



SUSTAINABLE DEVELOPMENT REPORT

HOCHLAND POLSKA 2024



Photo. The Liwiec River – A Natura 2000 Area located near The Hochland Polska production plant in Węgrów

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ENVIRONMENTAL

- **Reduction of Greenhouse gases (GHG) emissions in Scope 1 and 2 by 63%** per tonne of product (vs base year 2019)
- **100% electricity** purchased and consumed for production at Hochland Polska sites comes from **RES sources**
- Reduction of raw materials and utilities consumption at the sites:
 - **reduction of electricity and gas consumption by 16%** per product tonne (vs 2017)
 - **reduction of generated waste by 53%** per product tonne (vs 2017)
 - **water consumption reduced by 14%** per product tonne (vs 2017)
- In 2024, water consumption in Kaźmierz site was lower than in 2023 despite an increase in production volume
- **104 tonnes of cheese donated to the Food Banks**



COMMUNITY

- **96% 'good' or 'very good' responses** – results of a satisfaction survey carried out in the local community in Kaźmierz
- **100% of new employees** completed their training on Sustainability in Hochland Polska
- Thematic trainings dedicated to Sustainability, carried out:
 - **Communication without greenwashing** (commercial departments)
 - **Water consumption optimisation** (production departments)
 - **Waste segregation rules** (all employees)



GOVERNANCE

- **73% of farms supplying milk to Hochland Polska meet the highest level of cow welfare standards** (developed by Hochland Polska in cooperation with the Polish Milk Chamber, farmers and other milk buyers on the basis of the International Dairy Federation (IDF) guidelines)
- Start of carbon footprint calculation at farms supplying milk to Hochland



AWARDS AND ACHIEVEMENTS

- **Eco-Investor of the Year 2024** in food industry
- **ESG ranking Responsible Management** – 16th place
- 4 Good Practices were submitted for qualification to the Responsible Business Report for 2024
- Hochland Polska is a **signatory of the Diversity Charter** coordinated by the Responsible Business Forum



01

HOCHLAND IN POLAND



30 years of Hochland in Poland!

In 2024, Hochland celebrated its 30th anniversary in Poland. Hochland Polska was established in 1993, but production did not start until August 1995. The anniversary date is calculated from the year falling between the two events. Products are manufactured in Poland at two production plants – in the Wielkopolska region, in Kaźmierz, and in the Mazovia region, in Węgrów. The cheeses are

prepared according to tried and tested, carefully refined recipes. Hochland takes great care to ensure that the ingredients used are of the highest quality, the most important of which is milk from specially selected farms. Finished products are distributed under refrigeration in accordance with the principles of product safety and then find their way to the kitchens of Poles, while some products are exported to European countries and outside the EU.



HOCHLAND PRODUCTS



AWARD

ESG Ranking Responsible Management

Hochland Polska was ranked **16th** in the 'ESG Ranking. Responsible Management' (formerly: Ranking of Responsible Companies). The Ranking is a recognised list of the largest companies in Poland, assessed in terms of quality of responsible management in accordance with ESG guidelines. This is the 18th edition of the Ranking organised by the Koźmiński Business Hub at Koźmiński University.

1.1 HOCHLAND VALUES

The operation of the Hochland Group is based on values, the observance of which is extremely important, both for the owners and the management. In addition to the high quality requirements of our products and services, these values also include **respect for every individual, goal-oriented thinking and action**

by Employees, acting with sustainable development in mind, and the independence of our Company. Respecting and promoting the human rights of our Employees, as well as those in our supply chains and other Contractors, is an important matter.

Responsibility for Employees, Contractors, the

environment and the Company is taken very seriously and describe in the CODE OF CONDUCT, available on the website, among others:



HOCHLAND POLSKA HAS IDENTIFIED THE VALUES IMPORTANT TO EVERY EMPLOYEE

Recognising the importance of values in the operation of any company, Hochland Polska has initiated a programme promoting and fostering corporate and personal values.

The following key company values were identified at Hochland Polska:

- own initiative;
- culture of innovation;
- information and communication;
- interpersonal relations;
- conflict as an opportunity;
- learning and development;
- team management

When we hear the word value referred to a company, we usually see it through the material and tangible objects, e.g. added value or value of the given item. However, the word value has a much broader meaning, which refers to a set of universal principles which organise and streamline activities by becoming an integral part of organisational culture, shaping the standards of conduct, vision and mission of any company. Open communication, willingness to share knowledge and paying attention to interpersonal relations are elements influencing the building of positive atmosphere based on cooperation and communication.



1.2 PRODUCT QUALITY AND SAFETY

At Hochland, the highest standards of quality and hygiene in production are observed so that the products that are delivered to customers and Consumers are safe and meet their expectations in 100%.

***“Quality is not just an action, it is a habit (the culture of the organisation)”–
Aristotle***

***“Quality means always doing your job correctly”
– Henry Ford***

The above mottoes illustrate why the focus at Hochland is on Employees, Teams and product safety. Hochland pursues a company culture that enables everyone to take responsibility for both the quality and safety of its products and for work-

place safety. All Hochland Employees know and understand their responsibility in this regard as part of their job. Quality management is not just an action, it is the culture of our organization and the awareness of the quality and safety of our

products. We have implemented the “ZaSERwuj Jakość” (Serve the Quality) programme intended to raise the quality awareness of our employees, expanding their knowledge of quality topics in an interesting and accessible way.

The Quality and Food Safety Policy is based on:

– Hochland’s Mission, Vision 2025 and company Strategy, approved by the Management Board

– Managers

– All employees

Compliance with the GFSI standard (Global Food Safety Initiative), as well as internal standards and customer standards are the basis for all Hochland sites.

The company aims to achieve a high level of performance in all GFSI and customer audits:

- IFS (higher level, $\geq 95\%$)
- McDonald’s SQMS (grade A) – for the Węgrów site.



