



# LACTALIS SUSTAINABILITY PROGRESS UPDATE 2025

*Nurturing the future*

# CONTENTS

## WHO WE ARE

Foreword	4
About us	5

## OUR SUSTAINABILITY JOURNEY

How we structure CSR governance	7
How we approach CSR	8

## CLIMATE

Lactalis Group climate goals and targets	10
Our emissions	11
Milk and farming – Scope 3 FLAG	14
Operations and production – Scope 1 & 2	16
Transport, logistics and procurement – Scope 3 Non-FLAG	18

## ANIMAL WELFARE AND OUR PARTNERING FARMS

Our commitments	21
Our sourcing standards	22
Biodiversity pilot project	23

## PRODUCT AND PACKAGING

Responsible and recyclable packaging	26
--------------------------------------	----

## TACKLING FOOD WASTE

	33
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## OUR PEOPLE AND COMMUNITIES

Introduction	38
Health and safety	39
Our DE&I commitments	42
People, development and training	45
Our community commitments	49

## KEY SUSTAINABILITY FIGURES

**OPERATIONS AND PRODUCTION**  
Page 16



**BIODIVERSITY PILOT PROJECT**  
Page 23



**PRODUCT AND PACKAGING**  
Page 26



**OUR COMMUNITY COMMITMENTS**  
Page 49



# WHO WE ARE

- Foreword
- About us



# FOREWORD



## BUILDING A MORE SUSTAINABLE FUTURE

At Lactalis in the UK, we take our environmental and social responsibility seriously. As part of Lactalis Group, our CSR work is aligned to a global framework focused on key sustainability issues: fighting global warming, heading towards a more circular economy and improving animal welfare. Through our 4 pillars of Climate, Product & Packaging, Animal Welfare and People, we've successfully integrated sustainability practices into our day-to-day operations and implemented strong governance to keep us on track.



## COLLABORATING WITH INDUSTRY PARTNERS

Sustainability is complex and we can't achieve it alone. That's why we collaborate with partners across the dairy industry and from within our business to learn from each other, work together and make a positive impact.

During 2023 we undertook a best practice review of the performance of our peers, sector-based policies and standards. By collaborating with leadership and staff across key business areas, we've been able to examine our existing approach and future direction. Through regular communication and surveys, we've deepened our understanding of our farmers' perspectives so that we can keep our strategies impactful.



## WE'RE MAKING GOOD PROGRESS

Through our UK-wide carbon audit project, we're able to track farm level emissions and support our farmers with their own specific plans to lower carbon footprints. We've also identified investments that will optimise processes and equipment, improving our operational efficiency and reducing emissions.

In January 2024, we introduced a Sustainability Payment into our milk price which rewards our farmers for participating in key CSR initiatives. We've also made strong progress this year finding and implementing innovative solutions for our packaging to drive our contribution to the circular economy.



## WE CARE ABOUT OUR PEOPLE AND OUR COMMUNITIES

At Lactalis, we champion diversity and employee empowerment and provide our people with access to extensive learning and development opportunities. With half of all management roles in our UK head office and with 44% of the Lactalis UK & Ireland board and 50% of the LNCD board members being women, we're also improving gender equality in the workplace.



## WE STILL HAVE MORE TO DO

We've made great strides forward in our sustainability journey and we still have more to do to achieve our goals.

We've planned a number of on-farm initiatives to raise awareness and support our farmers to reduce their carbon footprints. As technology progresses, we'll identify where we can invest to improve operational efficiency and reduce energy consumption even further. We'll continue to tackle food waste by deepening our knowledge and data analysis for order forecasting.

We still have work to do around gender equality so we're now working with our factories to improve the balance within their management structure.



## COMBINING TRADITIONAL VALUES WITH A FORWARD-THINKING APPROACH

Our passion for milk and the values that guide us have been passed on from generation to generation since 1933 when our founder, André Besnier, produced his first batch of camembert. We've a rich heritage in dairy and we're invested in driving high standards of milk quality, food safety, animal welfare and farm sustainability.

We're fully committed to achieving our goal of carbon net zero across our entire value chain by 2050. We'll continue to work together with our people, farmers and industry partners to achieve a sustainable future.

# ABOUT US



**£253m**  
Turnover

**31,000**  
Tonnes of cheese produced




**2nd**  
Largest Lactalis Nestlé business in Europe

Part of the  
**9th**  
Largest global food group


**245m**  
Litres of milk processed in our factories

**2**  
Joint ventures Dairy Solutions and Orkney Cheese

**3rd**  
Biggest Chilled dairy and dessert company in the UK



**445**   
Employees

**125**   
Farmers supplying our milk

**£166m**  
Branded sales in 2024

**139**  
Employees

## Leading dairy in the UK

**Lactalis UK & Ireland** is one of the UK's leading dairy companies, delivering the highest quality butter, cheese and cream products and brands such as Galbani, Seriously®, Leerdammer and Président for consumers across the country.

**Lactalis Nestlé Chilled Dairy (LNCD)** is a joint venture business, formed between the Lactalis Group and Nestlé in 2006. LNCD specialises in chilled yogurt and dessert products and includes the renowned brands Rachel's Organic, Munch Bunch, Aero, Rolo and Lindahls.

Both companies are part of the family-owned Lactalis Group, the world's biggest dairy company which employs 85,500 people and has 266 production sites in 50 countries. With more than 580 employees, Lactalis' operations in the UK make it the 10th largest Lactalis subsidiary. With headquarters in Redhill, Surrey, Lactalis has 4 manufacturing sites in the UK, bringing delicious, healthy products to market every day.

# OUR SUSTAINABILITY JOURNEY

- How we structure CSR governance
- How we approach CSR



# HOW WE STRUCTURE CSR GOVERNANCE

The sustainability governance structure in Lactalis UK ensures effective oversight and integration of sustainability initiatives. The Board of Directors and leadership team have set the overall strategy, aligned to the Lactalis Group's CSR strategy, which is part of the company's strategy of profitable and responsible growth.

**This framework focuses on three priorities:**

- 1 Fighting global warming
- 2 Heading towards a more circular economy
- 3 Improving animal welfare

The UK CSR Board Sponsor and the CSR Manager lead the CSR efforts, coordinating with cross-functional teams from various departments. Each department has specific roles in implementing CSR practices, while stakeholder engagement ensures transparency and collaboration. This structure has embedded CSR in our core operations and decision-making processes, driving our commitment to social and environmental responsibility.

Strong governance helps us track and evaluate our initiatives, as this is crucial for demonstrating progress and meeting our ambitions.



Regular planning meetings with our 2 MDs to review progress and address any obstacles.



Relevant Board Directors and all members of our working groups have established CSR targets as part of their objectives.



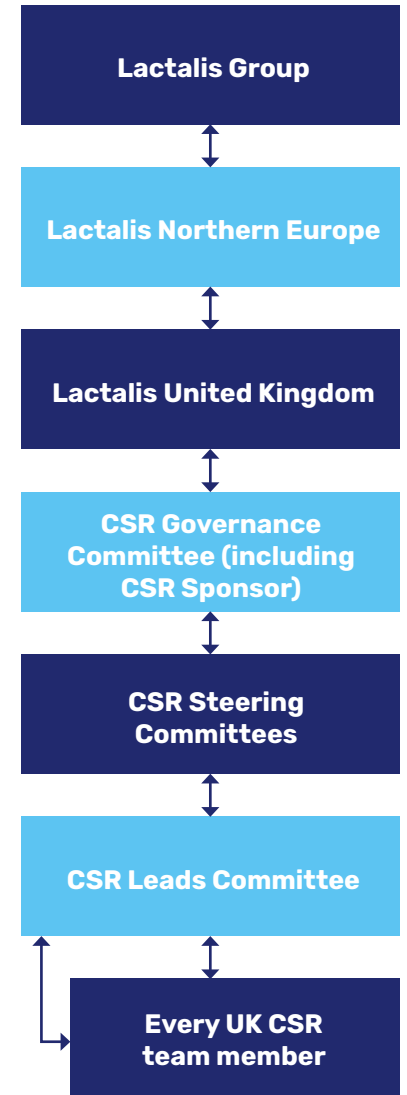
Monthly steering group meetings specifically focus on packaging and carbon. Additionally, our CSR working groups meet regularly to focus on various sustainability initiatives.



We've a dedicated CSR Manager and a Group HSE (Health, Safety & Environment) Manager championing our CSR and environmental initiatives.

Our governance structure at Lactalis UK & Ireland has been instrumental in driving change, embedding CSR principles into our core business frameworks, and reinforcing our commitment to our CSR strategy and sustainability goals.

## Lactalis CSR Reporting



# HOW WE APPROACH CSR

## BUILDING A SUSTAINABLE FUTURE TOGETHER

We're committed to operating responsibly, both socially and environmentally. We know some sustainability challenges are too big or too complex to tackle alone, so we actively collaborate with stakeholders across the dairy industry to drive sustainable change. These partnerships include customers, suppliers, industry peers, dairy farmers and governments.

