



NURTURING THE FUTURE

ACTIVITY REPORT 2024



Lactalis, the world’s leading dairy group, is a French family-owned business founded in 1933 in Laval, in western France. Our sole mission is to nurture the future by offering the finest dairy products, helping people grow, and working closely with local communities. With operations in 50 countries and 266 dairies and cheese factories around the world, our 85,500 employees produce a wide range of dairy products – including cheese, milk, yoghurt, butter and cream, dairy ingredients, and nutrition products.

At the centre of millions of households’ daily lives, Lactalis offers products from iconic brands such as Président, Galbani, Parmalat and Leerdammer. As the global leader in protected designation of origin (PDO) products, we are committed to preserving dairy expertise.

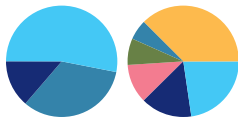
At the end of 2023, Lactalis defined its purpose in action “Nurturing the Future.” This purpose is built on seven key pillars that guide our mission. In this activity report, we will explore our actions and results through the lens of each of these pillars.



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Dear readers

In 2024, we reached a new milestone in our history. With sales exceeding €30 billion, we became the world's ninth largest agri-food company and reaffirmed our position as the global leader in the dairy sector. Despite a challenging geopolitical context and highly volatile international markets, the dairy market remained buoyant. Against this backdrop, our family-owned business model, based on organic growth and international expansion, demonstrated its strength, underpinned by a conviction that holds truer than ever: dairy products are the future!

We are committed to improving our ability to anticipate and meet consumer expectations while adapting to their cultures and tastes worldwide. Enjoyed by people in 150 countries, our brands transcend borders. My priority remains to offer healthy, tasty products that are also affordable for everyone.

Two years ago, I decided to give Lactalis a purpose in action, "Nurturing the Future". This ambition is now the cornerstone of all our action, both inside and outside the Group. This year once again, we pursued our goal through investment, which increased by over 14% from 2023. We invested a record amount of more than one billion euros in our industrial facilities in 2024, to support our development and improve our industrial capacities, for example in Bendigo, Australia, and Tulare in the USA. Our investments are also essential to reduce our environmental footprint. Some key examples of such investments include the installation of more than 65,000 m² of solar panels in India and Spain, and the modernisation of our wastewater treatment plants in Brazil.

In pursuing our ambition, we also constantly strive to innovate, with the aim of building a portfolio of successful, iconic brands, including Président, Galbani, Parmalat, Kraft and Leerdammer. With Probio2 yogurts in Brazil, basil- and oregano-infused mozzarella cheese in Italy, and vitamin-fortified milk in France, our new milk and cheese products have continued to meet the high nutritional and gustatory demands of an increasingly diverse consumer base and bolster markets worldwide. Our acquisition of Sequeira & Sequeira in Portugal and Cremora in South Africa enhanced our offering in these countries.

With 39 PDO and PGI certified products, our ongoing commitment to offer local and regional produce continues to support employment and economic activity across communities. More than just labels, these certifications reflect our attachment to a history and to traditional know-how that we perpetuate with passion.

Driven by our firm belief in the potential of dairy products, we support market changes while creating opportunities for profitable and responsible growth. We uphold this belief with ambition, commitment and simplicity, just like the women and men who shape our company every day.

I would therefore like to thank all our employees who are the source of this success, and praise their creativity, commitment and agility. Thanks to the passion that inspires them, they enable all our products to tell a story. A story of age-old expertise and a robust, forward-looking vision. Our wide-ranging expertise enables us to perpetuate traditions and share the fruits of our know-how to pursue our commitment to innovation.

Looking forward, we are beginning to plan beyond 2024. We will continue to create competitive, profitable and sustainable value, in collaboration with our producers, business partners, suppliers and customers. Our promise remains unchanged: we will continue to nurture the future, boldly, creatively and responsibly.

EMMANUEL BESNIER

CEO of Lactalis

Emmanuel Besnier



KEY FIGURES 2024

1st

World's leading dairy company

World's leading company in the cheese market

World's leading company in dairy fats (butter and cream)

World's leading player in PDO and raw milk cheeses

* Protected Designation of Origin.