1.2.1 SAFETY AND QUALITY OF RAW MATERIALS ARE A GUARANTEE OF GOOD PRODUCT QUALITY

The quality of raw materials is paramount as it impacts food safety, as well as the taste and nutritional values of the products. **Thanks to high-quality raw materials,** Hochland can provide healthy and tasty products to the customers.

Milk supplied to the Hochland site must meet certain parameters. We place stringent requirements on our milk suppliers, in particular when it comes to milk quality. On the one hand we require, on the other we provide our partners with support.

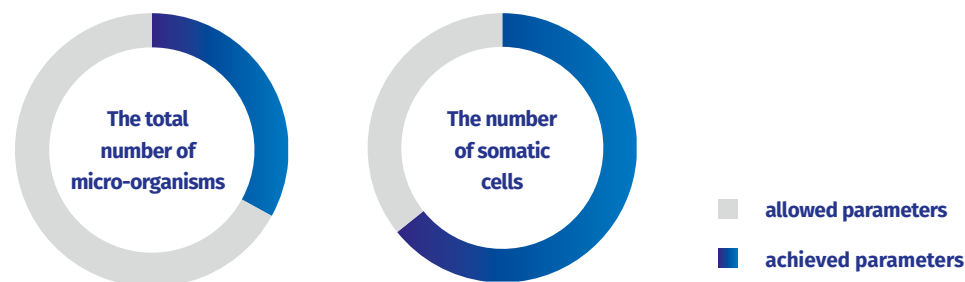
Ensuring the highest quality raw material is supported by modern technologies. In 2024, Hochland and its technological partner implemented a robust and repeatable solution, independent of weather conditions, which automatically measures milk parameters upon acceptance. This implementation has provided a significantly higher milk acceptance throughput, which has also ultimately translated into shorter unloading times.

Quality of purchased milk

1. Microbes and Somatic Cells:

- The total number of micro-organisms in 1 ml of milk must not exceed 100,000
- The number of somatic cells in 1 ml of milk must not exceed 400,000

Quality of milk purchased by Hochland Polska in 2024



2. Pharmacological Substances:

- Milk must not contain residues of pharmacological substances, hormones, antibiotics, pesticides, detergents or other harmful substances.



AWARD

Award for Almette in category “Serek kanapkowy” in 10th edition of Competition We Read Labels 2024.

The competition Czytamy Etykiety (We Read Labels) is unique in that it is the only Polish ranking in which the consumers choose the winners and not a jury. The We Read Labels competition focuses on promoting products with simple ingredients which stand out in the market compared to others in their categories. Thanks to the competition, consumers can easily find out which brands offer the highest quality products.



1.3 ESG IN HOCHLAND ORGANISATIONAL STRUCTURES

Sustainability issues are of interest to both the Company's Management and management members. Responsibility for ESG issues is assigned to the Sustainability Manager, reporting directly to the CEO, who oversees the area of sustainability. The manager leads the work

of the Sustainability and Environment Department, responsible for the implementation of operational activities. As sustainability applies to all areas of the business, managers and Employees from various departments and levels (including Sales, Purchasing, Administration,

EHS, Logistics, HR) are also involved in the process and provide direct material and organizational support in the implementation of sustainability tasks. Such a structure means that the responsibility for Sustainable Development rests with the CEO.

THE STRUCTURE OF RESPONSIBILITY FOR SUSTAINABILITY

President of the Management Board	<ul style="list-style-type: none"> Responsible operation of the Company in accordance with ESG
Sustainability Manager	<ul style="list-style-type: none"> Coordinating the implementation of the Sustainable Development Strategy Management of work and implementation of planned ESG activities Monitoring performance and progress against strategic objectives Reporting the results to the Management Board
Staff of the Sustainability and Environment Department	<ul style="list-style-type: none"> Cooperation with various organisational units Internal reporting to the Manager and external reporting to the administration Participation in strategy development, including the creation of a culture of sustainability among Employees
Managers and staff from various departments	<ul style="list-style-type: none"> Participation in the development of the ESG strategy Substantive and organisational support in the implementation of various sustainable development activities and tasks Reporting of data included in the ESRS activity report

Like other areas of the company's business, sustainable growth management is implemented through objective setting. **Management by objectives** means that the employees know the objectives of the organisation, understand their importance and are involved in achieving the objectives.



1.4 COOPERATION WITH NON-GOVERNMENTAL ORGANIZATIONS AND UNIVERSITIES

Hochland Polska wants to contribute to the responsible development of the entire industry. Hochland experts actively participate in the work of sector organisations and make the relations between the business and the scientific worlds closer.

Hochland supports initiatives intended to expand knowledge about sustainability — from theory to practice. Third-year students of Economics at Poznań University of Economics and Business, specialising in “Green economy and sustainable consumption”, could see how theory and practice can be combined at

the Hochland site in Kaźmierz in 2024. During the study visit, students learnt about the sustainability measures implemented by the company. After inspiring talks and product tastings, they had the opportunity to visit the Hochland Polska production site in Kaźmierz.



Hochland Polska is a Member / Partner of:

Polish Chamber
of Milk

Association of Polish
Dairy Processors

Responsible Business
Forum

Polish Federation of Cattle Breeders
and Dairy Farmers

Polish Federation
of Food Producers

1.5 ESG IN STRATEGY

Hochland Polska is fully aware that it is impossible to realise long-term business goals without ESG issues. The environment, the livestock, the farming community is an unmissable and

most essential part of the business. The Company is aware that if it does not take care of these elements, it will not only fail to achieve its business goals, but practically the business

will cease to exist without them. This is the reason why the Company strives so strongly for full symbiosis.