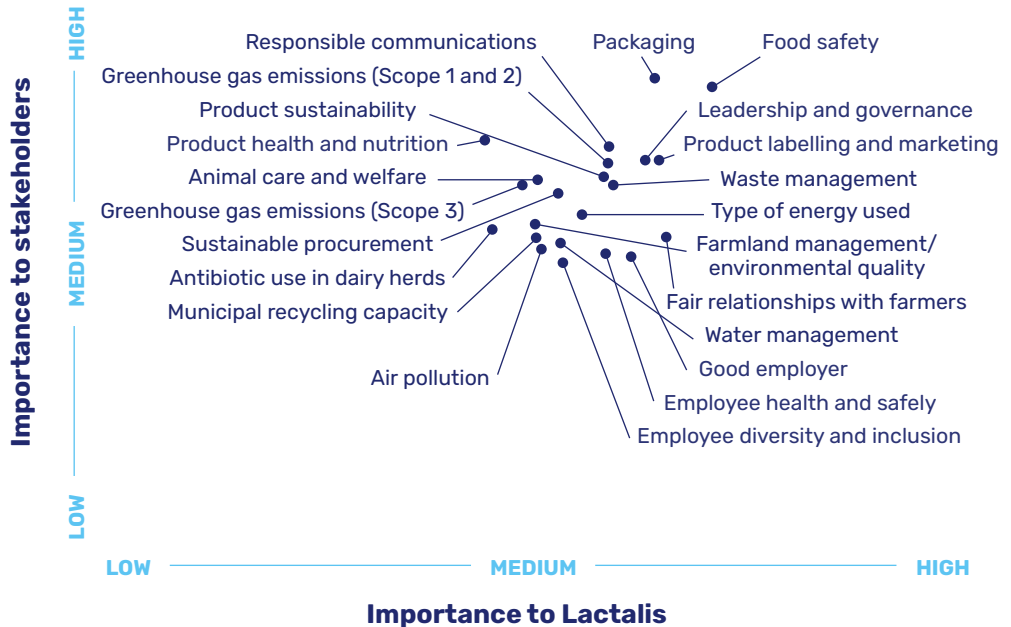
In 2021, we undertook our first strategic materiality assessment, engaging with sustainability experts and key customer and industry stakeholders. In 2024 we revisited and revised our materiality assessment to ensure that the focus and priorities for our sustainability strategy and management were reflective of and responsive to changing trends, the focus of our stakeholders and global sustainability priorities.

As with our 2021 assessment our 2024 work has informed and enhanced our strategy and the key pillars of Climate, Product & Packaging, Animal Welfare and People.

### OUR WORK INCLUDED:

- Revisiting our strategic context - assessing the operating context of our company to identify our activities, operations and fundamental environmental and social dependencies and to understand the changes in regulation, the focus of NGO and interest groups and other scientific and sectoral trends that are of relevance to the UK and to global dairy companies.
- Stakeholder mapping and issue focus - to identify the issues and interests of several stakeholder categories.
- Identification of issues, risks and opportunities that were likely to feature in our materiality assessment.
- Issue assessment and prioritisation - we used a multi-part approach to analyse and rank issues enabling us to create a materiality matrix. This provided a solid foundation to continuously improve our sustainability impact.

### OUR MATERIAL ISSUES, ACROSS BOTH BUSINESSES



### Our Focus Areas

We've used our material issues to develop 4 core pillars of focus for action.



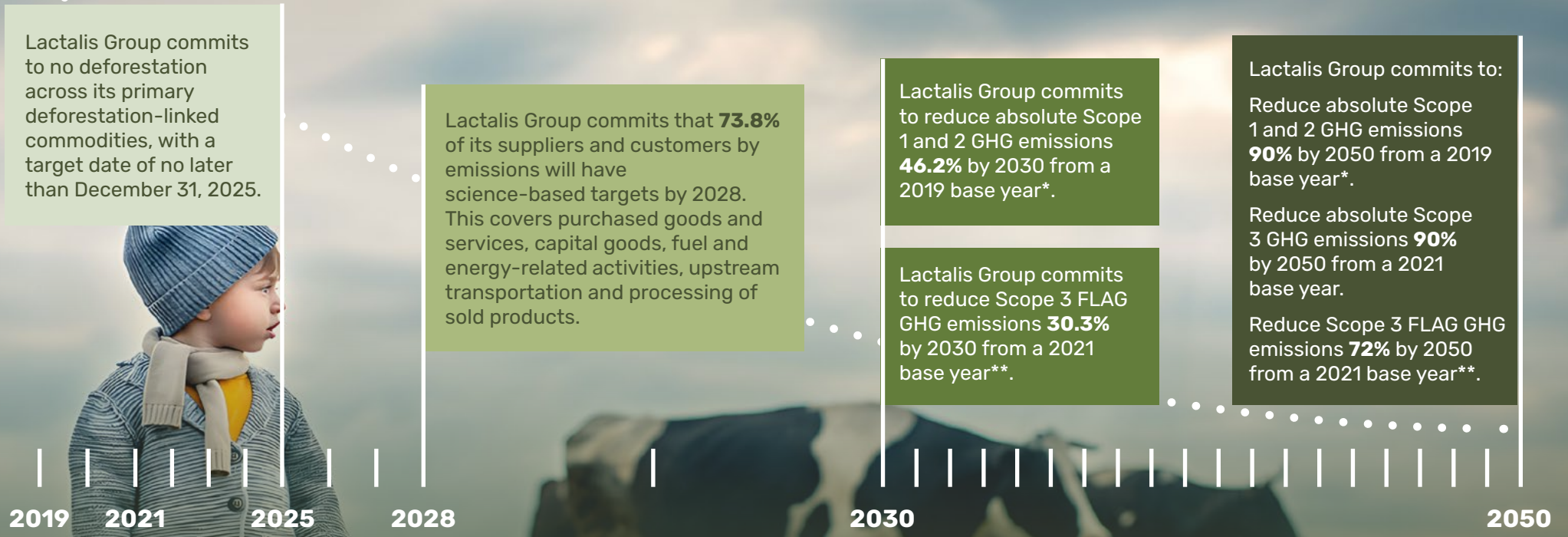
# CLIMATE

- Lactalis Group climate goals and targets
- Our emissions
- Milk and farming – Scope 3 FLAG
- Operations and production – Scope 1 & 2
- Transport, logistics and procurement – Scope 3 Non-FLAG



# LACTALIS GROUP CLIMATE GOALS AND TARGETS

Lactalis Group commits to reach **net-zero** greenhouse gas emissions across the value chain **by 2050**



FLAG emissions = all GHG emissions associated with forests, land and agriculture | Non-FLAG emissions = all other types of emissions (industry, energy, etc.).

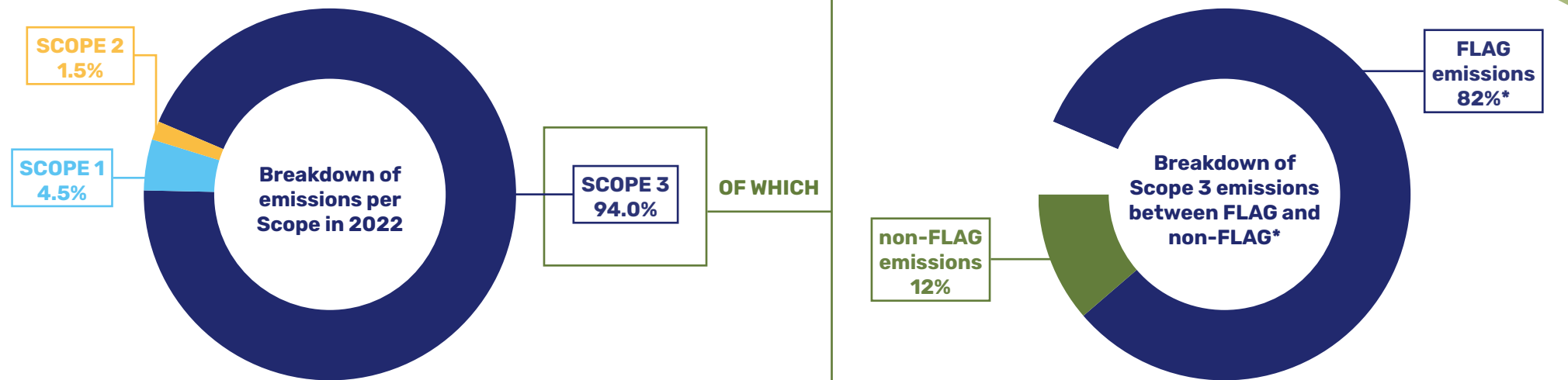
\*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

\*\*Target includes FLAG emissions and removals.

# HOW OUR EMISSIONS ARE PRODUCED

Across the entire Lactalis Group, we measure our greenhouse gas emissions using the GHG Protocol method.

The breakdown of our greenhouse gas emissions is:



Our overall Lactalis Group total Scope 1, 2 and 3 carbon emissions are 44.9Mton CO<sub>2</sub>eq. This breakdown shows the emissions as a percentage for each part of our value chain:

Our Scope 1 and 2 emissions (for operations and production) represent 6% of our total emissions.

- 4.5% is generated from our sites (Scope 1).
- 1.5% is generated from purchased energy (Scope 2).

Our Scope 3 represents 94% of our total emissions and covers FLAG and non-FLAG emissions.

- 82% of Scope 3 is attributed to FLAG.
- 12% of Scope 3 is attributed to non-FLAG.

\*FLAG emissions = all GHG emissions associated with forests, land and agriculture | Non-FLAG emissions = all other types of emissions (industry, energy, etc.).

# OUR RESPONSIBILITY: TO DELIVER ACTION

Our vision at Lactalis in the UK is to drive positive change now to achieve a low-emissions future.

To achieve this, our guiding principles are:



Measuring our carbon footprint with standardised frameworks.



Setting targets grounded in climate science.



Moving forward in transparency.



Setting a climate governance structure to support the Group ambition.

Across the whole Lactalis Group, we collaborate with external experts and use recognised, robust methodologies to accurately assess our emissions and identify where we can take action.

