



OUR WAY TO A MORE CIRCULAR ECONOMY

Lactalis Group Packaging Policy





01. OUR VISION

At Lactalis, the right packaging takes care of our dairy products, our consumers and the Environment.

01

OUR VISION

For years, packaging has been used for its emblematic values and seen as a symbol of protection and convenience for our consumers. Today, they are a major source of waste. The ways we produce and dispose of packaging results in the overconsumption of our planet's scarce natural resources, threatening the environment and biodiversity.

Packaging is fundamental for preserving the best quality and food safety standards for our dairy products, which are fragile by nature. It enables us to bring all the nutritional benefits of Dairy to the greatest number of Humans, anytime & anywhere.

For these reasons, in all our geographies, we feel a special responsibility to share our Vision and engage dialogue with our stakeholders to raise awareness and foster innovative solutions to create a more circular economy of packaging.

Our vision:
**Moving forward
for a more circular
and responsible packaging**

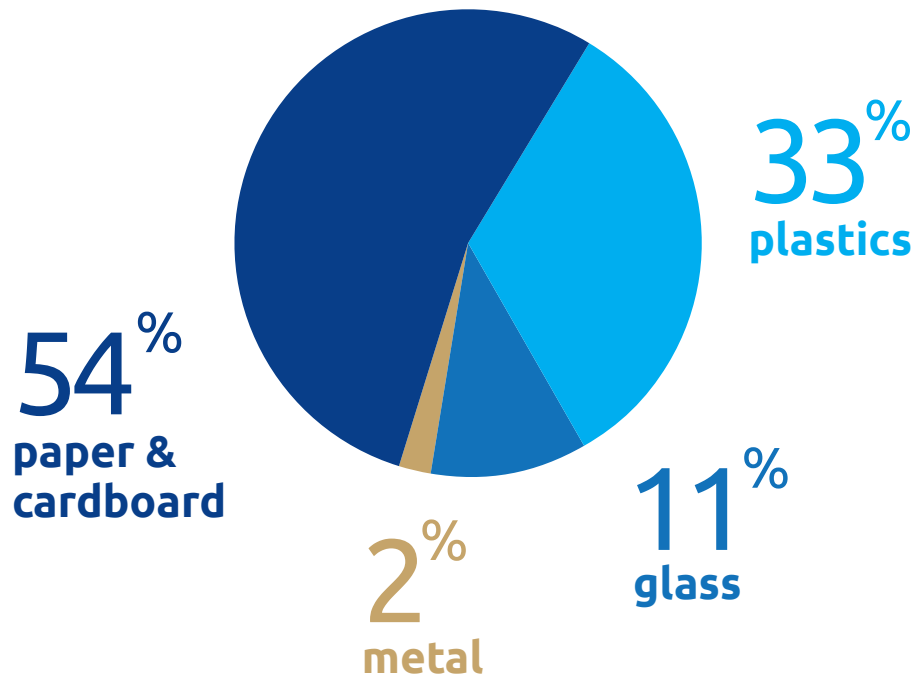


02. OUR GUIDING PRINCIPLES

02

OUR GUIDING PRINCIPLES

Our packaging input to the global market represents an annual volume of 650,000 tons¹, with a highly recyclable profile: 53% paper & cardboard, 11% glass, 2% metal.



We want to go even further.

Our goal is to keep offering our nutritious and quality products to our consumers, through innovation and continuous improvement to find the “Right Pack”. At every stage of our packaging development and use, whenever possible in our Supply Chain, providing a Better Circularity is our main driver. In our efforts to close the loop we expanded our approach by engaging with consumers and all our stakeholders through education and partnerships. This will help to us to better anticipate and always comply with the regulations.

The Corporate policy detailed in this document is designed, monitored and adapted by our *Responsible Packaging & Circular Economy Committee*, composed of Lactalis internal Corporate experts from the most relevant Departments (Industrial and R&D, Purchasing, Marketing, Regulatory, Communication, CSR). These works imply regular interactions with a network of Lactalis internal experts based in our activity countries. This Committee proposes strategies and action plans, as well as procedures, methodologies and tools for their successful implementation. This Committee’s proposals are submitted to a Decisional Committee composed of Department Directors or Leaders, as well as members of the Board of Directors of the Lactalis Group. They are then being proposed, discussed and validated at the Board of Directors of the Lactalis Group.

(1) Base year 2019

As we work to deliver on our ambitions, we commit to five guiding principles:

1. FOOD SAFETY IS THE CORNERSTONE

In our Journey towards a circular economy, we may explore many solutions, including the most pioneering ones. Our trust in science and technology is high, as well as our vigilance to maintain identical or even higher food safety standards. Not too much packaging material, neither too little: just the right packaging.

2. OUR BRANDS WILL ENGAGE CONSUMERS TO GET ON BOARD

When asked about their #1 action consumers are willing to put in place to mitigate Climate change, 57% of them mention the reduction of over-packaged products². Our Brands will keep proposing innovative pilot projects to help consumers take part in our collective engagement.

3. PACKAGING IMPROVEMENT RELIES ON THE WHOLE SUPPLY CHAIN

On-shelf packaging is the most visible, but it takes much more to deliver our nutritious products to our consumers. We explore solutions over our entire Supply Chain, down to the final mile to guarantee that we propose an optimized packaging system.