More Sustainable Development means products with minimal impact on the environment. Circular economy supports and helps protect the lives of our children and grandchildren. **Hochland's ambitions are:**



Reduction of carbon footprint by **50%** by 2025 in terms of scope 1 and scope 2 per tonne of product (base year 2019)



Reducing raw material consumption: reduction of water, energy and gas and waste generated in production facilities by **1.5% per year per tonne of product** (base year 2017)



70% of milk suppliers meet the **highest standard cow welfare** (level A) by 2025

The cow welfare standard used by Hochland was developed together with the Polish Chamber of Milk, breeders and other milk purchasers based on the guidelines of the International Dairy Federation (IDF)



100% of packaging will be able to suitable for further processing by 2025, with 20% less packaging plastic per tonne of product (base year 2018)

5 PILLARS OF STRATEGY HOCHLAND

Sustainability

Profitable growth

Attractiveness

Efficiency

Digitalization

HOCHLAND IS CURRENTLY CONDUCTING WORKSHOPS AND MEETINGS AIMED AT SHAPING NEW VISION 2030.

02

**HOCHLAND WORKS
WITH RESPONSIBLE
PARTNERS**

2.1 HOCHLAND COOPERATES WITH MILK SUPPLIERS

Hochland Polska works with around 400 family dairy farms. The purchasing region comprises provinces – Lubelskie, Podlaskie and Mazowieckie. We buy milk within a radius of approximately 100 km from the Węgrów plant. In addition to those involved in milk analysis and billing, the Milk Supplier Cooperation Department has a group of five coordinators who work with suppliers on a daily basis to improve production by improving milk quality, ensuring appropriate hygiene standards and animal welfare.

Hochland's milk suppliers are implementing solutions that improve energy efficiency, independence and reduce greenhouse gas emissions and improve the economics of the farm by, among other things, installing on-farm wastewater treatment plants, photovoltaics or heat recovery, obtained during cooling process of milk. The goal is to reduce greenhouse gas emissions and improve farm economics. It is also important to Hochland Polska that the welfare of the breeding animals – the dairy cows – is at the highest possible level.



PURPOSE: ANIMAL WELFARE

KPI: 70% OF FARMS IN “LEVEL A” TO 2025

Year 2024 ended with a very good result:

73% of farms meet the criteria for the A (most stringent) cow welfare standard according to the principles developed by Hochland Polska in cooperation with the Polish Milk Chamber, farmers and other milk purchasers.

The Milk Supplier Relations Department focuses on activities to ensure:

- access to feed, water and salt,
- improving the environment in the following areas:

- barn, milking parlour, grazing,
- health care,
- management and care of the herd.

The Company's support for the development of milk production and developed the welfare rules contribute to improving animal welfare on farms supplying milk to Hochland production facilities.

2.2 SUSTAINABLE MILK PRODUCTION

Hochland knows that sustainable milk production offers many benefits, both for the environment and for local communities. Firstly, it reduces greenhouse gas emissions, which helps in the fight against climate change. Secondly, it improves animal welfare by implementing more ethical farming practices. Finally, it supports local farmers by providing them with a stable source of income and promoting sustainable production methods.

On 1 February 2024, **a training course for Hochland Milk Suppliers** was organised in Węgrów with the support of the Polish Federation of Cattle Breeders and Milk Producers. The presented topics were as follows: **“Rational fertilisation under the conditions of climate change”, “Sustainable milk production” and “How to improve fat and protein parameters in milk?”.**

The Hochland Modern Farmer Academy is an initiative aimed at dairy suppliers, intended to improve their sustainable production competences. The Academy continued throughout March 2024. A variety of topics were covered during the training series, including:

- Milk testing – the participants learned about laboratory processes supporting farmers and their work.
- Animal genotyping – studies which allow the genetic potential of future cows to be predicted were discussed.
- Robot use at farms – modern milking robots used at farms were presented,
- Animal diet – the condition of milk cows and herd condition assessment were discussed.

A licence agreement for a tool used to calculate the carbon footprint in milk farms was signed with a software supplier.

A field data collection test was carried out in order to test the tool and implement solutions which have positive impact on the user experience of the calculator.

BEST PRACTICE

TRAININGS FOR MILK SUPPLIERS
ABOUT SUSTAINABLE MILK
PRODUCTION

CALCULATOR OF MILK CARBON
FOOTPRINT



2.3 STRONG SUPPLY CHAINS

The results of risk assessment in the supply chain, in terms of respect for human rights and environmental protection, the carried out in 2024 by companies which are members of the Hochland Group remain unchanged. In view of the ongoing discussions on the European level, concerning the relaxation of legal regulations (Omnibus), including the Corporate Sustainability Due Diligence directive (CSDDD), the Hochland Group awaits further decisions and action directions to be determined. Hochland Polska carries out a supplier assessment once a year as one of its tools used to guarantee a strong supply chain for materials and services. The assessment of individual suppliers includes three criteria: quality

of deliveries/services (quantity and fault severity assessment, observance of hygiene conditions, certificates held), general assessment (advice-related competences, reaction times to complaints, availability), delivery reliability (conformity with the ordered quantities, punctuality).

Hochland maintains a dialogue on sustainability with its customers and suppliers. Hochland participates in **SEDEX (Supplier Ethical Data Exchange), an online platform supporting ethical supply chain operations.** SEDEX enables the storage and sharing of data on responsible business practices, helping companies to improve the ethical aspects of their operations.

The platform is based on **SMETA (SEDEX Members Ethical Trade Audit) audits**, which check the four following areas:

1. Work standards,
2. Occupational health and safety,
3. Business ethics,
4. Care for the environment.

The reports from these audits are published in the SEDEX database, increasing transparency and supporting supplier management.

Hochland underwent a SMETA audit in 2022, with a **very good result**. In 2024, the verification process for the 2025 audit began.

Suppliers from the following 5 groups are assessed:



The results of the assessment of the suppliers of materials and services carried out for 2024 are presented in the graph below:



After the assessment, each supplier receives feedback about the score it obtained and whether corrective actions should be undertaken.