- To help guide us, we use the Greenhouse Gas Protocol (GHG), an international methodology for measuring and managing GHG emissions throughout our whole value chain.
- Lactalis Group has developed near and long-term emissions reduction targets which have been validated by the SBTi. Our targets are aligned with the best available science on what's required to limit global temperature rise to 1.5°C.
- In 2022, we also joined the Pathways to Dairy Net Zero initiative so that we can work collaboratively across our industry.
- Across the Lactalis Group we collaborate with industry bodies and external experts. In the UK, via our membership of the Board of Dairy UK, we participate in the Dairy Roadmap initiative to help drive sustainability targets, which includes their carbon, water and biodiversity working groups.

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



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



GREENHOUSE  
GAS PROTOCOL

**Dairy  
UK**

# OUR RESPONSIBILITY: TO DELIVER ACTION

## SCOPE 1

### Direct

Emissions that come directly from company operations.



Company vehicles



Company Facilities

## SCOPE 2

### Direct

Emissions from purchased electricity.



Purchased electricity, steam, heating & cooling for own use

## SCOPE 3

### Indirect

Emissions that aren't produced by the company itself but arise from indirect sources including supplier emissions and emissions from customers using our products. Our Scope 3 emissions cover those classified as FLAG (arising from forest, land, and agriculture related activities) as well as Non-FLAG emissions.



Purchased goods & services



Capital goods



Fuel & Energy related activities



Business travel



Employee commuting



Leased assets



Transportation & distribution



Use of sold product



End-of-life treatment of sold product



Investments



Processing of sold product



Waste generated in operation

# MILK AND FARMING

## SCOPE 3 FLAG



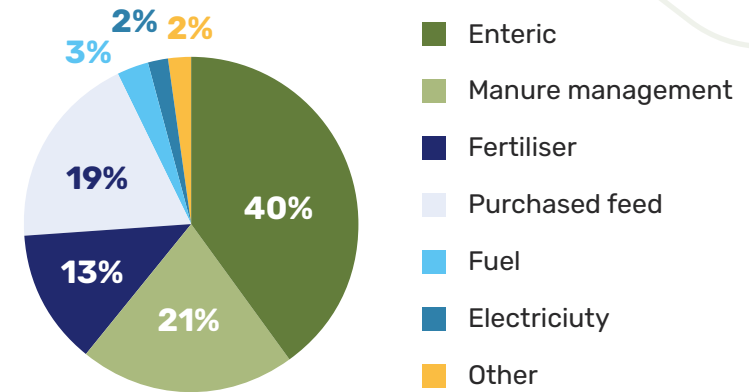
### Our commitments

Farming activities make up the largest source of both our Scope 3 and overall emissions so we're committed to working closely with our farmers to help them identify and reduce their overall GHG emissions.

### Our progress in 2024

- **Monitoring progress:** Auditing one-third of producers each year ensures consistent tracking of GHG emissions and progress over time.
- **Tailored support:** Providing each producer with a customised plan helps them implement effective strategies to lower their GHG emissions.
- **Sustainability payments:** Offering a sustainability payment element to the milk price incentivises farmers to participate in the carbon auditing programme.
- **Knowledge sharing:** Delivering workshops to share best practices and updates on the latest technologies improves efficiency and reduces on-farm GHG emissions.

Carbon footprint emission sources



Agrecalc is an independent farm carbon calculator

# MILK AND FARMING

## SCOPE 3

Our ongoing farmer efficiency improvements will achieve a 3% reduction. We've also identified 8 more initiatives that will result in an estimated, combined total reduction of 30%.

## Our future focus

Our Sustain Development Group is dedicated to raising awareness and reducing on-farm GHG emissions. Committed to the net zero journey, we support our farmers through knowledge exchange and best practice examples aimed at lowering carbon footprints across UK farms.



BY 2030  
ESTIMATED TOTAL  
REDUCTION

↓ 30%

Based on 8 themes  
and on-going farm  
efficiencies

Slurry / manure storage

↓ 2%

REDUCTION

Nutrient management  
planning

↓ 6%

REDUCTION

Feed efficiency

↓ 4%

REDUCTION

Methane reducing  
feed activities

↓ 3%

REDUCTION

Breeding & fertility

↓ 4%

REDUCTION

Enhancing biodiversity

↓ 1%

REDUCTION

Soil management

↓ 4%

REDUCTION

Reducing lameness

↓ 3%

REDUCTION

# OPERATIONS & PRODUCTION

## SCOPE 1 & 2

### Our commitments

In the UK, we've manufacturing sites across 3 locations, Stranraer in Scotland, Lubborn in England and Aberystwyth in Wales. Through our energy and climate policy we've developed a climate action roadmap, with short - and long-term actions to achieve our net-zero ambition.

#### LACTALIS GROUP COMMITMENTS

↓ 46%

Lactalis Group commits to reduce absolute Scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year

↓ 90%

Lactalis Group commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2050 from a 2019 base year

Carbon net zero

Carbon net zero by 2050 (Scope 1, 2 & 3)



### Our progress in 2024

- Our manufacturing sites in Stranraer and Lubborn have identified their carbon footprints and set up systems to track real-time energy usage. This allows visibility of consumption, enhancing the management information we use to drive energy efficiency.
- We continued to embed energy best practices throughout the organisation with activity identified through energy audits and third-party expertise. The major opportunities identified are in steam condensate systems and compressed air systems.

**In 2024 to reduce energy consumption, minimise heat loss, and lower carbon emissions we've invested in:**

- Steam boilers fitted with the best available technology, enabling the achievement of high energy efficiencies.
- LED lighting across the organisation.
- Variable speed air compressors that provide the air pressure demanded by the operation.

# OPERATIONS & PRODUCTION

## SCOPE 1 & 2

### Our future focus

We've made significant progress, but there's still more to do. We'll continue to identify and implement best practices to improve our operational efficiencies and further reduce energy consumption.



#### SOME OF THE INITIATIVES WILL INCLUDE:



Investigating on-site energy investment opportunities including anaerobic digestion.\*



Exploring opportunities to produce solar energy at our sites through partnerships.



Identifying new energy reduction projects through our energy monitoring systems and employee inclusion.

\* Anaerobic digestion (AD) is a process for the treatment of certain waste materials. It is described by Defra as a '... process in which plant and animal materials are converted into useful products by micro-organisms in the absence of air. The process releases biogas, (mainly a mixture of around 60% methane and 40% carbon dioxide) which can be used directly to provide heat, power or transport fuel.

# TRANSPORT, LOGISTICS AND PROCUREMENT

## SCOPE 3 NON-FLAG

### Our commitments

Our transport, logistics and procurement emissions are generated through the supply of products to UK and European markets. By working closely with our suppliers and customers, we're reducing the carbon footprint linked to transport, logistics and procurement.

#### GOALS ACHIEVED

### Understanding carbon targets

by reviewing, improving and engaging with key suppliers

#### TARGET

# 73.8%

of our suppliers will have science-based goals of 2028

Commitment covering 73.8% of suppliers from the following categories: purchased goods and services, capital goods, fuel-and energy-related activities, upstream transportation and distribution and processing of sold products.

## Our progress in 2024

### PROCUREMENT

In 2024, we continued our work to ensure that our suppliers meet our standards of supply. All new vendors over a certain size received and are required to comply with our Lactalis Group Code of Conduct, as are all our direct suppliers and 50% of our indirect suppliers. This sets out our position with regards to business conduct and good practices; labour practices and human rights; quality and food safety; the environment; animal welfare; information protection; and monitoring alerts and breaches.

To assist with this objective, we've signed a Group-wide contract with the supply chain sustainability due diligence platform Sedex. Using the platform allows our suppliers to provide us with the information we require on their risk management and performance, and allows us to collate and hold up-to-date supply chain information, spot risks and act and respond accordingly.

At a Group level, we continued to actively engage with our key suppliers to understand their carbon targets. We've asked our suppliers to set their own climate reduction targets aligned to SBTi (or equivalent) standards, based on a 1.5% temperature rise warming scenario, by the end of 2028. Our suppliers will also be reporting their carbon footprint and the status of their climate objectives to us annually.

### LOGISTICS

We're constantly reviewing our supply chain and optimising transportation routes, improving logistics efficiency, and adopting sustainable procurement practices. We're collaborating closely with suppliers and customers, striving to minimise our carbon footprint in line with our targets.

# TRANSPORT, LOGISTICS AND PROCUREMENT

## SCOPE 3 NON-FLAG

### Our future focus

We're collaborating with and supporting our suppliers on their climate strategies and journey towards achieving net zero. As the UK logistics industry continues to evolve, we'll proactively engage with advancements in technology and alternative fuels as they become available. We're also exploring optimisation solutions across our network to minimise the number of empty trucks on the road, enhancing efficiency and sustainability.

#### WHAT WE'VE ACHIEVED SO FAR



Promoting more sustainable transportation.



Packing innovation.



Route and load optimisation.



Regular monitoring and reporting of our emissions to proactively adjust our processes and approach.



Reduce distance travelled.

Within procurement we're now collecting Scope 3 emission gains since 2023 from our key vendors.

This now forms part of the agenda of our vendor meetings, and we've developed innovative projects with Sudpack, Air Liquide, and Johnsons as a result.



# ANIMAL WELFARE

- Our commitments
- Our sourcing standards
- Biodiversity pilot project



# OUR COMMITMENTS

We want to lead the way to a more sustainable future by embracing science, stewardship and technology in our journey. As one of the UK's leading dairy businesses, we're proud to support our contracted farmers who share our commitment to uphold high milk quality, animal welfare and environment standards on farm.



**38,000**  
Animals cared for by our farmer suppliers



**125**  
Contracted farmers

**Our supplying farmers must comply with Red Tractor's comprehensive standards which underpin animal health and welfare practices on farm.**



# OUR PROGRESS IN 2024



## Our Lactalis Sourcing Standards

Our Sourcing Standards ensure the milk our farmers produce is high-quality, free from antibiotics, and is collected, cooled, and stored appropriately to guarantee a top-quality product. The Sourcing Standards also set out the requirements our farmers must deliver to demonstrate commitment to high-quality milk, protecting the environment and providing the best care and treatment to their dairy cows.