2nd

Global company in the chilled dairy market

Global company in fluid milk

9th

Largest global food company

LITERS OF MILK COLLECTED WORLDWIDE

22,8 BILLION

EMPLOYEES

85,500



TURNOVER

€30,3 BILLION

GROWTH IN SALES vs 2023

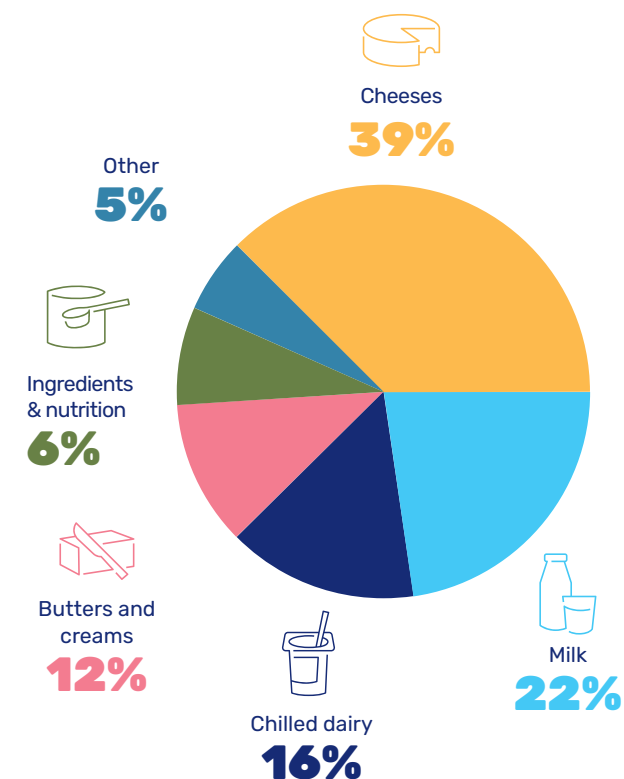
+2,8%

2024 – €30,3 BILLION

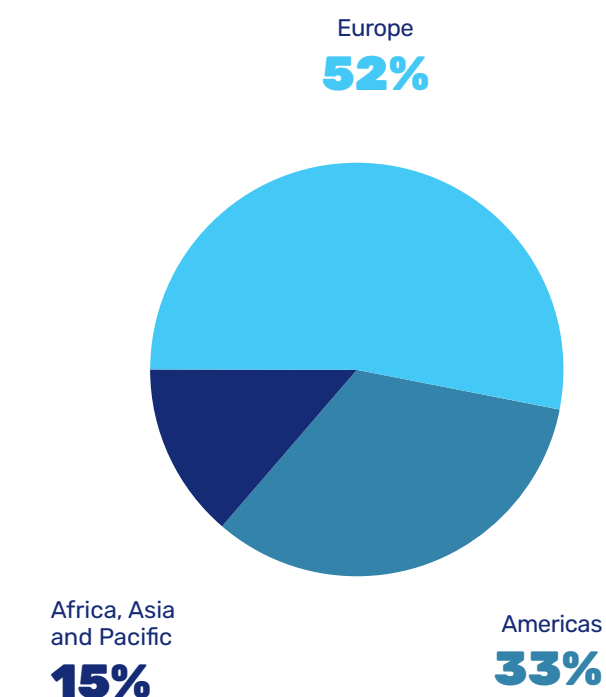
+2,8%

2023 – €29,5 BILLION

BREAKDOWN IN REVENUES BY CATEGORY 2024



BREAKDOWN IN REVENUES BY GEOGRAPHY 2024



3 FLAGSHIP BRANDS



A MULTI-LOCAL COMPANY

In 2024, Lactalis continued to grow worldwide, achieving strong performance across all regions. Our multi-local strategy further strengthens our leading position, enabling us to adapt to the unique characteristics and opportunities of each market.

AMERICAS

Turnover:
10 billion euros

Milk collected:
7,3 billion litres

25,000 employees

66
production sites

33%
OF GLOBAL
TURNOVER

In 2024, we achieved particularly strong results throughout the Americas, with sustained growth in volumes and market shares across all categories. Thanks to the integration of Dairy Partners of America (DPA), Brazil has become our fourth-largest market. In the United States, our yoghurt division saw remarkable growth, driven by the success of Siggì's and Stonyfield. In Canada, we continued to expand, particularly in the yoghurt category where Siggì's doubled its

sales, while also strengthening our position in the milk market. Lastly, in Latin America, growth momentum accelerated. We saw exceptional performances in Mexico and Colombia, further strengthening our presence in the region. These results demonstrate our ability to grow and expand our foothold in key strategic markets.

EUROPE

Turnover:
15,7 billion

Milk collected:
12,2 billion litres

42,000
employees

156
production sites

In Europe, the year-end results were positive, with varying outcomes across the regions. In Southern Europe, branded sales volumes remained stable, despite some local declines. Among the notable successes, Italy stood out with the remarkable performances of Ambrosi and Leerdammer, while in Portugal, the integration of Sequeira & Sequeira strengthened our position in the cheese market. In Spain, our iconic local cheese brands such as Gran Capitán, Flor de Esgueva, and El Ventero continued to grow.

In Northern Europe, growth was driven by cheese and chilled dairy products. In Sweden, the Leerdammer brand innovated and increased its volumes, contributing to a particularly positive year. In France, despite rising milk prices, growth in branded sales volumes enabled Lactalis to reach a symbolic milestone: becoming the leader in branded consumer goods in terms of units sold.

52%
OF GLOBAL
TURNOVER

AFRICA ASIA PACIFIC

15%
OF GLOBAL
TURNOVER

In 2024, we recorded strong results in Asia, the Pacific and Africa, driven by robust volume growth, particularly in our branded products. This growth momentum was especially impactful in key markets such as Algeria, Türkiye and Saudi Arabia. A historic milestone was also reached in Türkiye: for the first time since the integration of Lactalis Türkiye ten years ago, we became the leader in branded dairy products. In Australia, we strengthened our chilled dairy market strategy through strategic

investments in our dairies, further consolidating our leading position in the yoghurt market. Our performance in India was also exceptional. Lastly, Southern Africa has demonstrated significant growth potential, prompting us to boost our efforts to accelerate our expansion in this promising region.

Turnover:
4,6 billion euros

Milk collected:
3,3 billion litres

17,500
employees

44
production sites

“Increase our agility to maintain our performance.”

What did you take away from 2024?

Thierry Clément : The year saw growing instability in a complex global climate, rife with geopolitical tensions and economic challenges. The war in Ukraine continued to disrupt markets in Europe, impacting energy supplies and raw materials costs. Furthermore, various conflicts and tensions around the world heightened the uncertainty. Climate events, such as the extended drought in the Panama Canal, the major fires in North America and the devastating floods in Spain, Brazil and the Czech Republic disrupted global trade, pushed transport costs up and intensified the stress on natural resources, highlighting the growing risks of extreme weather phenomena. Despite this general climate, the global growth rate increased slightly and inflation slowed. However, certain regions continue to suffer the effects, notably in Latin America and the Middle East, particularly in Venezuela and Türkiye, where consumer purchasing power has been significantly impacted.

In response to these challenges, we had to be more agile in adjusting our production and distribution strategies, while remaining competitive. I would like to extend my sincere thanks to all our employees, as their unwavering resilience and commitment were crucial in maintaining our high performance. Thanks to their ongoing efforts, we continued to move forward, while safeguarding the excellence and capacity for innovation that set us apart.



THIERRY CLÉMENT,
CHIEF OPERATING OFFICER

In this context, how did the dairy market fare in 2024? And how did Lactalis perform?

T.C : The trend in global dairy market was positive in 2024. World milk production picked up moderately, with slight growth, and milk prices were impacted by higher market prices for butter. This 3% overall average rise in milk prices meant we had to be aggressive in passing on the increases, especially as the cost of other raw materials, such as cocoa and coffee, soared. Energy and transportation costs increased too.