BEST PRACTICE

SEDEX ONLINE PLATFORM
SUPPORTING ETHICAL
SUPPLY CHAIN OPERATIONS

2.4 ETHICS AND WHISTLEBLOWING SYSTEM

Hochland's operation is based on values, the observance of which is extremely important to both the Owners and the Company's management. In addition to the high quality requirements of our products and services, these values also include **respect for every individual, goal-oriented thinking and action by Employees, acting with sustainable development in mind, and the independence of our Company.** Respecting and promoting the human rights of our Employees, as well as those in our supply chains and other Contractors, is an important and obvious matter.

In December 2021, a specially created **TELL US!** system was made available to all Employees and Contractors. The system is used to report various types of violations and irregularities that are contrary to our culture, business ethics and the Hochland Group's principles of management and cooperation. The system is not a substitute for the standard "Employee-supervisor" communication, which would be used to report violations in the first instance. However, when the violation itself involves a superior or in the ab-

sence of an explanation for an already reported irregularity, for example, it is worth using this system.

The system is available at:

- independent link indicated on posters and screensavers: Whistleblower-Portal - Hochland (hochland-group.com)
- QR code indicated on posters and screen savers
- from the website, in the facts and figures section / Compliance section (hochland-group.com)
- link placed on the employee's information portal / departments: Compliance / Report a breach Compliance / report a violation

The Company approved the "Internal reporting procedure" based on the Act on whistleblower protection of 14 June 2024. The subject matter covers additional areas of labour law. Employees, and other persons professionally related with the company can make an anonymous report on violations of ethics rules and legal regulations.



In the year 2024, 3 submissions were received:

2 internal and 1 external.

03

**HOCHLAND REDEFINES
ITS ENVIRONMENTAL
FOOTPRINT**

3.1 HOCHLAND AIMS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

3.1.1. „LESS WATER”

PURPOSE: LIMITATION OF ENVIRONMENTAL IMPACT

KPI: reduction in water consumption by 1.5% per year

(base year 2017)

Hochland Polska aims to limit the consumption of water per product tonne according to the objectives accepted in Sustainability strategy.

The Company has the following tools to identify impacts on water resources:

- utilities consumption monitoring system MNG
- MES (Manufacturing Execution System) program

Hochland Polska production sites use water from its own deep intakes. Environmental permits have been issued for these intakes, ensuring that the use of water resources is respectful of the environment. Each is located on the plant premises and adequately protected. The quantity and quality of the used water are monitored.

Plant	Permitted groundwater abstraction in accordance with the permit [m ³ /year]	Water consumption in 2024 [m ³]
Kaźmierz	85 000	44 710
Węgrów	600 000	488 272

Aiming to limit the water consumption to the required minimum, Hochland defines environmental objectives limiting the consumption by 1.5% per product tonne each year. A number of measures were carried out to reduce water consumption, including:

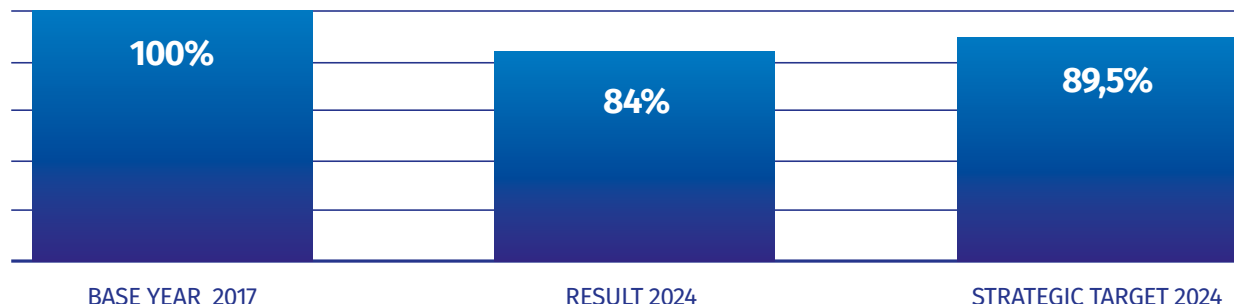
• Implementing solutions intended to save water:

- water recycling and use of recovered water (CIP system/secondary water recycling after steps related to disinfection, washing station supply with recovered water)

- water consumption optimisation (decreased flow rate at valves, use of guns at hoses, pressure washers, water flow reduction for process equipment cooling)

- **Raising employee awareness** e.g. by organising water saving workshops in 2024 (taking into account the proposed actions related to equipment and production spaces cleaning reported by the employees).

Reduction of water consumption in Hochland Polska in year 2024 vs baseline year 2017 [%]



The implemented measures bring measurable results - in 2024, the quantity of water consumed at the Kaźmierz site was lower than in 2023 despite the increased production volume.

3.1 HOCHLAND AIMS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

3.1.1.1. WATER AND WASTEWATER MANAGEMENT

The plants generate wastewater as a result of their production processes, which is discharged after treatment into a drainage ditch or river. Hochland Polska **knows how important it is to maintain land improvement facilities.** During heavy rainfall, the lack of constant, systematic maintenance will cause local flooding of land, flooded basements and gardens.

In September 2024, the company ordered maintenance works at the drainage ditch and River Sama flowing near the production site in Kaźmierz. The



Photo: Hochland team during the cleanup of the Sama River

scope of the work included: mowing and removal of water plants growing at the bottom of the river and its embankment, silt removal and bottom hooking at particularly overgrown locations and locations prone to silt accumulation. The work was carried out by a drainage company, the employees of which have cleaned this river for years. In addition, **Hochland Polska employees cleaned up the shoreline of River Sama flowing through Kaźmierz in September, as part of the Clean Up the World campaign.**



Photo: River maintenance works on the Sama

On the other hand, maintenance work was ordered at River Ada flowing close to the Węgrów production site in early October. A cleared section of 580 m leads to the mouth of River Liwiec. The scope of work included removal of blockades from the river bed, cutting bushes impeding water flow from the embankments, mechanical removal of rooted plants with silt from the riverbed bottom, cleaning two passage, removal of plants and silt and mowing at both encampments. As is the case every year, the work was carried out by the Regional Association of Water Companies in Węgrów.



