as defined by the Science Based Targets initiative (SBTi), refers to a Scope 3 target-setting method in which a company commits to ensuring that a defined portion of its suppliers set their own science-based emissions reduction targets within a specified timeframe.
- **Transition plan:** strategic action plan outlining how an organization will adapt its operations, and investment decisions to align with a low carbon and Net-Zero future.
  It details the pathway the organization will follow to meet its greenhouse gas (GHG) reduction targets, including near term and long term objectives, mitigation and adaptation measures, governance mechanisms, and financial implications.
- **Value chain emissions:** emissions from the upstream and downstream activities associated with the operations of the reporting company.

METHODOLOGY

Frameworks & disclosure

Lactalis' climate reporting is based on recognized international frameworks:

- GHG Protocol and its sectoral guidance – Methodology used to calculate Scopes 1, 2 and 3 emissions.
- SBTi – Framework for setting science-based near- and long-term reduction targets.
- CDP – Annual disclosure on governance, metrics, projects and action plans, risks and opportunities related to climate issues.

The Annual CSR Report complements these frameworks by sharing annual progress on climate actions.

Calculation methodology

Scope 1 & 2 emissions

Scope 1 & 2 emissions are calculated by multiplying measured activity data (e.g., fuel use, energy consumptions) by the relevant emission factors and applying the appropriate global warming potentials (GWPs).

Activity data are collected across all industrial sites, warehouses and vehicle fleets under operational control, while emission factors are sourced from recognized external databases.

Scope 2 emissions are calculated under both the market-based and location-based approaches, in line with the GHG Protocol requirements. Under the SBTi target-monitoring framework, Scope 2 market-based emissions serve as the reference metric.

Scope 3 emissions

Lactalis assesses the relevance of all 15 Scope 3 categories annually and calculates emissions for all relevant categories, with exclusions limited to non significant sources in line with the GHG Protocol. Lactalis distinguishes between FLAG and non-FLAG emissions, in line with SBTi guidance: FLAG emissions refer to indirect GHG emissions coming from land use change, deforestation and agricultural practices along Lactalis' value chain (notably milk supply). Non-FLAG emissions refer to all other types of indirect GHG emissions related to energy and industry. Depending on the category and data availability, Lactalis uses either primary data (e.g., farm-level GHG diagnostics for milk supply) or secondary data such as supplier spend, activity volumes or industry averages. These activity data are multiplied by category-specific emission factors and the appropriate global warming potentials (GWPs). Emission factors are updated annually from external databases when new or more accurate sources become available.

Audit and Data Quality Assurance

Scopes 1 and 2 undergo annual external audits to verify the completeness and accuracy of reported data.

Since 2025, Scope 3 FLAG and non-FLAG emissions linked to SBTi commitments also undergo independent third-party audits to reinforce the accuracy and transparency of reported data. The scope of verification will be progressively expanded to cover all Scope 3 emissions. In parallel, data quality and uncertainty are progressively reduced through increased use of primary data and methodological specifications.

Monitoring process

Emissions are consolidated annually at Group level by the CSR Department, based on data inputs from technical departments and operational teams following internal validation checks on the collected data. Progress is monitored against the group's SBTi-validated targets and is regularly reviewed to inform decision-making, monitor performance and support the effective steering of action plans.

Financial considerations related to the implementation of the transition plan are described in the "Financing the Transition" section.

EMISSIONS TARGET PERIMETER & INDICATORS

SHORT-TERM TARGETS:

Zero-deforestation target and perimeter

The target: Lactalis further commits to no deforestation across its primary deforestation-linked commodities, with a target date no later than December 31 2025.

For further details on the scope of this commitment, please refer to our zero-deforestation position paper.

Scopes 1 & 2 target and perimeter

The target: Lactalis commits to reduce absolute scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year[1].

In line with SBTi requirements, the target covers all Group Scope 1 and Scope 2 greenhouse gas emissions, as defined below.