**Our Sourcing Standards also align with Lactalis Group's sustainability pillars covering four main themes:**

### PRODUCT QUALITY

A robust milk testing programme ensures milk is top quality. We monitor composition, hygiene parameters and screen for the absence of antibiotic residues and other contaminants.

### ANIMAL WELFARE

Our animal welfare policies are based up the globally recognised Five Freedoms: Freedom from hunger or thirst, Freedom from discomfort, Freedom from pain, injury or disease, Freedom to express normal behaviour and Freedom from fear and distress.

### PEOPLE INITIATIVES

We're committed to safe and regulated workplaces across our entire supply chain. This includes our partnering farms which are required to conduct health & safety audits and planning. We've taken a proactive approach to tackling hidden labour exploitation that's underpinned by Modern Slavery legislation. All supplying farmers are expected to meet this legislation and act responsibly when employing labour, with permanent staff having a fair contract of employment.

### CLIMATE

We're committed to protecting the environment and driving sustainability. We encourage good farm practices that manage and minimise environmental impact and regularly carbon audit farms to quantify GHG emissions. Farms receive recommendations to improve efficiency and reduce their carbon footprint as part of the carbon auditing process.

## The Lactalis Development Group

Our Development Group is fundamental in bringing supplying farmers together to share the latest industry advancements and changes to legislation. The aim is to drive change and inspire our farmers through on-farm examples, workshops and webinars.

**In 2024 we covered topics including:**



Antibiotic benchmarking.



Breeding and fertility.



Nutrient management.



Staff management and contracts.



Health and safety legislation.



Maximising homegrown feed.

**LEARN MORE** about the Sourcing Standards



# OUR PROGRESS IN 2024



## The Lactalis Biodiversity pilot project

**Understanding our biodiversity baseline is a top priority.**

In 2024, we launched a pilot project with 12 farms where we completed biodiversity audits. This project aims to help us understand and quantify the variety of biodiversity on supplying farms.

As part of the audit, each farm received a farm environment map. It detailed habitats and boundary features, a bird species list, a plant species list, information about the soil and opportunities for enhancement.

In 2025, we're continuing the biodiversity audits and will use the findings to inform our wider biodiversity strategy.



# SUSTAINABILITY PAYMENT



Our farmers share our commitment to high standards of animal welfare and protecting the environment. This is why in January 2024, we introduced a Sustainability Payment element to the price we pay for the milk we use in our operations.

**The Sustainability Payment rewards our farmers for participating in key initiatives which include:**



## ANTIBIOTIC MONITORING

To maintain the effectiveness of antibiotics and limit the risk of the build-up of Antimicrobial Resistance, our farmers participate with an annual monitoring programme and consent to their vets sharing details about antibiotic use. Farmers and their vets discuss the results and implement preventative measures to reduce the amount of antibiotics used to manage herd health and welfare.



## HERD HEALTH PLAN

Herd Health Plans are an effective way of reducing antibiotic use on farm and monitoring herd health. These bespoke plans are created with the farms' vets, and focus on preventative health measures including good biosecurity, hygiene, nutrition and vaccine use. Farmers are required to submit their plans and health performance information to us annually. This enables the collation of data on key welfare outcomes and allows us to monitor herd health across our farms.



## CARBON FOOTPRINTS

Through carbon audits on our farms, we identify the steps each farmer can take to reduce greenhouse emissions. Qualified advisors make recommendations to reduce farm carbon footprints and we work with farmers to achieve our shared goal of a low carbon future.



## THE LACTALIS DEVELOPMENT GROUP

The Lactalis Development Group brings together our supplying farmers enabling them to work together to share knowledge and best practice. Through training and workshops, we provide inspiration and support to help farmers elevate on-farm standards. Our farmers are required to attend at least 2 of these development initiatives each year.



# PRODUCT AND PACKAGING

- Responsible and recyclable packaging



# OUR COMMITMENTS

Packaging production and disposal utilise the planet's resources and can impact the environment and biodiversity. Yet, packaging is fundamental for preserving the best quality and food standards for our fragile dairy products that deliver important nutritional benefits to our consumers.

We understand this impact and have a responsibility to actively engage our stakeholders to raise awareness and collaborate on innovative solutions for a more circular packaging economy.

**Our vision**  
**MOVING FORWARD TO MORE CIRCULAR AND RESPONSIBLE PACKAGING.**

## OUR AMBITIONS

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.

## 1. THE RIGHT PACK

- Develop eco design.
- Reduce all avoidable packaging components.
- Minimise packaging intensity.



## 2. BETTER CIRCULARITY

- Carefully select the right materials.
- Avoidance of packaging material which can't be easily handled in local sorting and recycling schemes.
- Incorporate more recycled materials.
- Ensure proper recyclability of our packaging everywhere it's sold.

## OUR AMBITIONS

We'll 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'll 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 to have 100% of the virgin paper we use covered by a sustainable certification by the end of 2023.\*\*

We'll 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. EDUCATE CONSUMERS & CONTRIBUTE TO CLOSE THE LOOP

- Educate our consumers to support them in recycling effectively.
- Raise awareness internally within Lactalis.
- Incorporate more recycled materials.
- Engage with local waste management ecosystems to enhance recycling effectiveness.

## 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'll set up an information module on the Lactalis Packaging Policy to make our employees ambassadors starting in 2023.\*\*

We'll promote events like Global Recycling Day and the World Cleanup Day to raise awareness around waste management.\*\*

\*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.

# OUR PROGRESS IN 2024

## RECYCLABLE PAPER SOLUTIONS

At our Lubborn site, we've made a sustainable switch! All our 140g and 220g Somerset Camembert now come in recyclable paper-based wraps instead of non-recyclable waxed paper and plastic.



## REDUCING THE AMOUNT OF PACKAGING WE USE

We're committed to reducing packaging while maintaining excellent quality. Less waste, same great taste! Our Galbani Mozzarella Minis 150g pouches now use 8% less plastic. In our Président Emmental 200g slices, we've reduced the top film by 11.5%, and in our Président 250g squirty cream we've reduced the steel by 10 grams. Through clever redesign, we've also reduced the plastic needed for the base of our Président La Motte butter 205g cloche by 17%.



## THE TOP FILM OF SERIOUSLY AND GALLOWAY SLICED CHEDDAR

At our Stranraer site, we're embracing recycled materials. Our Cheddar Slices now contains 30% recycled plastic in the top film, matching the recycled content in the base.



## REMOVAL OF SUPERFLUOUS PACKAGING

Our Galbani Dolcelatte 150g made an eco-friendly move by going lid-free, cutting down plastic usage by an impressive 33% per product.



# OUR PROGRESS IN 2024



## RACHEL'S ORGANIC YOGURTS 450G AND 150G

In 2024, all Rachel's Organic 150g pots and Private label small pots transitioned to recyclable pots that contain 30% recycled material rPET.



## MILKYBAR MOUSSES

In 2024, Milkybar Mousse moved to recyclable PET pots in March. It was the last mousse of our portfolio to switch meaning all our LNCD mousses are now in recyclable packaging.



## SKI AND RACHEL'S ORGANIC MULTIPACK CASE WEIGHT

Our work to reduce the use of cardboard in Ski and Rachel's Organic multipacks cases has resulted in an overall reduction of weight by 1.5t of cardboard in 2024.



## % OF LACTALIS NESTLÉ PACKS FEATURING ON PACK RECYCLING LABEL (OPRL) INFORMATION

All Lactalis Nestlé branded products sold in the UK now contain the OPRL recycling logo information. This enables our consumers to understand how to recycle the different packaging elements of our products.

In 2024, we were proud to announce that we'll be moving to Rainforest Alliance certified cocoa across all our Aero & Milkybar mousse ranges. This ensures that the cocoa used in our products meets rigorous, certified, standards focussed on combatting child labour, protecting forests, and improving farmers' livelihoods and incomes.