Photo: River maintenance works on the Ada

3.1 HOCHLAND AIMS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

3.1.1.2. TECHNOLOGICAL SOLUTIONS IN WATER AND WASTEWATER MANAGEMENT

Hochland Polska focuses on continuous analysis of the processes in place in search of possible wastage and fields for improvement.

The wastewater treatment station at the Hochland production site in Węgrów, built in 2023, offers the improved quality of wastewater discharged to the municipal wastewater treatment station in Węgrów and it is a key element of company strategy intended to reduce emissions and decrease the use of fossil fuels. Thanks to the use of modern technologies, the water treatment station significantly contributes to

environmental protection and promoting circular economy. This investment was recognised at the Polish Cheesemaking Congress, where Hochland was awarded the title of Eco-Investor of the Year 2023.

The Hochland production site **in Kaźmierz** is equipped with its own **mechanical-biological-chemical wastewater treatment plant**. This treatment plant combines mechanical, biological and chemical processes to provide effective wastewater treatment. The mechanical process involves pre-filtration of contaminants, the bio-

logical process uses micro-organisms which biodegrade organic matter and the chemical process involves neutralisation of the remaining contaminants. Thanks to this technology, the Kaźmierz site may effectively manage wastewater, minimising their environmental impact.

Thanks to the efficiency of the wastewater treatment plant, the contamination load in the discharged, treated wastewater were maintained at a low level. Most parameters did not exceed **40%** of the allowed values specified in the valid permit.

The efficiency of wastewater treatment at Hochland Kaźmierz:



3.1 HOCHLAND AIMS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

3.1.2 CIRCULAR PACKAGING

PURPOSE: TO REDUCE OUR ENVIRONMENTAL IMPACT**KPI: 100% of packaging recyclable by 2025**

It is the strategic goal of Hochland Polska to make all product packaging 100% suitable for further processing by 2025.

In pursuit of the adopted goal, a **"roadmap"** for sustainable packaging was developed in 2020, which takes into account:

- replacing laminates with monomaterial structures
- optimisation of packaging to reduce the amount of raw materials used
- weight reduction – better adapting dimensions to product content
- reductions in packaging thickness
- eliminating unnecessary packaging.

In 2024, the company focussed on the tests on aluminium in cheese packaging and on collective cardboard packaging, and on the changes to material quality in plastic packaging in order to limit the quantity of packaging introduced onto the market.

In October 2024, **a single packaging audit was carried out for the entire Hochland Polska product range.**

The packaging audit verifying the requirements of the Packaging and Packaging Waste Regulation, an amendment to Regulation (EU) 2019/1020 and Directive (EU) 2019/904, called PPWR Regulation, after Packaging and Packaging



Waste Regulation, included **a comprehensive assessment of packaging compliance with the new European Union packaging and packaging waste regulations.**

The PPWR Regulation, which came into force on 19 December 2024, established the requirements applicable to the entire life cycle of packaging, including their environmental sustainability, labelling, extended manufacturer liability, waste generation prevention and recycling.

Due to the new legal regulations, the strategic objective for packaging is currently being reviewed. The roadmap for sustainable Hochland packaging will also be updated.

Action: weight reduction of the aluminum cover

EFFECT

Reduction by 0,06g/1pc.
Less alu packaging introduced to the market by ca.5t/year*

Action: weight reduction of collective cardboard box

EFFECT

Reduction by 7,2g/1pc.
Less paper packaging introduced to the market by ca.28t/year*

Action: Changes of specification of plastic packaging

EFFECT

Reduction by 1g/1pc.
Less plastic packaging introduced to the market by ca 1t/year*

* based on planned volume 2025

3.1 HOCHLAND AIMS TO REDUCE CONSUMPTION OF NATURAL RESOURCES

3.1.3 „LESS WASTE”

PURPOSE: LIMITATION OF ENVIRONMENTAL IMPACT

KPI: reduction of waste generation by 1.5% per year

(base year 2017)

Cooperation with responsible waste collectors:

responsible waste management is an integral part of the environmental strategy at Hochland. The company considers limiting the quantity of generated waste and its proper management as important. Already at the stage of waste collector selection, Hochland follows the environmental responsibility rule by selecting partners with the relevant competences and infrastructure for further waste processing, according to the effective legal regulations and circular economy rules.

This ensures that legal requirements are met, **but also results in real limitation to the impact of company's business through increased recycling and recovery of raw materials.**

Detailed segregation: additional waste segregation

measures were undertaken at production sites in 2024. The following materials were separated from the stream of mixed plastics: polypropylene, polystyrene, polyethylene.

PROTECTION OF NATURAL RESOURCES AND LIMITING EMISSIONS

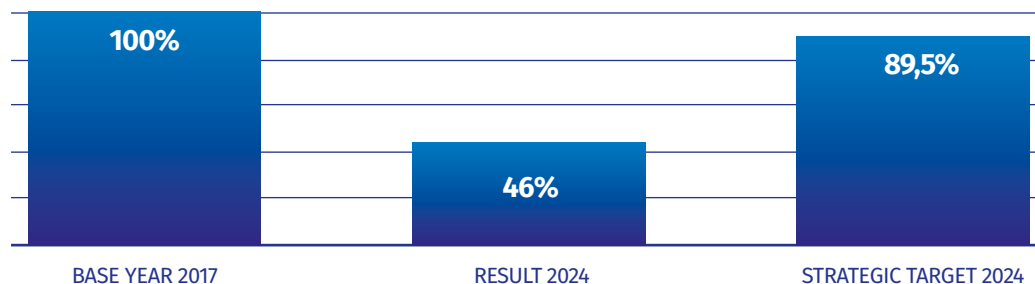
The company aims to **raise awareness among its employees**, not only at work, but also at home. Thanks to the cyclical **“Flowers for electrowaste”** campaign and as part of the Earth Day, the employees separate electric and electronic waste from the general waste stream at homes in order to transfer it to recycling in the activity organised by the company.