Although growth was recorded in global dairy product consumption, the pace was moderate, with sustained demand in emerging markets such as India and China, and sluggish growth in mature markets. However, it did not prevent us from performing well in terms of

volume, thanks, in particular, to an upturn in consumption of national brands. While sales of butter, cream and cheese all increased, our growth in 2024 was driven mainly by the chilled dairy category, which has been especially successful in North America. Key highlights of the year included our iconic brand Président reaching a significant milestone in international sales,

“Our brands’ dynamism remains a priority in order to generate value throughout the dairy supply chain.”

as it celebrated its 55-year anniversary. Galbani also continued on the upward trend, with a promising launch on the Brazilian market thanks to the integration of Dairy Partners of America (DPA). And our Siggis brand posted a remarkable performance, doubling sales in Canada, its second-largest market. Our brands’ dynamism remains a priority in order to generate value throughout the dairy supply chain.

“Today, we continue to gain market share, including in mature segments. To sustain our performance, we will continue to focus on innovation in 2025.”

In 2024, what key CSR milestones did you reach?

T.C : The year was a turning point in our CSR roadmap. In 2020, we defined three priorities: fighting climate change; packaging circularity; and animal welfare.

After several years of sustained effort, our climate commitments were validated by SBTi, a global leader in corporate greenhouse gas emission reduction. Our commitments cover our Scope 1, 2 and 3*, with the aim of contributing to achieving neutrality carbon on a global scale by 2050. However, our efforts do not focus solely on the climate. We also invest considerably to reduce the environmental footprint of our plants, dedicating around 20% of our industrial investments to energy and the environment. Sustainable management of natural resources, such as water, and respect for biodiversity, are also core components of our roadmap.

Regarding packaging circularity, we built strategic partnerships to improve the effective recycling of our products. For example, in France, we launched a polystyrene yoghurt pot recycling network in collaboration with several stakeholders. We also ran a campaign to raise consumer awareness.

As a global dairy industry leader, animal welfare is a priority. In 2020, we published a dedicated group policy which was recognised by a consortium of specialist NGOs in 2024, placing us among the top 20% of agri-food companies in this area.

These achievements have been made possible by the ongoing efforts of our teams, who have defined clear commitments and taken concrete action to strengthen our role in the ecological transition.

What main challenges lie ahead for Lactalis in 2025?

T.C : The outlook remains uncertain for 2025, with moderate growth prospects and the need to carefully monitor inflation. Persistent geopolitical tensions and the emerging new global economic balances make forecasts particularly difficult. Our objective in this context is clear: to offer healthy, tasty products that are affordable for everyone. This objective guides our strategy, and has been shaping our history for over 90 years. It motivates us daily in our efforts to secure the future of our model.

We continue to gain market share, including in mature segments. To sustain our performance, we are enhancing our ranges with specialised products – especially in the high-protein category and with products designed for specific consumers, such as seniors – and launching them worldwide. Since innovation does not rule out tradition, we are committed to promoting local products that bear witness to the long-standing cheese culture in the regions we operate in. Examples include Coalho cheese in Brazil, which dates back to the 17th century, and Somborska cheese that we have produced in Serbia according to a traditional recipe for over forty years. In 2025, more than ever before, we will remain guided by our purpose in action “Nurturing the Future”.

* Scope 1 & 2: direct emissions – Scope 3: indirect emissions

SERVING PEOPLE AROUND THE WORLD



Since 1933, Lactalis has been bringing the very best out of milk, revealing all its subtle flavours. Today, our tasty, healthy products are enjoyed by millions of families in 150 countries every day. Aware of our responsibility, we are committed to nurturing the future by contributing to a healthy, balanced diet and meeting the nutritional needs of every person, at every age, all over the world. Our brands innovate daily, creating simple, authentic recipes without compromising on quality or

taste. With over 600 cheese and dairy innovations worldwide in 2024, our research and development teams give priority to using natural ingredients. We also simplify the recipes of more complex products because, to us, simplicity and transparency are the keys to gaining our consumers' trust. Ensuring our products are affordable is also a long-standing priority, and we offer quality at the best price, in all our distribution channels. In France for example, 75% of our dairy products

are available for under three euros. Our specialist teams also develop ranges tailored to the specific nutritional needs of our consumers (organic, non-GMO, lactose free, etc.), clinical nutritional supplements (Delical) and sports nutrition supplements (Lindahls, Apurna).

AUSTRALIA

Pauls PLUS+ Protein: Blending performance and taste

In Australia, the protein products market is growing significantly, with yoghurt and dessert sales gaining more than 24% and 77% respectively in 2023. However, consumers struggle to find products blending healthy nutrition and tasty experience, a situation that inspired our Pauls brand to create Pauls PLUS+ Protein. This innovative range combines high protein content with a delicious dairy experience. These tasty, wholesome yoghurts are creamy in texture, high in protein content (16 grams per serving) and full of flavour (vanilla, chocolate, and strawberry), while being low in fat and calories, with no added sugar. The tremendously successful launch reflects the ability of Pauls to meet consumer expectations, with no compromise on taste or enjoyment.



DENMARK

Getting fit with Stay Strong

Stay Strong has revolutionised the Danish market with a high-protein milk enriched with vitamin C, which naturally boosts collagen production. Available in two flavours – chocolate and strawberry – this product delivers 37.5 grams of protein per bottle, targeting health- and fitness-conscious consumers. Its many benefits include maintaining or increasing muscle mass and joint flexibility. Stay Strong is positioned in the fast-growing collagen market, with a product accessible to a wide consumer base.



MALAYSIA

Pride Family Milk Powder: Milk for every age

In August 2024, Pride launched Family Milk Powder, a powdered milk available in 450 and 800 gram formats, produced at our Petaling Jaya dairy in the Selangor region. Easily soluble in cold and hot water, or in coffee for example, the product aims to offer an affordable dairy solution for health-conscious families. The formula enriched with blended fat, and fortified with vitamin D and calcium, contributes to bone health, for the young and old alike.