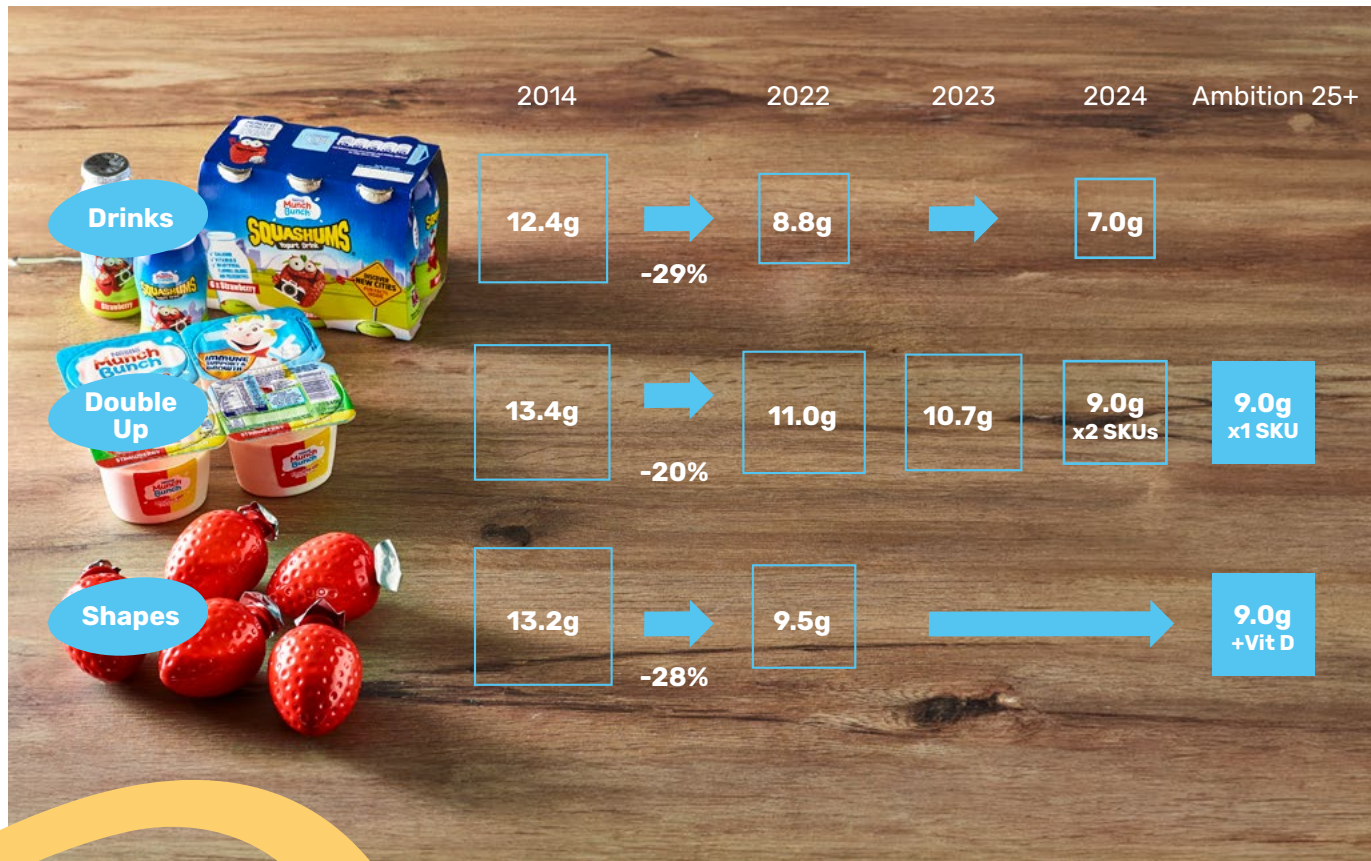


# OUR PROGRESS IN 2024

## LNCD Nutrition Programme

### MUNCH BUNCH SUGAR REDUCTION

Our commitment to reduce sugar in our core range is stronger than ever with a constant focus on taste.



We've delivered our initial phase of NO ADDED SUGAR LAUNCHES offering wider shopper choice.



**YOGURT**  
4x100g  
Strawberry & Banana  
**LAUNCHED**  
**OCT 2023**



**SQUASHUMS**  
5x60g  
Blackcurrant  
**LAUNCHED**  
**OCT 2023**



**DOUBLE UP**  
4x85g  
Raspberry & Peach  
**LAUNCHING**  
**MAY 2024**



**SQUASHUMS**  
5x60g  
Raspberry  
**LAUNCHED IN**  
**2025**

# OUR FUTURE FOCUS

## LNCD Nutrition Programme

### CONFECTIONERY

In line with our commitment to develop healthier product options, 2 new non-HFSS mousses will be launching in 2025, including Aero Orange that has launched in April, and a second flavour launching in June. Our standard mousses range will be fully non-HFSS-compliant.



# OUR FUTURE FOCUS



## RAINFOREST ALLIANCE

Following the transition of our standard mousses to Rainforest Alliance Certified Cocoa in 2024, we'll be continuing our efforts in 2025.

In 2025, our Creations Mousses will be certified, with Aero Creations and After Eight mousses transitioning in the first quarter of the year.

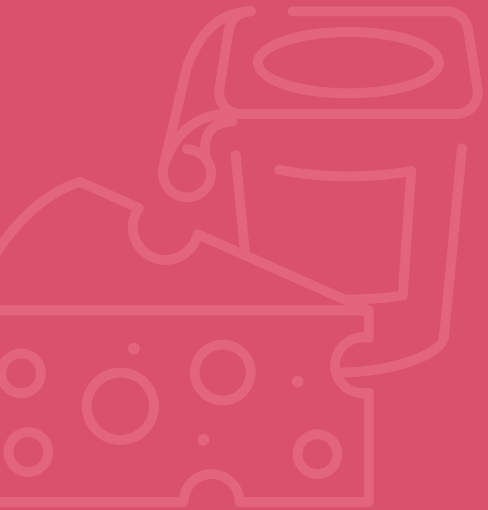
Our Rolo and Milkybar Crème Desserts ranges will also move to Rainforest Alliance Certified Cocoa in the summer of 2025. This will ensure that the cocoa used in our products meets rigorous, certified, standards focussed on combatting child labour, protecting forests, and improving farmers' livelihoods and incomes.

## PACKAGING

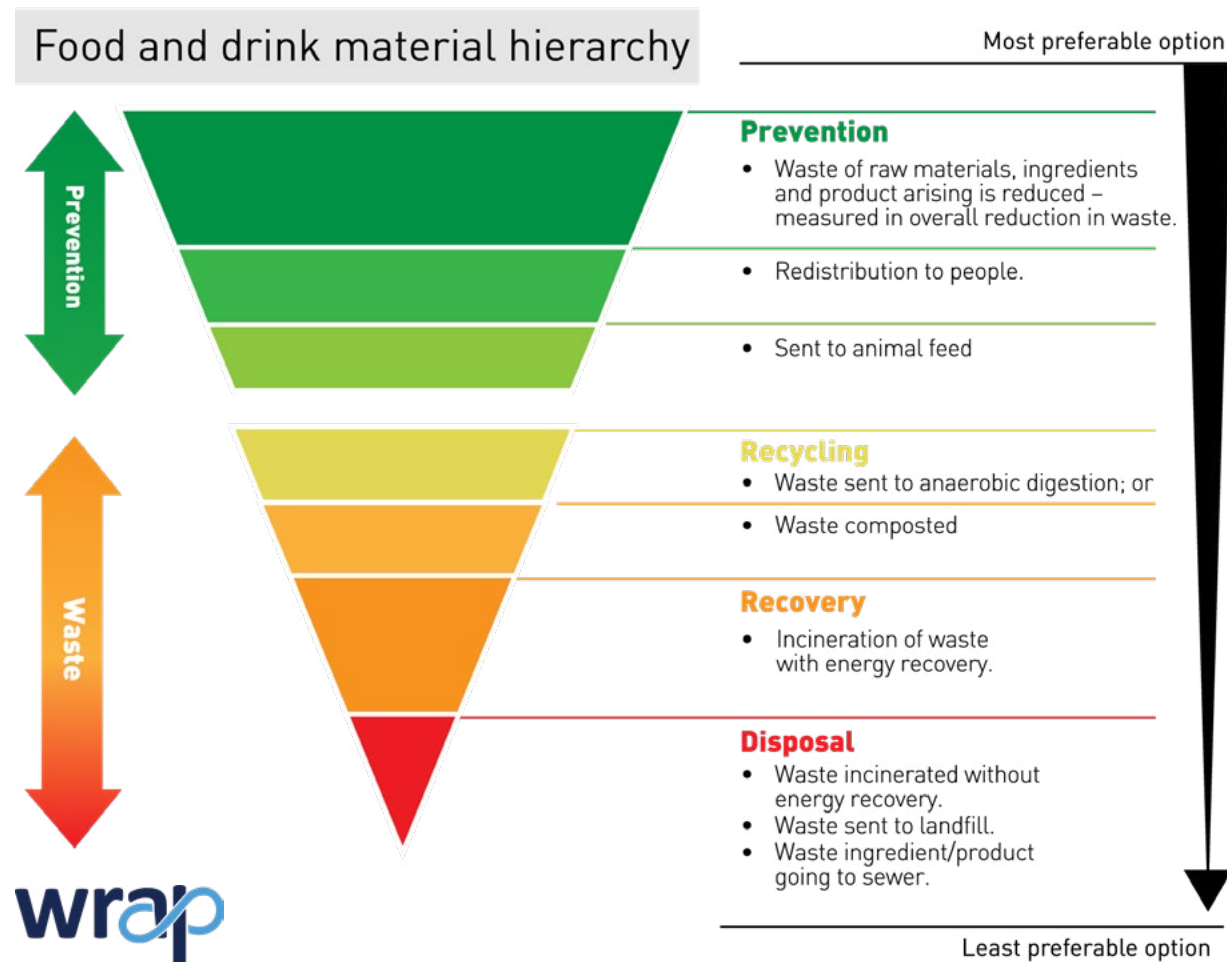
We'll keep reducing the amount of packaging in our portfolio, provide recyclable solutions and roll out more on-pack recycling labelling across all our Lactalis and Lactalis Nestlé Chilled Dairy brands to manage packaging waste.

We'll also continue to work with our suppliers to find innovative packaging solutions that minimise environmental impact.

# TACKLING FOOD WASTE



# TACKLING FOOD WASTE



## Our commitments

↓ 25%

Reducing food waste is at the heart of our operation. It plays a vital role in reducing our carbon footprint and improving resource utilisation across our supply chain. We've developed a roadmap to tackle food waste in the UK. We're aiming to reduce our food waste by 25% by 2030, using the WRAP pathway model.

# TACKLING FOOD WASTE

## Our progress in 2024

We committed to 3 pillars of improvement to reduce our food waste which were:

- 1 Improving forecast accuracy by building on customer relationships and improving our data quality and analysis.
- 2 Optimising our stock levels where required for minimum order quantities.
- 3 Exploring other opportunities for food redistribution to support community charities.

### Some of the actions we've taken include:

- Signing up to the Courtauld 2030 food waste target and UN Sustainable Development Goal 12.3 through WRAP.
- Built partnerships with food banks including FareShare and Bia Food.
- Working closely with Company Shop to manage excess stock and use it to fight food insecurity in UK and Ireland.
- Processing any leftover stock through anaerobic digestion.
- Operating a zero-landfill policy.
- In 2024, our Aberystwyth site invested in their waste room to improve segregation between different types of waste. As a result, the recyclability of packaging and food waste has improved.