In October 2024, **Hochland Polska actively joined the e-waste collection campaign on the occasion**

of the International Day Without E-waste, which took place in cooperation with the organization ElektroEko. The collection was combined with environmental education – emphasizing the importance of selective collection and recycling in the context of protecting natural resources and reducing emissions of pollutants.



Waste generation reduction in 2024 vs. baseline year 2017 [%]



BEST PRACTICE

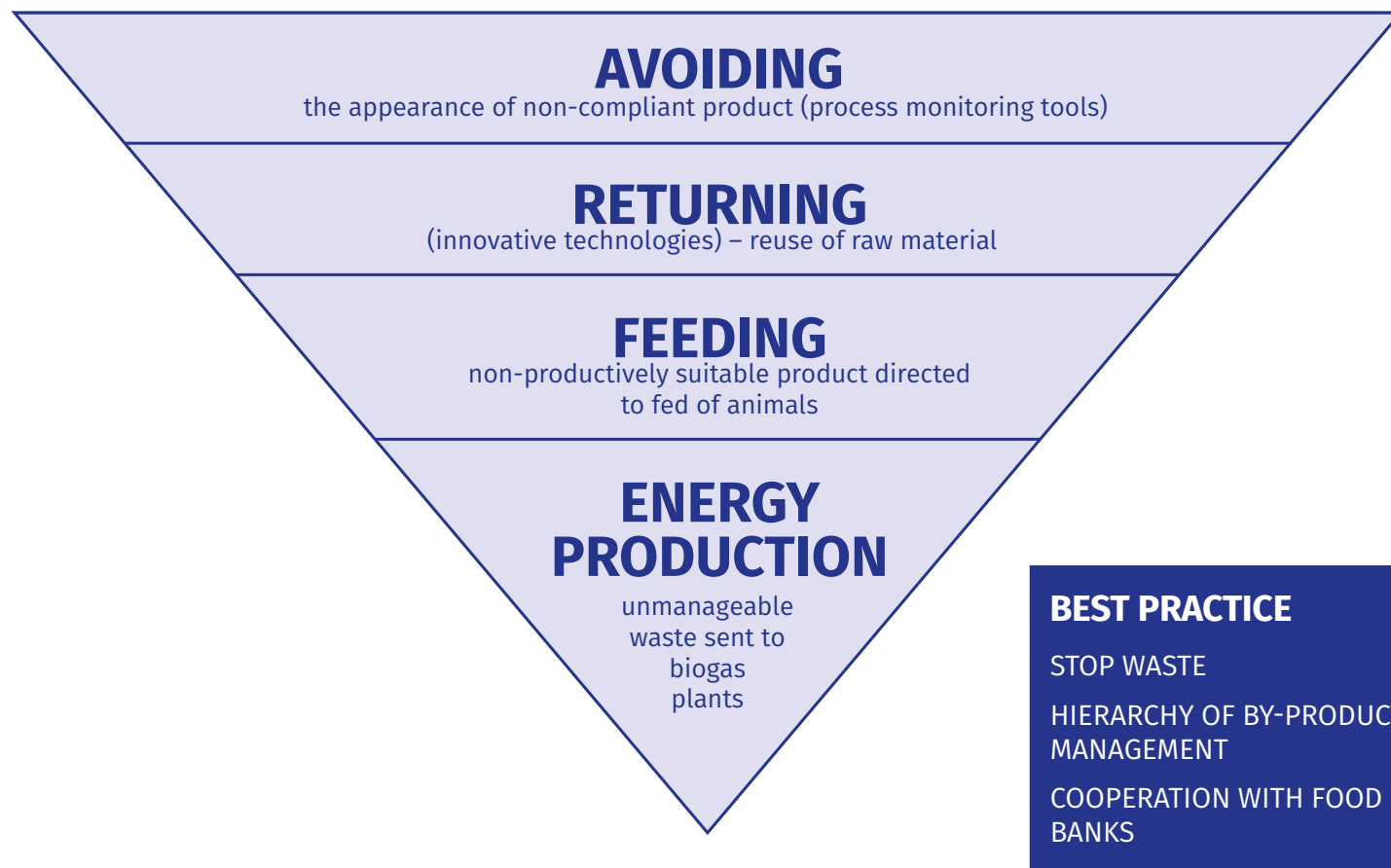
DETAILED SORTING OF PLASTICS

INITIATIVES PROMOTING WASTE SEPARATION OUTSIDE THE WORKPLACE

3.1.4. HOCHLAND SAYS STOP FOOD WASTE

Hochland counteracts food waste **by implementing quality and product safety standards and optimizing and automating production processes**, based on by-products hierarchy:

Hochland Polska is constantly working to reduce the amount of waste generated at its production plants in order to reduce its environmental impact and consumption of raw materials. Waste prevention also applies to finished products. Ensuring optimal use of raw materials, utilities, as well as tailored stocks of finished goods is a key task of the Planning Department.



Key activities implemented in 2024 in order to prevent food waste generation:

1. Introduction of a procedure following sensory assessment.
2. **Optimisation of software and expansion of root causes for animal-derived side product formation** (hereinafter: uppz) with new items in order to provide even better uppz generation prevention management.
3. Cooperation with Food Banks, **104 tonnes of donations were made in 2024.**

3.2 HOCHLAND IS COMMITTED TO REDUCE CARBON FOOTPRINT

PURPOSE: REDUCTION OF CARBON FOOTPRINT

KPI: 50% reduction of carbon footprint for Scope 1 and 2 by 2025

(base year 2019, per product tonne)

For the second time in a row, Hochland has calculated **the corporate carbon footprint (CCF) for the entire Group**. These comprehensive calculations include all greenhouse gas emissions from our own business, as well as from our value chain at the higher and lower levels - this is the total greenhouse gas emissions generated by our business, supply chains, products and services of the company. Carbon footprint is an index with a real value and it shows how the company contributes to climate change.