Today, our tasty, healthy products are enjoyed by millions of families in 150 countries every day.



SWEDEN

Lindahls Pro+: The protein-packed revolution

Quark leader Lindahls has launched Lindahls PRO+, a protein-enriched yoghurt drink made from Swedish milk. Lindahls PRO+ is designed to optimise athletic performance, delivering 26 grams of protein and Branched-Chain Amino Acids (BCAA) that stimulate protein synthesis and muscle mass gain. The new carton-packed drink available in strawberry and chocolate flavours is already the No. 1 protein-enriched product on this fast-growing market. Consumers, who are increasingly health conscious, are embracing these products. Lindahls PRO+ is therefore contributing to the positive growth of this specific category.



FRANCE

Vita'Vie: Lactel's popular new vitamin-fortified milk

In the last two years, more than six in ten French people have taken dietary supplements¹. For almost half, the main reason was to boost their energy level and help them feel fitter. In response to this trend, in 2024, Lactel launched Vita'Vie, made out of 100% French milk fortified with 12 vitamins to help reduce fatigue. Already a pioneer in vitamin D-enriched milk over 20 years ago, Lactel has once again proved its capacity for innovation. And the brand's new product is a success, reaping a market share (by volume) of almost 11.9% in the vitamin-fortified milk segment after just four months on the market. Lactel Vita'Vie therefore ranked among the year's top ten innovations in the Consumer Products category².



1. Source Synadiet - Observatoire 2024
2. Source Circana - Top 10 Innovative Consumer Products 2024



ITALY

Galbani successfully launches cottage cheese

In Italy, the cottage cheese market has grown considerably since 2019, with six million consumers every year. In 2024, Galbani launched Santa Lucia Fiocchi, a wholesome, delicious cottage cheese, high in protein and low in fat. The creamy curd and unique taste make it a versatile product ideal for a variety of recipes. It was an immediate success, ranking Galbani among the leaders in the Italian cottage cheese market just a few months after the launch.



75%
of our dairy products
are available for under
three euros

BRAZIL

ProBio2: Innovation in support of healthy digestion

In February 2024, Batavo took a decisive step in the Brazilian dairy market with the launch of ProBio2. This new yoghurt meets growing demand from consumers in search of effective solutions for gastrointestinal issues. In Brazil, more than 30% of the population suffers from GI problems, and the proportion reaches 60% in women. By offering a combination of probiotics with prebiotics, i.e. good bacteria that help to balance intestinal flora and fibres that are non-digestible but which act as food for probiotics, ProBio2 provides a unique solution. The combination ensures that the quantity of probiotics is maintained throughout the product's shelf-life, guaranteeing greater efficacy.



GEORGIA, KAZAKHSTAN AND UZBEKISTAN

Innovation for infant immunity and growth

In 2024, Lactalis successfully launched healthy, high-quality dairy products to contribute to the immunity and growth of children in Eastern Europe and Central Asia. They include the Foodmaster Bio-C Kids range of delicious and nutritious yoghurts, yoghurt drinks and flavoured milk delivering vitamins, calcium and probiotics. Lactel Loko Moko, a new innovative product for children, now offers four original varieties of flavoured milk – chocolate, biscuit,

bubble gum and tutti frutti – in handy 200 ml and 1 litre formats. And the Sante Loko Moko range has been enhanced with products blending traditional matsoni (a fermented dairy product native to Georgia) with fruit yoghurts and fromage blanc desserts. All these new products have proved very successful with young consumers in Kazakhstan, Uzbekistan and Georgia.



SHARING FLAVORS



At Lactalis, our philosophy is rooted in sharing and enjoyment. Each product is an invitation to conviviality, discovery and emotion – creating meaningful connections and memories. Our expertise, passed down through generations, keeps alive traditions that we proudly share with our consumers. While we are well-known for our international brands – such as

Président, Galbani, Parmalat and Kraft – we remain committed to supporting local and regional products, and helping to preserve a rich gastronomic heritage, rooted in rare, historical craftsmanship. We strive to respect and integrate the cultures of the countries we operate in, by offering, and even safeguarding local products such as Ghee, Kefir and Quark. By sharing these local flavours on the

international market, we celebrate the richness and diversity of our product range. In 2024, our “Grand Export” division exported more than 175,000 tonnes of dairy products worldwide. By adapting to local cultures and honouring regional culinary traditions, we foster enriching cultural exchange and the discovery of new flavours.

UNITED STATES

Kraft Signature Shreds, the restaurant experience at home

In March 2024, Kraft launched Signature Shreds, a new range of thick, natural shredded cheeses, in response to growing consumer demand for enhancing home-cooked meals and recreating the restaurant experience at home. Available in three different flavours – cheddar, mozzarella and Mexican – these shredded cheeses are perfect for melting and topping dishes. By combining Kraft’s best cheeses with Premio mozzarella from Galbani, a cheese specially designed for foodservice, Kraft Signature Shreds gives dishes a texture and flavour worthy of restaurant-quality cuisine.



SPAIN

Gran Capitán unveils a fresh new look



In 2024, the beloved Spanish brand Gran Capitán made its big comeback on TV with a new advert that modernised the brand’s image. The brand also worked to increase accessibility by introducing milder, and more affordable options like Semi Curado, and boosting visibility through signage and shelf displays. This relaunch was also marked by the introduction of the Tostado format, which saw outstanding success, selling more than 130 tonnes in one year, despite a complex innovation market.



UKRAINE

Président, renowned for quality

In 2024, Président *crème fraîche* won the prestigious “Choice of the Year” award in Ukraine. With sales exceeding 7,000 tonnes in 2024, it cemented its position as a top pick among Ukrainian consumers. This achievement not only highlights the deep trust consumers place in the brand, but also our expertise. Known for its creamy texture

and rich flavour, Président *crème fraîche* has become a staple ingredient in many households, helping to elevate everyday dishes.