**By focusing our actions, we've achieved a total food waste reduction level that's better than the reduction target levels.**

**BOTH UK BUSINESSES ARE ON TRACK TO DELIVER AGAINST THEIR 2030 GOAL OF REDUCING WASTE BY 25%.**



**2024 RESULT: 0.02% OF TOTAL VOLUME SOLD vs 0.145% target**

**GOAL: -25% by 2030 (0.12% of total volume sold)**

In 2024, LUK waste of finished goods as a percentage of total volume sold was 0.02%. We're tracking well ahead of the targets we committed to the Waste Reduction Action Group (WRAP).



**2024 RESULT: 0.19% OF TOTAL VOLUME SOLD vs 0.9% Target**

**GOAL: -25% by 2030 (0.8% of total volume sold)**

In 2024, LNCD continued to reduce its waste of finished goods as a percentage of total volume sold. We're tracking well ahead of the targets we committed to the Waste Reduction Action Group (WRAP).





# TACKLING FOOD WASTE

## Planning for the future

Throughout 2024, we continued our proactive approach to food waste by analysing future waste predictions. Where surpluses do occur, we're strengthening our network of clearance channels to ensure the best use of surplus food is made. We regularly work with these organisations to keep food in the human food chain to prevent the unnecessary destruction of stock.

### Our future focus

We're committed to deepening our knowledge and data analysis for forecasting through continuous improvement. We'll continue to enhance customer collaboration, especially on new product launches and promotional activities. We'll also keep looking for opportunities to expand our food redistribution networks.



# OUR PEOPLE

- Introduction
- Health and safety
- Our DE&I commitments
- People, development and training



# INTRODUCTION

## At Lactalis, we care about our people and our communities

As a family-owned company based in Laval, we're guided by Emmanuel Besnier, the great-grandson of our founder, André Besnier. This enduring family leadership provides us with a long-term vision and supports our global operations.

Although Lactalis is continually advancing, our core principles of ambition, commitment, and simplicity remain unchanged. This blend of tradition and innovation makes working at Lactalis a truly unique experience.

At the heart of Lactalis culture is the health & safety of our people. We implement the highest standards of health & safety practices to ensure the safety and wellbeing of our employees, and our workplace.

We promote diversity and empower our employees. Our team members have access to comprehensive learning and development programmes, which enhance their expertise, management, and leadership skills.

### **And finally, true to our leadership behaviour, CARE:**

- We make people and sustainability our focus.
- We create a safe and trusting working environment.
- We value a culture of listening and mutual feedback.
- We unlock potential and enable people to play to their strengths.



# HEALTH AND SAFETY

## Our progress in 2024

Keeping people healthy and safe is our number 1 priority and is at the heart of the Lactalis culture. We promote the importance of health and safety at every Lactalis office and production site. We also advocate for recognising the equal importance of mental health and encourage employees to get involved in wellbeing initiatives through our social, health & wellness and charity teams.

### IN 2024, WE CONTINUED TO MAKE GOOD PROGRESS ON OUR HEALTH & SAFETY GOALS:

TF2 is a measure of lost time and non-lost time accidents. In 2024, we met our UK targets (a >5% reduction) but also showed year-on-year reductions and were able to sustain the downwards trend. We'll continue that focus in 2025 and beyond as we believe everyone should feel safe in a Lactalis workplace.

In 2024 we celebrated success in a number of our manufacturing sites with various departments (Lubborn Packaging and Stranraer Powder) achieving over a year without a lost-time accident being recorded.



Example from our school's safety poster competition the aim of which was to have posters on site that provide a connection with our employee's families.



We invested time and resource in building a positive safety culture and engaging with our employees by:



Increasing near miss reporting and tracking corrective actions close, out to completion.



Continuing behavioural safety visits with our employees.



Logging risk assessment completion rates and identifying actions to reduce the risks.



Training in health & safety with over 3500 H&S training courses completed in 2024.

# HEALTH AND SAFETY



## World Safety Day 2024

LUBBORN

As an organisation we actively participate in World Safety Day, reinforcing the message that every day is a safety day. In 2024, we promoted our Group H&S Policy. We'll be supporting World Safety Day again in 2025.

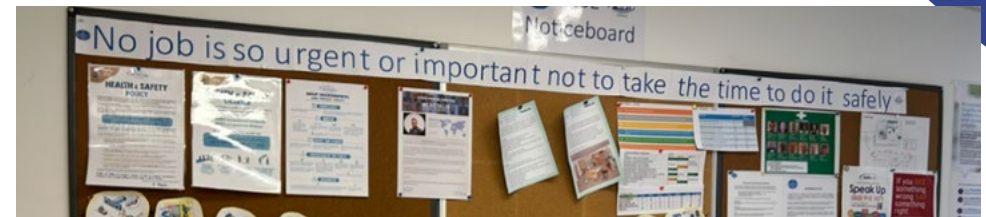
### STRANRAER



### Safety 12 Golden Rules Quiz Competition

- What should you do if you notice a health and safety hazard?
  - Ignore it
  - Immediately report it
  - Wait for someone else to report it.
- What does PPE stand for?
  - Personal Prevention Equipment
  - Personal Protective Equipment
  - Protected Procedure Essentials
- When operating machines and tools, what should always be used?
  - Overtime
  - Breaks
  - Guards
- What is the purpose of isolating energies?
  - To save electricity
  - To prevent accidental machine start-ups
  - To increase productivity
- What is a Permit to Work used for?
  - Planning lunch breaks
  - Documenting hazardous activities
  - Requesting time off
- Hazardous materials should be handled without proper precautions.
  - True
  - False
- Manual Handling should be done without considering ergonomic practices.
  - True
  - False
- Immobilising trailers on heavy goods vehicles (HGV) is necessary.
  - True
  - False
- Forklift (FLT) movements require no special precautions.
  - True
  - False
- Pedestrian walkways and handrails are essential for ensuring safe movement and preventing accidents in the workplace.
  - True
  - False
- One of the golden safety rules is to avoid \_\_\_\_\_ or drugs in the workplace.
- Ensuring clear \_\_\_\_\_ routes is crucial for workplace safety.

Employee Name:



# HEALTH AND SAFETY



## Our future focus

During 2025 we'll focus on reducing our TF2 rate further. We'll do this by deepening engagement with our employees and increase our efforts to encourage them to "do it right, keep it right, every time", using the 12 Golden Rules for Safety.

We'll track engagement in H&S through an increase in the number of preventative measures reported. We'll continue improving quality in our safety observations with employees. We'll provide visible and clear H&S communications so that safety is part of the conversation at all levels of the organisation.

KPI Workplace Safety	2021	2022	2023	2024	2025 Goal
<b>Injury rate, TF2</b> (number of lost time and non-lost time injuries/ hours worked)* 1,000,000)	43.7	2021	17.82	11.77	<10
<b>Number of preventative measures reported</b> (near misses and unsafe situations) / employee	0.164	2022	0.838	0.946	>2024
<b>Behavioural safety visits</b>	-	-	684	684	2/employee

**Work Safe, Home Safe**

**603 Days**  
Without a lost time accident

The previous record was  
**211 Days**

**Pride and Passion for our Products**



# OUR DE&I COMMITMENTS

The Lactalis Group values a workforce that has a **rich diversity of profiles and skills**

As the world leader in the dairy industry, operating in over 50 countries with a team of 85,500 employees of more than 80 nationalities, we value the different perspectives our employees bring. It's vital to our success and growth, and collaboration within multicultural teams has become the norm for the implementation of company-wide strategic projects. For example, our Leadership Model, based on the behaviours of Care, Share, Dare & Inspire was developed with the active participation of over 250 employees from more than 20 different countries.

Our Diversity, Equity and Inclusion policy sets out our commitments and the principles and measures that guide us. It's important to us that all employees enjoy an inclusive and equitable working environment, compliant with UK regulation.

**We know the ways we provide an inclusive workplace must continue to evolve, so we've set ourselves these targets:**

100%

100% of all newcomers trained in DE&I starting from 2024

60%

No more than 60% of one gender in leadership positions, by 2033



# OUR PROGRESS SO FAR

## Diversity, Equity and Inclusion Training



**In 2024, we invested significant time and resources to roll out several impactful programmes that championed our Group's DE&I policy and goals across all levels of our organisation.**

- We trained Board members and senior leaders in the organisation in the following topics : 1) Unconscious bias in recruitment, 2) Inclusion, 3) Psychological safety, and 4) Allyship.
- We ran several "Connect and Learn" (in-person and hybrid) sessions for all Head Office employees on Mental Health Awareness, Living through the Menopause and Supporting Disability. All these sessions were supported and fronted by a board member and senior leaders sharing their lived experiences.

- As proud partners of the D&I in Grocery programme which promotes and celebrates DE&I within the grocery industry, colleagues participated in monthly Learning Labs to expand their knowledge. 10 colleagues attended the 2024 D&I in Grocery Live! event focused on sharing best practice.
- To promote greater awareness of the full DE&I agenda company-wide, we participated in the Lactalis Group DE&I Games Challenge. This initiative covered 6 different models, themed around the Olympics. The UK had one of the highest completion rates within our division, with 164 employees taking part.

### LACTALIS UK & IRELAND IS A MAJOR PARTNER OF THE D&I IN GROCERY INITIATIVE

**D&I  
IN GROCERY**



[lactalis.co.uk/sustainability](https://lactalis.co.uk/sustainability)

### THE DE&I GAMES INITIATIVE



# OUR PROGRESS SO FAR



## Gender equality

Lactalis made a commitment to ensure that, by 2033, no more than 60% of any one gender will be represented in leadership positions.