The largest share of emissions at Hochland lies in emissions from the purchased milk, which contributes **59%** to the total emissions and is included in scope 3.1 Purchased goods and services.

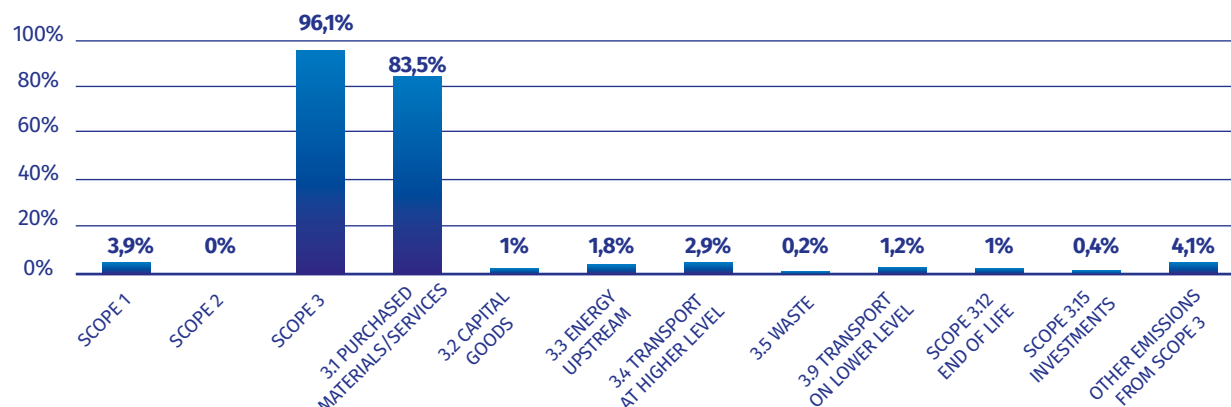
A licence agreement covering access to a tool used to calculate the carbon footprint of dairy farms was signed in 2024. A pilot field data collection was carried out, intended to test the functionality of the calculator tool and to introduce improvements providing better comfort and more intuitive use.

In 2024:

- The total emission per tonne of sold products **was reduced by 2.7% (vs 2023)**.
- Scope 1+2 emission per tonne of ready products was reduced by **63% compared to the baseline year 2019 (according to Vision 2025)**.
- Share of electricity from renewable sources: **100%** (as in 2023).



Carbon footprint of Hochland Polska 2024 [% of emissions by scope]



3.2 HOCHLAND IS COMMITTED TO REDUCE CARBON FOOTPRINT

PURPOSE: REDUCING ENVIRONMENTAL IMPACT

KPI: Reducing energy and gas consumption by 1.5% per year (base year 2017)

Hochland Polska aims to reduce energy and gas consumption in production plants by 1.5% per year per product tonne compared to the base-line year 2017.

In order to implement the green pillar of the strategy, the company developed **decarbonisation roadmap for its production plants in 2022**. Technical and organisational measures implemented at production plants in 2024 to reduce CO₂ emissions.

As part of improving energy efficiency, devices such as compressors and blowers at the wastewater treatment plant were replaced with high-efficiency ones. Investments were also made to reduce the consumption of gas fuel used in the boiler room:

- upgrade of the burner at the gas boiler,
- thermal upgrade of the steam and water infrastructure at the site in Kaźmierz

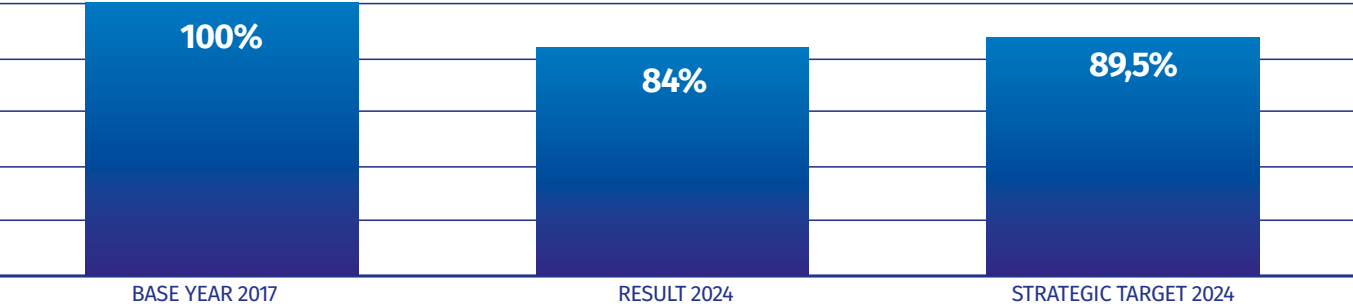
The thermomodernization of the infrastructure involved the installation of additional insulation on the components of the equipment, aimed at reducing heat loss, both during its production and when transmitting to the receivers.



Equipment used in the food industry is required to meet strictly defined parameters, including those concerning quick assembly/disassembly without additional structural components, and the use of safe materials not posing a threat in the food production process, ensuring smooth access to installations to minimize downtime for repairs and inspections. Hence, when choosing insulation, the aforementioned principles and parameters were followed. Additionally, in 2024, the installation of photovoltaic farms and a cogeneration engine was carried out at the plant in Węgrów. In 2025, the launch of the aforementioned renewable energy sources and cogeneration is planned to effectively utilize the primary fuel.

Over the years, from 2017 to 2024, among other things, due to the implementation of the decarbonization roadmap, energy and gas consumption has decreased.