ITALY

Parmalat Latte Barista: the joy of homemade cappuccinos

In Italy, 90% of the population eats breakfast¹, with 70% of those choosing a cappuccino as their beverage². Recognising this trend, Parmalat launched Latte Barista in April 2024. This UHT milk is specially crafted to create the perfect foam at home, just like your favourite barista would make. Partially skimmed and high in protein (5%), it ensures superior whipping and a creamy texture, tested and approved by professionals. This innovative product, which meets the highest standards of quality and taste, has seen an increase in repeat purchases, marking a clear success for Parmalat.

- 1. Motivational Map, 2021 + Italia a Tavola e Largo Consumo, 2023
- 2. CRM – Parmalat



CZECH REPUBLIC & SLOVAKIA

Kunin reinvents its classic Termix in a portable format

The Termix range from our Kunin brand, a market leader in the Czech Republic and Slovakia, is expanding its offering with the launch of Termix Shake. This new drinkable version maintains Termix’s signature flavour while catering to consumers seeking convenience and indulgence. As a great source of calcium and protein, Termix Shake is a nutritious drink that can enjoyed on-the-go, without sacrificing taste. Kunin’s successful launch saw impressive sales figures in the initial months after release.



ITALY

Galbani promotes home cooking with ready-to-use pouches for cheesecake and tiramisu

Home cooking has grown in popularity over recent years, particularly post-pandemic. An increasing number of people are looking to regain control over their diet, but struggle to find the time to devote fully to cooking. To meet the needs of our Italian consumers, Galbani introduced ready-to-use pouches for cheesecake made with ricotta and tiramisu made with mascarpone. These innovative formats were designed to provide a ready-to-use base, ensuring recipe success even for novice cooks. They simplify the preparation of these iconic desserts while maintaining high-quality ingredients.



PORTUGAL

Sequeira & Sequeira joins Lactalis

This year, Lactalis acquired the Portuguese dairy group Sequeira & Sequeira. Just like our company, Sequeira & Sequeira was started as a family-owned business. Known for its *Lacticínios do Paiva* cheese production, it produces the traditional “Flamengo” and “Prato” cheeses, and has wholesale operations in Portugal, Mozambique and Cape Verde. In total, 270 employees have joined the teams of Lactalis Portugal, which now has two sites. The integration of this family business will allow us to expand our production and sales of local cheeses in Portugal. This move complements our current product range and boosts our distribution and export capabilities.

FRANCE

Lindahls: A noteworthy debut in cheese

In 2024, Lindahls, an already well-established brand in the protein-enriched yoghurt sector, made its debut in the cheese section. A pioneer in high-protein and low-fat products, the brand launched its first three cheese varieties in April, responding to the growing interest in fitness among French people. These new cheese products, available as slices, blocks, or spreads, are perfect for health-



conscious consumers. After just eight months, the launch proved successful, with a repurchase rate exceeding 30%. At the same time, Lindahls expanded its range with two protein-enriched milk drinks, strengthening its presence across three product categories.

BRAZIL

Galbani gains momentum in the Brazilian market

Following the acquisition of Dairy Partners of America (DPA) in November 2023, Lactalis Brazil launched the Galbani brand in early 2024, combining cheese-making expertise with the strength of local distribution. With products such as mozzarella, ricotta, cream cheese, manteiga (local butter) and parmesan, the brand has entered the top 10 in several segments. Supported by an extensive TV and digital campaign, Galbani has increased brand engagement and boosted sales. Now the brand’s 7th largest global market, Brazil continues to demonstrate strong potential.



FRANCE

Leerdammer: A winning strategy to mark the brand’s 50th anniversary

In 2024, Leerdammer celebrated its 50th anniversary by expanding into the “cooking” cheese market, which now accounts for 38% of total cheese volumes in France. The brand began by launching its “fruity and melty” grated cheese, notable for its unique fruity flavour and thick, melt-in-the-mouth shreds. This was followed by the launch of “Crousty” breaded cheese sticks, a move that tapped into the finger food trend. With their puffed rice coating and a melted centre featuring Leerdammer’s signature flavour, these sticks quickly won over consumers due to their ease of preparation. To mark its 50th anniversary, Leerdammer strengthened its position in the culinary world with these innovations, while also attracting new customers.



REVITALISING REGIONS



As the world's leading dairy product manufacturer and a multi-local company, we are investing in the future of dairy processing and contributing to regional development across 50 countries. Our operations foster local economic growth and create thousands of direct and indirect jobs worldwide. In fact, 80% of our teams live in rural areas. Our strong regional presence enables us to support local communities, particularly during times of crisis, as demonstrated this year in Brazil, the Czech Republic, and Spain

– three countries particularly affected by severe flooding. We continue to uphold our commitment to protected designation of origin (PDO) products. By safeguarding and continuing the production of these iconic products, we aim to nurture the cultural and gastronomic wealth of these regions. As passionate advocates for this sector of excellence, we create opportunities and promote products such as Ossau-Iraty, Taleggio, and PDO Feta. In France, we partner with about 3,000 farmers who produce PDO milk, in

addition to promoting local expertise and developing tourism activities. These include our Roquefort cheese cellar tours, which attract over 80,000 visitors yearly, and the Cité du Lait in Laval. Through these efforts, we contribute to the cultural and economic development of rural regions.

GREECE

Feta, a driver of regional growth



Feta cheese sales are growing steadily, with global sales expected to rise by almost 6% over the next seven years. This directly benefits Greek regions, where dairy production is a vital part of the local economy. In 2024, Lactalis exported 6,000 tonnes of feta, capturing 6.5% of the global market share, and helping to promote the industry internationally. Additionally, we expanded our presence in Greece with a major investment in a new production line at our Volos cheese factory, creating local employment opportunities. Through our four PDO products, we are contributing to the international recognition of Greek produce.

39

PDOs/PGIs

Lactalis is the world's leading producer of PDO/PGI products, with 39 designations worldwide (including 29 in France).