To achieve this, at the end of 2024 we set up our first ever Employee Resource Group (ERG) "Women In Lactalis". The purpose of this group is to strengthen Lactalis' culture by promoting an inclusive and diverse work environment that attracts, retains and develops all women, with the support and encouragement from our male and female allies.

### With the "Women In Lactalis ERG we aim to:

- Create a supportive network for women across our businesses based on trust and sharing lived experiences.
- Support the professional development of women through training and mentoring opportunities.
- Create a calendar of activities and events that support the female experience at work.
- Work in partnership with our male allies to amplify the voices of women and ensure female perspectives are heard and valued. Share the responsibility of advocating for, and implementing gender equality initiatives, making these efforts more effective and sustainable.

### GENDER EQUALITY DATA

50%

50% of management roles in our UK head office filled by women.

44%

Of the LUK Board is female (4 females, 5 males).

50%

Of the LNCD Board is female (3 females, 3 males).

Our figure for women in leadership roles remained consistent in 2024 with 50% of management roles occupied by women.

We also have good female representation in our Board of Directors, and are already meeting the Lactalis Group 2033 target of no more than 60% of any one gender to be in leadership positions:

- The Lactalis UK & Ireland business has a male/female Board split of 56%/44%.
- In our LNCD business, following the appointment of Catherine Legorgeu as Managing Director, we now have a 50%/50%, male/female LNCD Board split.

**Heloise Le Norcy-Trott, Group Marketing Director and Board Sponsor of our Women In Lactalis ERG Group.**



# OUR PROGRESS SO FAR

## People, development and training

### APPRENTICESHIPS: NURTURING FUTURE TALENT

In 2024, we expanded our well-established apprenticeship programmes to continue nurturing future talent. We believe that apprenticeships are pathways to success, innovation, and leadership. Apprentices bring fresh perspectives, address skill shortages, and help us create career progression pathways for successful succession planning.

#### FOUNDATION DEGREE IN DAIRY TECHNOLOGY (FDSC DAIRY TECHNOLOGY)

At the University Centre Reaseheath, our apprentices complete a Foundation Degree in Dairy Technology. This programme is designed to develop world-class professionals in the dairy industry, covering all aspects of dairy technology, including practical hands-on craft skills and key science principles to run an efficient modern dairy operation. This approach has been instrumental in shaping the future leaders of the dairy industry.



#### Ross Cunningham

Ross joined McLelland Cheese Packing Ltd as a Process Technician in 2017. Within 3 years, he climbed the ranks to Senior Process Technician and later moved to Caledonian Cheese Company Ltd in August 2022 as Process Support in our cheese production department.

**Ross and Tom successfully completed their FdSc Dairy Technology in August 2024.**



#### Tom Mcmillan

Tom first joined the business on a temporary contract in 2015 and rejoined us in 2022 as a Process Support role in the Powder department at Caledonian Cheese Company Ltd.



#### Louise Lewicka and Helen Bodle

Louise and Helen have been part of Lactalis for 19 years and 5 years respectively. They're part of our Quality Management Trainee programme, balancing work and study to earn their Foundation Degree in Dairy Technology at the University Centre Reaseheath. They started the programme in August 2024.

# OUR PROGRESS SO FAR

## People, development and training

### INTERNSHIPS

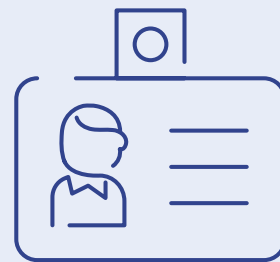
Since 2021, we've partnered with Southampton and Surrey Universities to offer hands-on experience through our Internship programmes. In July 2024, we welcomed 9 interns into our Communications, Customer Activation, and Sales teams, spanning Lactalis UK & Ireland and Lactalis Nestlé Chilled Dairy businesses.

These internships provide students with valuable work experience, access to training and mentoring programmes, and opportunities to contribute to and manage rewarding projects. We support our interns throughout their placements by maintaining close contact with their universities, arranging workplace visits, and conducting regular reviews to ensure they integrate smoothly into our business and progress effectively. The friendships formed by the interns are also strong, building a network of support.

Our engagement with interns often extends beyond the completion of their internships. We remain in touch and are always delighted to hear about their continued success in their chosen fields.

#### INCREASING OUR INTAKE OF INTERNS FROM 8 TO 9

In 2024, we recruited 9 new interns.



# OUR FUTURE FOCUS



## Diversity, Equity and Inclusion

With the sustained focus in 2024 on DE&I education and awareness across the entire business, we made real progress in opening up discussions on DE&I topics and normalising them within the workplace. We plan to accelerate our progress in 2025 by focusing in on 3 priority areas;



Inclusive recruitment and a new company-wide mentoring scheme.



Growing our Women in Lactalis ERG group and its impact.



Ensuring we embed DE&I systematically across our business through governance and clearly defined workstreams, goals and activity calendars.

Through this continued focus, we hope to build stronger working relationships and contribute to a harmonious and productive diverse workplace.

## Company-wide mentoring scheme

**Lactalis has participated for some time in external mentoring schemes:**

- For 9 years, we've partnered with IGD on their mentoring programme. We've had 8 people from our businesses participate in the programme.
- In 2024, we had 2 mentors and 2 mentees also participate in the D&I in Grocery mentorship scheme.

In 2025, Lactalis UK & Ireland set up a company-wide mentoring scheme, with 26 mentors from across our sites each offering 3 key skills to mentor on. Mentors are being matched with the relevant mentees who want to grow their knowledge, experience and confidence in these areas. The response to this scheme has been very positive and we're delighted to support this programme that provides a structured process to support and nurture employee growth and development.

**Ian Sanger, Group Sales Director and HR Manager, Antonia Skinner, Joint sponsors of our company-wide mentoring programme.**



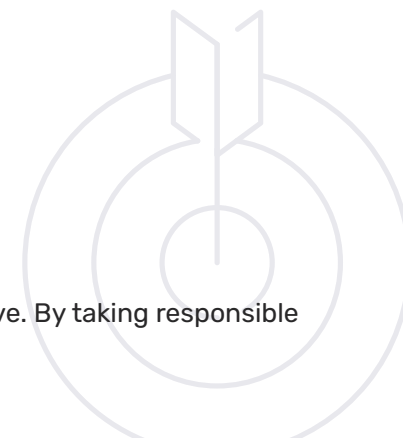
# COMMUNITIES



# OUR COMMUNITY COMMITMENTS

Our goal is to align our corporate giving and community investments with our core values and the needs of the communities we serve. By taking responsible actions, we want our employees to feel proud to be part of Lactalis.

## Here's the progress we made in 2024:



### AREA OF FOCUS

#### BUILD AND NURTURE CHARITABLE AND COMMUNITY PARTNERSHIPS

#### ESTABLISH A VOLUNTEERING SCHEME AND BUILD YEAR-ON-YEAR PARTICIPATION RATES

#### USE OUR FOOD SURPLUS FOR PURPOSE IN THE COMMUNITY

#### MEASURE EMPLOYEE SENTIMENT ON CSR IMPACT AND ESTABLISH RELEVANT ACTION PLANS

### 2024 PROGRESS

Recognised as a GroceryAid Gold level supporter.

Recognised as "Organisational Fundraiser Of The Year" at the Anthony Nolan Supporter awards.

RHET (Royal Highland Education Trust) van sponsored for 3 years.

Employee charity votes for 2025-26 undertaken and teams in place to create a calendar of events:

- **Redhill** (charity: Anthony Nolan).
- **Lubborn** (charity: CALM, Campaign Against Living Miserably).
- **Stranraer** (charity: Stranraer Dementia and Brain Health Centre).

In 2024, there were 28 volunteering activities recorded, up from 14 in 2023 including working with the charities, The Space in London & the Felix Trust (both via our partnership with FareShare).

We supported the World Clean Up Day initiative:

- Working with Reigate & Banstead Borough Council's GreenSpaces team. 30 people took part clearing litter, removing invasive Himalayan Balsam and assembling nest boxes.
- Our Lubborn site organised a month of donations and collections of clothing and small household items that were recycled and donated to charitable causes.

2024 marked our eighth consecutive year of working with FareShare, the UK's largest charity fighting hunger and food waste.

Throughout the year we supplied 116.3t of surplus which equates to 276,910 meals.

Partnered with FareShare Scotland for our 3rd year of the Galloway Gathering project. We supplied 800kg of cheddar and delivered the equivalent of 100,000 meals to help tackle food insecurity and social isolation in Scotland.

Our actions are translating into higher employee engagement scores. In our bi-annual survey with KornFerry, we've seen a 23 percentage point improvement in 2023 (vs. 2021) on positive CSR sentiment.

Action plans were created and reviewed by the Board of Directors

# OUR PROGRESS SO FAR

We're nurturing strong, collaborative relationships with our key charity partners, involving diverse teams from across our business to achieve significant progress and lasting change.

## A SPOTLIGHT ON FareShare

DONATING  
**116.3 TONNES**  
OF FOOD



2024 marked our 8th consecutive year supporting FareShare which is the UK's largest charity fighting hunger and food waste. FareShare support over 8,000 UK charities and community groups.

**In 2024, we helped over a quarter of FareShare charities, or 2,319 organisations, who directly benefitted from the 116.3 tonnes of surplus food we donated.**

Over the last eight years, we've diverted more than 600 tonnes of product from waste, the equivalent of 1,761,831 meals, helping people in need and supporting our commitment to sustainability.



## A SPOTLIGHT ON The Galloway Gathering Project

Rooted in Scotland, Galloway Cheddar honours its heritage by giving back to its local communities, through the Gathering project.