4. PARTNERING WITH OUR VALUE CHAIN INCREASES TRANSITION SPEED

We believe that the packaging economy is at a turning point, but investment needs and the diverse maturity of local systems make it complex. To speed up opening a new era, we build partnerships with all our stakeholders (technical start-ups, suppliers, federations & authorities, NGOs) and take a pre-competitive approach. Joining forces with the whole Industry is key to develop long term viable solutions.

5. CLOSING THE LOOP WHENEVER FEASIBLE

A more circular packaging economy requires close scrutiny when selecting and sourcing materials. We have the responsibility to establish new avenues for the incorporation of recycled materials, while ensuring proper recyclability of our packaging wherever sold. In our views plastics remains essential to ensure the best quality and food safety, making the challenge of closing the Loop all the more fundamental.

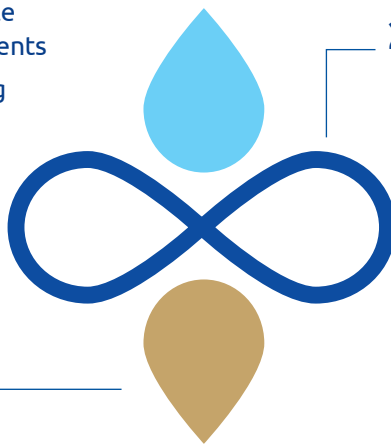
(2) IPSOS 2020, Earth Day.



03. OUR APPROACH & AMBITIONS

1. THE RIGHT PACK

- Develop eco-design
- Reduce all avoidable packaging components
- Minimize packaging intensity



2. BETTER CIRCULARITY

- Select carefully the right materials
- Avoidance of a packaging material disrupting local sorting & recycling schemes
- Incorporate more recycled materials
- Ensure proper recyclability of our packagings everywhere they are sold

3. EDUCATE CONSUMERS & CONTRIBUTE TO CLOSE THE LOOP

- Educate our consumers to properly recycle
- Raise awareness in our internal Teams and employees
- Incorporate more recycled materials
- Engage Lactalis into local ecosystems to develop recyclability streams

1. THE RIGHT PACK

In our approach to packaging, we search for the right balance between our aspirations to reduce packaging and its essential role in preserving the quality, safety, and convenience of our products.

We have selected three main ways to achieve our ambitions:

- We screen packaging options with an internal eco-design tool to develop and select the Right Pack.
- We reduce all unnecessary packaging components which do not contribute to consumer convenience or logistics.
- We minimize packaging intensity by reducing packaging materials used per item.

OUR AMBITION:

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

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

2. BETTER CIRCULARITY

We aim to ensure that our packaging is made of safe and sustainable materials, used in a way that makes it perfectly circular.

Our efforts lay in three complementary commitments:

- We carefully select our packaging materials, screening their production ways, their processing and certifications, ensuring we avoid any competition with land used for food production.
- We avoid packaging materials that disrupt local sorting and recycling schemes and are developing the use of recycled materials in our packaging.
- We aim to ensure proper recyclability of our packaging wherever sold, and increase the proportion of actually recycled packaging according to local existing schemes.

Our vision is to use the right quantity of material for packaging that corresponds to the expectations of the circular economy. We therefore prioritize the right intensity, lifting barriers to packaging circularity and incorporating more recycled materials. When all of these improvement areas reach their limits, the use of certified renewable materials that do not compete with land for food production is the next frontier in limiting the environmental impact of our packaging solutions.

OUR AMBITIONS:

- We will continuously increase the quantity of recycled material included in our packaging.
- We want to ensure the recyclability of our packaging and this through 2 ambitions:
 - > We will aim for 100% recyclable packaging by design in 2025*
 - > In 2033, we aim for 100% recyclable packaging in practice for countries with an Extended Producer Responsibility scheme (EPR)*
- We plan on having 100% of the virgin paper we use covered by a sustainable certification by the end of 2023.**
- We will aim to eliminate PVC from our packaging by 2025.**

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

** Ambition set at Lactalis Group level. All acquisitions since December 2019 excluded at this stage.





3. EDUCATING CONSUMERS AND PARTNERING TO CLOSE THE LOOP

At Lactalis, we believe that we have a responsibility to raise awareness about our collective circularity challenge to internal and external stakeholders.

To do so, we have selected three major channels and tools:

- We engage in dialogue with our consumers to help them embark on the Circularity Journey, by proposing clear and innovative sorting instructions on our products.
- We partner and engage in local collective platforms and projects to develop sorting and recycling schemes, empowering our local infrastructures.
- We encourage our employees to embrace our collective challenge by participating in trainings on our Packaging Policy, and joining the World CleanUp Day at company level.

OUR AMBITIONS:

- 100% of new graphics will bear waste management information starting in 2022 and 100% of packaging will bear waste management information by 2025*.
- We will set up an information module on the Lactalis Packaging Policy to make our employees ambassadors starting in 2023**.
- We will promote events like Global Recycling Day and the World CleanUp Day to raise awareness around waste management**.



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** Ambition set at Lactalis Group level. All acquisitions since December 2019 excluded at this stage.



Lactalis Group

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A French limited company (*Société Anonyme à Directoire et Conseil de Surveillance*)
with share capital of € 140,027,040
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The targets, associated timelines and scopes mentioned in this document reflect current assumptions. Acquisitions, regulatory changes or other factors may have a major impact on these assumptions. In such cases, Lactalis Group reserves the possibility to review and adjust them accordingly.

The version of this document available on the Lactalis Group website shall prevail.