FRANCE

New shift schedule to revitalise the Vallet labour market

Faced with recruitment challenges due to a tight labour market, the Vallet dairy (in western France) introduced an innovative initiative to offer more flexibility to its teams. Previously, the teams worked weekdays on a rotating three-shift system (morning, afternoon, and night). We now allow employees to choose between different work schedules, including the former three shifts and the new two-shift system. The two-shift system involves

two teams working consecutively over a 16-hour period, which helps reduce night shift fatigue and improve work-life balance. This approach allows us to better meet the needs of our teams while maintaining operational efficiency. This new shift schedule not only improved employee satisfaction, but also helped us to recruit new talent.



MEXICO

Food solidarity with Esmeralda

In Mexico, our teams have partnered with the local Food Bank Foundation. Every month, 25 kg of our Esmerelda cheese are donated to support families in vulnerable situations. These contributions allow the food bank to prepare local dishes, such as *quesadillas*, in its free community kitchens.

UKRAINE

A ray of sunshine for education

Since the start of the war, the Lactalis Ukraine teams have done a remarkable job continuing to collect milk and manufacture dairy products across our various plants. To support the local community, Lactalis has been involved in several initiatives, including Energize Ukraine, which is supported by our Loco Moco and Lactel brands. Thanks to our contributions, three schools have been equipped with solar power systems to ensure that classes can continue even during power outages.



MAKING A COMMITMENT TO TALENTED INDIVIDUALS



Our 85,500 employees are the source of all our success. Our achievements are made possible through their collective efforts in which each individual plays a vital role. We value talent by offering career advancement opportunities, with a 69% internal promotion rate. Transferring knowledge is a value that is deeply rooted in our identity. In France, Lactalis has considerably developed work-study programmes, employing over 1,000 sandwich students and 380 interns in 2024. Internationally, the Campus Lactalis that we inaugurated

in 2024, immerses learners in the company's passion and expertise through vocational training courses meeting the priority recruitment needs of our sector. We are committed to offering our employees optimum working conditions, for example by reducing strain and ensuring their safety. With a view to continuous improvement, Lactalis began measuring employee engagement several years ago, via an internal survey. In 2024, by surveying more than 40,000 employees worldwide at our production sites

and in our offices, we obtained a comprehensive and accurate picture of the issues and expectations our organisation faces. We foster diversity in our teams, which we regard as an asset. We are committed to fairness in the workplace, and to creating an inclusive, caring environment. We also train all our teams in the challenges of diversity, equity, and inclusion, in order to continue making progress.

COLOMBIA

Industrial technology in support of employee well-being

In Colombia, we launched the modernisation of our industrial facilities to improve employee well-being and reduce health risk factors. We thus acquired a new machine for our dairies in Chia and Medellín, designed to enable safe handling of 25 to 50 kg loads. Using an articulated arm and suction technology, this new machine facilitates the handling of heavy materials by operators and greatly reduces the physical effort required. As a result, the physical strain on employees is reduced, materials are handled faster and more efficiently, and risks of workplace accidents are minimised. The machine was inaugurated on 17 December together with training for our teams in how to use it safely.



SOUTHERN EUROPE

"Talent Mobility" opens up new horizons abroad



In 2024, Lactalis Southern Europe (LSE) reinforced their "Talent Mobility" programme, developed by an international working group. This programme enables employees to work on short-term missions lasting up to six months in different countries in the Southern Europe region. The aim is to facilitate short-term mobility in response to each country's needs, while fostering knowledge transfer and best practice sharing. France, Germany and Poland were incorporated into the programme's scope in 2024, thereby promoting interculturality and interaction between different dairy cultures.



69% of our positions are filled through internal promotions.



SOUTH AFRICA

New programmes to support our talented young people



Our HR teams in South Africa launched four strategic programmes in 2024, targeting interns, sandwich students, apprentices and young graduates, with the aim of attracting, retaining and developing the skills of young talent. The initial results are convincing: in addition to recruitment, the programmes have improved both demographic representation and the BBBEE score (Broad-Based Black Economic Empowerment)¹. Additionally, the number of applicants has risen significantly. Applications from university graduates increased by 179% compared to 2023, and all the young graduates who attended the dedicated course were hired under permanent contracts.

1. Broad-Based Black Economic Empowerment (BBBEE) is a policy of the South African government to distribute wealth more evenly across society, in response to the criticism of the 2003 Black Economic Empowerment (BEE) programme, which mainly enriched a minority among previously disadvantaged groups.



BRAZIL

“Industrial Academy”: Training tomorrow’s leaders

To continue to excel in milk processing, certain principles that have contributed to our success and will secure our future must be firmly upheld and passed on. To achieve this goal, Lactalis Brazil has launched a group-wide training model called “Industrial Academy”. For one year, selected industrial directors attend an intensive 152-hour training course to help them roll out the Lactalis business model and its component tools.

CROATIA

“Shadow Board”: A new perspective on strategy

At Lactalis, our employees are a core focus of our strategy. The “Shadow Board” project involves nine young talented employees from all the functions represented on the Croatian Executive Committee, which instigated the project. The idea is to enhance our long-term planning by incorporating the views of younger generations. “Shadow Board” members regularly meet with their senior executive counterparts to discuss key strategic and operational initiatives. The project brings a new perspective on important decisions and fosters collaboration within the company. The first, promising results include: a better understanding, identification of future challenges, and skills development, notably leadership, organisation, teamwork, creativity and empathy.



CANADA

Reward for excellence at work

In December 2024, Lactalis Canada was named one of Greater Toronto's Best Employers by Mediacorp Canada Inc. This award recognises the company's remarkable human resources management practices. The assessment criteria include crucial aspects such as the working environment, employee benefits, career development and community involvement. Lactalis Canada thus

confirmed its commitment to creating a workplace where employees can fulfil their potential. By pursuing this path, we are strengthening our role as a key stakeholder in the economic and social development of local communities.



100%

We strive to provide ongoing training for all our employees on diversity, equity, and inclusion.