In partnership with FareShare - the UK's largest charity fighting hunger - Galloway has taken a stand against two critical issues in Scotland: food insecurity and social isolation.

Since 2022, the Gathering Project has supported communities across Scotland, through organised events in local community centres and inspiring consumers to join and support the cause. Thanks to this collective effort, in 2024 we provided over 100k free community meals giving valuable support to those in need.



# OUR PROGRESS SO FAR

## A SPOTLIGHT ON

## Anthony Nolan

**£11,000 IN 2024, £70,000 SINCE 2021**

**2024 ORGANISATIONAL FUNDRAISER OF THE YEAR**

The Anthony Nolan charity is a charity that means a lot to our employees since it's the charity that helped our former colleague, Julien Desilles, in his brave fight against blood cancer prior to his passing in November 2020.

As our company charity of the year since 2021, the Lactalis UK & Ireland and Lactalis Nestlé Chilled Dairy teams have raised an incredible total of £70,726 for the charity. This equates to recruiting 1,768 new lifesaving donors to the stem cell register.

Last year, we were awarded the Organisational Fundraiser of the Year at the Anthony Nolan Supporter Awards. Our team has fully embraced fundraising, taking on a variety of personal and team activities, including our team summer Sports Day, Ride London, Prague and London Marathons, the Royal Parks Half Marathon and walking challenges.



# OUR PROGRESS SO FAR



## A SPOTLIGHT ON

## GroceryAid

### A **GOLD-LEVEL** SUPPORTER FOR THE **THIRD YEAR**

In January 2025, we were proud to retain our Gold Status in the GroceryAid awards, acknowledging our extensive fundraising and volunteering efforts throughout the company.

One example was our celebration of GroceryAid Day in May. Our teams in Redhill and Lubborn enjoyed burgers and cheesy treats, courtesy of our Development Chef, Rory Larkin, our HR team and our GroceryAid Awareness Network Member, Olivia Floris. Through this enjoyable (and tasty!) event, we signposted the vital services GroceryAid provide offering essential emotional, practical, and financial assistance.

We're honoured to contribute to its initiatives and support grocery colleagues in need as part of the broader industry team.



**GOLD**  
2023 AWARD WINNER



# OUR PROGRESS SO FAR

A SPOTLIGHT ON

## Our factories' community impact

**SUPPORTING PROSTATE  
CANCER UK, MACMILLAN  
CANCER SUPPORT AND LOCAL  
INITIATIVES**

Colleagues at our manufacturing sites have also worked tirelessly throughout 2024 to support their employee-voted charities.

In 2024, our Stranraer team supported Macmillan Cancer Support. They held various events, including March in March, Grand National Sweepstakes, social sponsored walks, holiday competitions, the annual Coffee Morning in September, a plant sale, and a skipping challenge in November. The team also supported local food banks and day centres with food and financial aid, engaged in school visits, and organised Easter egg and selection box collections for local charities. Staff engagement events included a staff dance in November and a Kids' Christmas party in December.

Our Lubbourn team supported Prostate Cancer UK. They focused on raising awareness through events including Movember and raising money to donate back to the charity. Our colleagues in Lubbourn are also proud to sponsor their local junior football team, Perry Street U15.



# OUR FUTURE FOCUS

**Our 2025-2030 plan gives us a clear framework for the years ahead and we're committed to achieving the goals we've set out.**

We'll continue to build and nurture our charitable and community partnerships including those with our national partners, FareShare and GroceryAid. At a local level, we'll support employee-chosen charities for 2025-2026: Anthony Nolan, Campaign Against Living Miserably (CALM) and the Stranraer Brain Health & Dementia Resource Centre.

In September 2025, we'll be the headline sponsor at the Oyster Festival in Stranraer. As a key local employer, we're keen to play a more visible role in our local community. We'll be sampling our delicious cheddars and highlighting some of the career and training opportunities that are available as part of a worldwide group.

Once again, we're committed, aligned with Lactalis Group, to our employees volunteering in the World Clean Up Day event in September 2025.

We'll also continue to organise corporate volunteering opportunities to bring our different teams together and increase our impact.

We'll be running a pulse employee survey in Q3 2025 and we'll use this to gather employee feedback on our CSR and community support so that we can continuously improve.



# KEY SUSTAINABILITY FIGURES



# KEY SUSTAINABILITY FIGURES

## LACTALIS UK & IRELAND AND LACTALIS NESTLE

This table presents key performance indicators related to sustainability across our focus areas. For further elaboration on each area, please refer to the corresponding sections of the report.

<b>CLIMATE (ENVIRONMENT)</b>	Unit of measure	2019 baseline	2020	2021	2022	2023	2024*
Energy consumed per unit of finished products	kWh/kg	1.479	1.204	1.317	1.367	1.347	<b>1.465</b>
Scope 1 greenhouse gas emissions from industrial sites, and vehicle fleet (TCO2e)	TCO2e	14,951	13,302	14,888	15,702	14,343	<b>13,501*</b>
Scope 1 biogenic emission from industrial sites (TCO2e)	TCO2e	-	-	-	-	-	-
Scope 2 greenhouse gas emissions from industrial sites (TCO2e)	TCO2e	7,673	7,661	7,027	6,578	6,772	<b>11,920**</b>

<b>ANIMAL WELFARE</b>	Unit of measure	2020	2021	2022	2023	2024
% of direct annual volume of collected raw milk coming from partnering farms regularly assessed on animal welfare (at least once every 3 years)	%	100	100	100	100	<b>100</b>
% of indirect annual volume of collected raw milk coming from partnering farms regularly assessed on animal welfare (at least once every 3 years)	%	100	100	100	100	<b>100</b>

<b>PACKAGING</b>	Unit of measure	2020	2021	2022	2023	2024
% recycled, material / Total material used	%	Not measured	Not measured	Not measured	46	<b>65</b>
Metric tons of PVC in packaging	%	Not measured	Not measured	Not measured	0	<b>0</b>
% of packaging recyclable by design	%	Not measured	-	-	78	<b>62</b>

\* Includes acquisitions \*\* Change of Co2 emission factor from location based to market based

# KEY SUSTAINABILITY FIGURES

## LACTALIS UK & IRELAND AND LACTALIS NESTLE

### FOOD SAFETY

	Unit of measure	2020	2021	2022	2023	2024
Number of sites certified with at least one of the standards ISO 22000 - FSSC 22000 - IFS - BRC - SQF	nb %	3 100	3 100	3 100	3 100	<b>3</b> <b>100</b>

### FOOD WASTE

	Unit of measure	2020	2021	2022	2023	2024
Total food waste volume produced	%	0.547	0.626	0.417	0.137	<b>0.109</b>

### PEOPLE

	Unit of measure	2020	2021	2022	2023	2024
% of women in leadership positions	%	27	27	27	40	<b>43.7</b>
Number of women in leadership positions	nb	4	4	4	6	<b>7</b>
Engagement rate	%	Not measured	55	Not measured	62	<b>Not measured*</b>

\* The results of the Engagement survey are valid for 2 years.

# REPORTING PRINCIPLES

**Our origins of data involves detailing where and how the data was collected, including the methods, sources, and relevant processes used to gather and analyse our data.**

## ENVIRONMENTAL INDICATORS

Energy consumption (kWh data) is collected by the UK sites using meter readings or invoices, and then transmitted to the Group's Energy and Environment Department through a reporting tool. Lact@HSE and subsequent input to TooValu for operational sites for CO<sub>2</sub>e.

## GREENHOUSE GAS EMISSIONS INDICATORS

The Group CSR Department is in charge of calculating the Group's greenhouse gas emissions annually using the GHG Protocol methodology. The input data used in the calculation comes from the Energy and Environment and Supply Chain departments. Scope is operational UK sites.

The conversion factors used come from several external databases and are communicated by an external service provider.

## ANIMAL WELFARE INDICATORS

UK milk procurement specifications require ALL milk, whether 'direct' from contracted farms or 'indirect' from third party purchasers/brokers, to originate from farms independently assessed and certified as meeting the Red Tractor Assurance dairy scheme standards, which delivers an assessment of animal welfare at least every 18 months. Status updates are provided directly from our appointed Certification Body and the Red Tractor online checker. Additionally all directly contracted farms will have an annual Farm Review visit/audit by a Lactalis Farm Supply Manager.

## PACKAGING INDICATORS

The indicators relating to packaging and the circular economy are taken from the specific reporting carried out by the UK Purchasing Department: this annual reporting covers the volume of packaging materials purchased, by material, as well as information on their virgin or recycled origin. The scope of reference concerns primary, secondary, and tertiary packaging excluding pallets for the brands and private labels.

## FOOD SAFETY INDICATORS

The food safety management standards recognised as part of this reporting are: IFS, BRC, FSSC 22000, SQF and ISO 22000.

## FOOD WASTE

The term 'Food waste' as used in this document is the same term used by WRAP, IGD, the European Commission, and the UK Governments.

It excludes any material that is sent for:

- Redistribution to people (e.g. through a charity or commercial redistributor)
- Animal feed
- Bio-based materials / biochemical processing (e.g. feedstock for other industrial products)

All food waste from Lactalis UK operations is sent to anaerobic digestion.

## SOCIAL INDICATORS

Information on the number of women in leadership positions is taken from the HR reporting provided by HR Managers. The term "leadership position" means the following: the General Manager and the persons who report to him/her, as well as all the members of the Executive Committee of the business unit, if one exists in the country, as well as plant management positions.

Information on the employee engagement rate is extracted from the external survey software used by Lactalis UK.

The results of the survey are valid for 2 years. Thus, the engagement rate for year N also includes the results of the surveys conducted in year N-1.

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