Transport emissions

- Scope 1: Mobile combustion in owned or long-term leased vehicles.
- Scope 2: Electricity used to power electric vehicles.

On-site emissions

- Scope 1: Stationary combustion (boilers, generators, thermal equipment) and fugitive emissions (HFCs) from refrigeration and air-conditioning systems.
- Scope 2: Purchased electricity, heat or steam used in industrial sites and warehouses.
- Bioenergy: Emissions from biomass combustion (wood, biogas) are included in line with SBTi guidance on land-related emissions and removals.

Scope 3 non-FLAG target and perimeter

The target: Lactalis commits that 73.8% of its suppliers and customers by emissions, covering purchased goods and services, capital goods, fuel-and energy-related activities, upstream transportation and distribution and processing of sold products, will have science-based targets by 2028.

In line with SBTi requirements, the target covers 67% of Scope 3 non-FLAG emissions.

The defined perimeter encompasses the most material non-FLAG Scope 3 categories, thereby enabling coverage of 73.8% of emissions across the selected categories, namely:

- Purchased goods and services (non-agricultural)
- Capital goods
- Fuel- and energy-related activities
- Upstream transportation and distribution
- Processing of sold products.

Scope 1 FLAG target and perimeter

The target: Lactalis commits to reduce scope 1 FLAG GHG emissions 33.3% by 2030 from a 2019 base year[2].

In line with SBTi requirements, the target covers 100% of Scope 1 FLAG emissions.

Scope 3 FLAG target and perimeter

The target: Lactalis commits to reduce scope 3 FLAG GHG emissions 30.3% by 2030 from a 2021 base year[2].

In line with SBTi requirements, the target covers 67% of Scope 3 FLAG emissions.

This perimeter includes emissions associated with raw cow's milk sourcing in major countries, thereby enabling coverage of the required proportion of Scope 3 FLAG emissions.

LONG-TERM NET-ZERO 2050 TARGETS:

In line with SBTi long-term target requirements, the Net-Zero 2050 target is defined over a broader emissions perimeter than Lactalis' near-term targets, reflecting the full emissions boundary applicable to long-term decarbonization pathways. Lactalis therefore commits to reduce:

Scope 1&2 target

Lactalis commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2019 base year[1].

Scope 3 non-FLAG target

Lactalis commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year.

Scope 1 FLAG target

Lactalis commits to reduce scope 1 FLAG GHG emissions 72% by 2050 from a 2019 base year[2].

Scope 3 FLAG target

Lactalis commits to reduce scope 3 FLAG GHG emissions 72% by 2050 from a 2021 base year[2].

1. The target boundary includes land-related emissions and removals from bioenergy feedstocks.
2. Target includes FLAG emissions and removals.

BASE YEAR AND RECALCULATION POLICY

For each absolute emission reduction target, Lactalis has defined a specific base year against which progress is measured.

The recalculation policy ensures that reported measures remain comparable over time by adjusting baseline and reporting-year emissions when material structural or methodological changes occur. This approach maintains tracking at constant scope and organizational boundaries, in line with the GHG Protocol, and safeguards the integrity of our target progress assessments.

- **Scope 1 & 2 base year:** 2019, selected as the most recent representative year pre-COVID at the time targets were set;
- **Scope 3 base year:** 2021, reflecting the first year with reliable data and including the rollout of farm carbon audits.

Lactalis adjusts its base-year emissions when cumulative changes exceed 5% of total emissions for the relevant scope. Recalculations may also occur below 5% when structural changes justify it.

Recalculation triggers include:

- Structural changes (acquisitions, divestitures, mergers, major shifts in operational control). If changes occur mid-year, the baseline and reporting year are recalculated for the full year;
- Methodological changes (new emission factors, improved data access, updated calculation methods);
- Significant data errors or cumulative corrections;
- Changes in organizational boundaries or scope definitions (e.g., addition of new Scope 3 categories).

Recalculations do not apply to organic growth or decline, as these reflect real-world variations in emissions.

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