TRANSFORMING OUR BUSINESS



At Lactalis, we are committed to continuous improvement, ensuring that our organisations, methods and tools become increasingly efficient and effective. Driven by our firm belief that dairy products are a choice for the future, we are making substantial investments in our industrial infrastructure to support their technological advancement. In 2024, we invested over one billion euros in our cheese factories and dairies for the first time, representing

a 14% increase compared to 2023. Around 20% of these investments are focused on energy and environmental initiatives, aligning our industrial performance with eco-friendly practices. Our goal is to contribute to achieving carbon neutrality on a global scale by 2050. In 2023, we cut our emissions by 10.3% compared to 2019 levels. We are systematically adopting a multi-local approach to address environmental challenges, identifying solutions tailored to meet the specific

needs of the countries in which we operate. We are also changing our packaging practices. Our R&D teams are constantly working to improve the recyclability of our packaging and reduce the use of virgin materials.



ITALY

Nearly €4 million invested in our Certosa cheese factory

Lactalis Italy is modernising its Certosa cheese factory with the opening of a new production line dedicated to Kraft's *Fettine Classiche* processed cheese slices. Launched in June 2023, this ambitious project, representing an investment of nearly 4 million euros, is driving growth by significantly increasing production capacity. Kraft's *Fettine Classiche* slices, which are free from added preservatives, are perfect for adding flavour and creaminess to toast or sandwiches. This investment highlights Lactalis' commitment to offering delicious, high-quality products while meeting growing consumer demands for sustainability and transparency.

INDIA

Sustainable industrial water management at Shrirampur

In response to water scarcity in India, our local teams have implemented an industrial wastewater recycling process to minimise the environmental impact of the Shrirampur plant. With a daily recycling capacity of 1,100 m³, we are optimising the use of this precious resource. We currently recycle between 500 and 600 m³ of water daily, mainly from evaporators and cooling towers. This initiative helps reduce the need for external water purchases and reduces the amount of water sent to the treatment plant. The site primarily uses this recycled water for its boiler and washing stations. This project aligns with Lactalis' ongoing efforts towards more sustainable industrial water management.



AUSTRALIA

Bendigo expands its yoghurt production and strengthens its position in the yoghurt pouch market

In Australia, significant investments have been made at the Bendigo site to increase its production capacity. This modernisation expanded the site by over 600 m², and included the installation of a new palletiser, four new milk tanks, and a pasteuriser. These investments have not only boosted the plant's current production capacity, but also led to the launch of a new yoghurt pouch production line. This expansion addresses the growing demand from Australian consumers for convenient, on-the-go yoghurts and desserts.

€1 billion
invested in our cheese
factories in 2024.



CROATIA

Dukat and “Don’t Waste Food”, a victory against food waste

In Croatia, Dukat’s educational initiative, “Don’t Waste Food”, was honoured with the prestigious “Golden Grand Prix” by the Croatian Public Relations Association. This award recognises the success of Dukat’s ongoing efforts since 2015 to combat food waste. Through a strategic approach aimed at minimising food loss and waste, several measures were implemented, including the continuous optimisation of supply chain processes, the sale of near-expired products at discounted prices in Dukat warehouse stores, and the donation of surplus products close to expiration. Launched in late 2023, the “Don’t Waste Food” project demonstrates our strong commitment to changing behaviours and reducing waste.

ROMANIA

An automation project to boost productivity

In 2024, our Oiejdea plant, the largest of Romania, which produces UHT milk, creams, yoghurts, kefir and butter, achieved a new milestone with production reaching nearly 200,000 tons. This success is the result of an ambitious, multi-year project that involved the deployment of five robots and seven automated guided vehicles (AGVs) across eight packaging lines. This enabled the automation of end-of-line processes and improved communication with the warehouse. This multi-million euro investment has also improved safety, working conditions, pallet quality and overall productivity. As a result, Oiejdea has strengthened its position as one of Europe’s most competitive dairy production sites.

BRAZIL

Uberlândia: a rapidly expanding wastewater treatment plant

At the site in Uberlândia, southeastern Brazil, we are modernising our wastewater treatment plant to accommodate the increased production from our new cheese factory. This expansion is designed to enhance our effluent treatment capacity, beginning with the construction of a new secondary clarifier and an equalisation basin, followed by the renovation of the aeration system in June 2024. The results are impressive: we achieved full compliance with effluent discharge standards and optimised system efficiency. Additionally, chemical product consumption has been reduced by 60%, marking a significant step towards more sustainable wastewater management. These modernised facilities, representing a total investment of about 7 million reais, have enabled more sustainable and efficient wastewater management at the Uberlândia cheese factory.

20%

of investments in 2024 were dedicated to energy and the environment.

UNITED KINGDOM

New initiatives to reduce plastic in our packaging

In 2024, Lactalis UK intensified its efforts to use more sustainable packaging. In particular, recyclable paper was introduced in our Lubborn cheese factory for Somerset soft cheese packaging. Galloway cheddar slices are now wrapped in a recyclable film containing 30% recycled materials. Additionally, the team achieved a 40% reduction in plastic packaging for our Seriously blocks of cheddar cheese.



SPAIN

Decarbonisation in progress: over 65,000 m² of solar panels

In Spain, we reached a significant milestone in our decarbonisation efforts. Thanks to an agreement signed with energy supplier Engie, 50% of our electricity now comes from renewable sources. We also increased our share of clean energy by installing solar panels at several of our sites. The most significant project involved the Granada dairy, where over 40,500 m² of solar panels were installed, with a total power output of nearly nine megawatts. In total, we have installed more than 65,000 m² of solar panels across our Spanish dairies and cheese factories.



UNITED STATES

A new feta cheese production line at Tulare

This year, Lactalis USA launched a new feta cheese production line at our Tulare cheese factory in California. This strategic investment will more than double our local production capacity within the next three years. In 2024 already, this new line increased production by an additional 3,000 tons, allowing us to meet the growing demand in the U.S. market. This investment is a key part of our ongoing growth on the continent.



-10.3%

In 2023, we reduced our emissions by 10.3% compared to 2019.

SUPPORTING OUR PARTNERS



Whether we are suppliers, producers or distributors, we all make a vital contribution to the quality and accessibility of food around the globe. At Lactalis, we are fully committed to supporting our partners by building long-term relationships based on trust and mutual business development. We help our producers transition to more sustainable farming practices by offering technical and financial support. Worldwide, we implement solutions tailored to the local context,

such as incentive models in Europe, milk collection facilities in remote parts of Brazil and Spain, and funding for environmental projects. We also provide subsidies and financial aid to fund the set-up costs of emerging producers in the USA, the UK and France, among others. With our distributors, we develop innovative models to make their dairy products more attractive. In Brazil, for example, our new Loja Modelo programme optimises in-store shelf stocking and reduces shortages.

This local solution, incorporated into shared development plans, improves performance and boosts consumer satisfaction. Bolstered by the partnerships we have developed over time, and with the aim of achieving our respective goals, we are committed to ensuring a more efficient and sustainable dairy industry for the benefit of all.



TÜRKİYE

Improved milk collection with “Milktaïner”

This year, the raw milk collection team in Türkiye launched the “Milktaïner” project to improve collection logistics in the country, as standard trailers are ill-suited to the geography. “Milktaïner” improves the efficiency of milk collection using smaller trailers, and also helps to lower carbon emissions. Transport capacity has increased from 24,400 to 27,500 litres, eliminating one in nine trips and reducing carbon emissions by 293 metric tons per year. By giving our partner producers, including those in hard-to-reach areas, a more flexible and efficient collection solution, this project supports their farming activity and improves profitability.

WORLDWIDE

Renewed partnership with MANE



MANE is the French leader in the fragrance and flavour industry and is one of our long-standing key suppliers, selected as part of our strategic procurement policy. In 2024, we strengthened our collaboration with this independent family business established near Grasse in the south of France. Our trusting relationship, extended this year to the USA, reflects the high standards of quality we demand. With 31 production sites and 52 R&D centres, MANE has been a global Lactalis partner for over twenty years, assisting us in Europe, the USA, South Africa and South America. Through its expertise in flavours, MANE contributes to enhancing the taste and excellence of our products.

CROATIA

Dukat launches “Milk Academy” to stimulate milk production in Croatia

Milk production in Croatia has been declining since 2009, covering only 40% of domestic needs. Croatia is therefore the EU country with the lowest self-sufficiency in milk production. In response to this situation, our Dukat brand launched “Milk Academy” in 2024, a programme involving private stakeholders, independent experts and academic institutions. The Academy runs conferences and hands-on training courses organised in farms in neighbouring countries, covering topics such as dairy cow nutrition, milking technologies, fodder production, and animal welfare. All of Dukat’s dairy technicians contribute to the programme which has already led to an increase in production and better financial results for participating farms.

BRAZIL

Securing growth with “Lactaleite”



“Lactaleite” is a project initiated in 2021 to provide 900 Brazilian producers with technical assistance and management support. The primary goal is to improve profitability for farmers while securing their loyalty. “Lactaleite” targets 15% growth in milk production per year. By 2024, the project had already delivered a considerable 22 million litre increase, with participating farms recording five times the growth of non-participants. In practical terms, independent consultants and Lactalis technicians work together to analyse economic indicators and advise producers through monthly visits. They then use the “Lactaleite” application to stabilise and closely monitor the farm’s key technical and financial indicators.

BEING OPEN AND OUTWARD-LOOKING



Nurturing the future means openly engaging with our stakeholders. Our goal is to shape the future of our sector by listening to all those who are part of it. We are therefore committed to maintaining continuous dialogue with all our stakeholders, whether consumers, producers, customers, academic or professional training institutions, local organisations, or public institutions. For several years,

Lactalis has worked closely with industry partners in multiple European countries to establish a closed-loop recycling system for polystyrene (which is mainly used in yoghurt pots) so it can be transformed into new polystyrene. We have also set up academic partnerships, like the one at Institut Agro Rennes-Angers, to advance research on industrial performance in the dairy sector. Ultimately, we believe

that diversity and inclusion are the keys to a prosperous future. By actively supporting communities and fostering an inclusive environment, we are committed to creating opportunities for everyone.

BOSNIA AND HERZEGOVINA

Bringing hope to younger generations with SOS Children's Villages

Since the beginning of 2024, Lactalis Bosnia and Herzegovina has been partnering with SOS Children's Villages to organise educational, creative and sports activities for orphaned children. In November, the children were surprised with a visit from Lana Pudar, Olympic butterfly swimmer and ambassador of the programme. Her presence and support greatly inspired the children. All our local employees take great pride in knowing that Lactalis Bosnia and Herzegovina's efforts are helping to build a brighter future for underprivileged children.

SPAIN

Fostering innovation through students collaboration



In partnership with the University of Grenada, Lactalis Spain organised the "Innovation Hackathon". A total of 240 students, mainly from business management courses, developed 73 projects. Each project was required to include a brand proposal, target consumers, recipe, product positioning, budget, distribution plan, communication strategy, and identification of the internal skills required. This dialogue with young talent reflects our commitment to collaborative innovation.

ITALY

Lactalis Italia and Insuperabili join forces

In 2024, the "DISrACTIVE" programme was launched in collaboration with *Insuperabili*, a sports club founded by former Juventus footballer Giorgio Chiellini. Insuperabili is more than just a football club – it's an inclusive space where sports, fun and health come together to bring significant improvements to athletes' mental and physical well-being and quality of life, while also supporting their athletic and professional development. Lactalis Italia will support several initiatives with *Insuperabili*, starting with funding grants for 50 athletes over a full 10-month sporting season. These grants will cover the costs of training with multidisciplinary professionals and coaches specialising in both psychology and sports, as well as expenses for clothing and travel to matches.



COLOMBIA

Our teams join forces for the children of Bogotá

Our Colombian teams organised a toy and clothing drive to help underprivileged children in the Ciudad Bolívar community of Bogotá. This event, filled with smiles and solidarity, helped to strengthen our relationship with the local community. Our Parmalat milk drinks were also distributed to over 300 children.



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Nurturing the future

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