Energy and gas reduction in year 2024 vs baseline year 2017 [%]



AWARD

Eco-Investor 2024 in the Food Industry

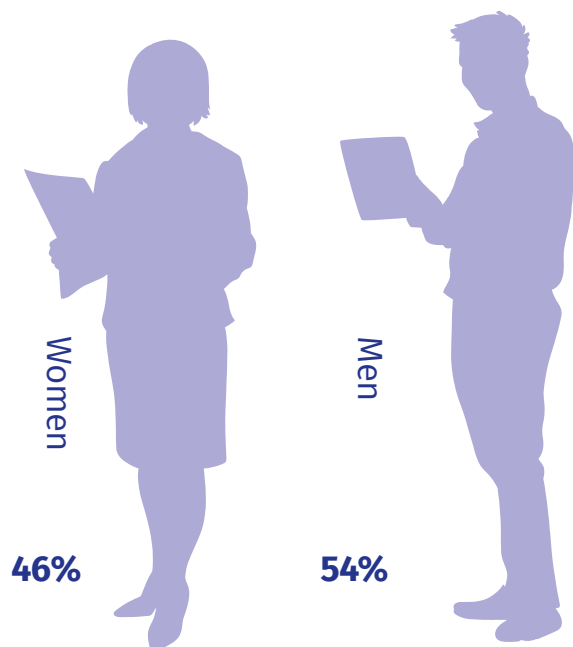
Hochland Polska was awarded the prize for the environmental effects resulting from the commissioning in Kaźmierz plant of thermal modernisation of the water and steam infrastructure (ecological effect: 694 MWh less energy per year/savings of 139 tonnes of CO₂e less).

04

**HOCHLAND STRIVES TO BE
A FRIENDLY PLACE TO WORK
FOR EVERYONE**

4.1 EMPLOYEES

Hochland Polska had **858 Employees** in 2024, of which **396 Employees were women (46%)** and **462 were men (54%)**. Hochland creates interesting and attractive jobs, as evidenced, among other, by the average length of service at Hochland Polska, which is 13 years. The attractive salary is complemented by a variety of non-wage benefits.



Hochland Polska is a signatory to the Diversity Charter coordinated by the Responsible Business Forum.

The Diversity Charter is an initiative which can be voluntarily joined by employers in the business, science, public administration and local government sectors, as well as non-governmental organisations. The signing of the Diversity Charter confirming that Hochland Polska is a safe workplace for everyone was possible thanks to the work of the Generation Management workstream.

The equal treatment policy and diversity management results in measurable benefits and influences the development and innovation in the organisation. For Hochland Polska, becoming a signatory to the Diversity Charter is not a change, but a confirmation that the past and **current activities and initiatives of the company counter discrimination and ensure equal treatment of employees, clients and business partners.**

4.1.1 HOCHLANDISTIC PLEBISCITE – EMPLOYEES' FEST

As part of the 30th anniversary celebrations of Hochland Polska, the Employer Branding team initiated an event - Hochlandistic Plebiscite.

This unusual celebration, created with our employees in mind, was intended not through the lens of their results or achievements, but to underline their contribution to the daily life of the company.



Thus, the idea of the Hochlandistic Plebiscite was born, together with the five categories honouring the staff: **Fellow by Nature, Maestro of Humour, Grandmaster of Solutions, Heart of the Commu-**



nity and Creative Enjoyer. The name of the plebiscite is a creative wordplay – “Hochlandistic” refers to words such as “fantastic” and “adjacent” (in Polish), or an ideal fit, a perfect reflection of the image of our employees and how they match the values of the company. The plebiscite culminated with a celebratory Gala event, which took place on 18 October at the Zamek Culture Centre in Poznań. The Gala was not only an opportunity to give awards, but also a moment of integra-

tion for teams normally working at various sites: Poznań, Kaźmierz, Węgrów and in sales throughout Poland. Several surprises awaited the participants, including a premiere animation prepared specifically for the 30th anniversary, presenting the entire production process of our cheeses – from the purchase of milk to the delivery of the finished product onto the shop shelf. An original game created by the EB team – “Cheese business” was an additional attraction.

4.2 TRAININGS

The development of our organisation would be impossible without **continuous development of our employees**. Hochland operates according to the assumptions of **the Learning Organisation concept**. Trainings for employees are one of its supporting elements. The opportunity to reinforce professional, personal and leadership competences makes Hochland Polska an attractive employer. Additionally, every employee (regardless of their position) can access the internal e-learning platform. In 2024, we as an organisation have secured access to trainings developing both professional competences required to carry out the daily duties, as well

as competences reinforcing personal and leadership competences. **The first edition of the Project Leader Academy at Hochland Polska was a proprietary programme** covering 5 modules, during which 6 experts shared their knowledge related to project, finance or investment management **with aspects of sustainability** with 14 participants. The first edition of the Project Leader Academy at Hochland Polska was an original programme developed by Emilia Mochort, aimed at all employees of the company, regardless of their employment duration or department.

The Academy consisted of five modules. The individual modules covered such topics as:

- basics of project management,
- team management within a project,
- project management with elements of sustainability management
- finance and risk management in a project.



In 2024, Hochland Polska updated its business strategy, which indicated the directions of company growth, and thus the needs related to employee competences. We have continued to provide professional trainings, which complement the knowledge required by the staff, but activities supporting **the reinforcement of leadership competences** have

become our priority for the near future. Dedicated development programmes have been designed as a response to this challenge. In terms of CSR activities, we are also facing a major generational change as an organisation. We started preparing for this change by organising a **public webinar on generations for all employees**. At the

same time, we have designed **a dedicated workshop for all supervisors and managers at Hochland Polska, in cooperation with Diversity Hub, titled “How to build an inclusive organisation culture? Management and intergenerational communication”. This ensures that the managerial staff is prepared for management of diverse teams.**

2024 IN FIGURES

External trainings	Total number of trainings hours	5760 h*
	Average per Employee	6,5 h
	Trainings to develop professional competences	54%
	Trainings to develop social and socio – personal competences	46%

* only applies to external trainings, excluding webinars and trainings conducted by Hochland employees

BEST PRACTICE

PROJECT LEADER ACADEMY AT HOCHLAND

4.3 HEALTHY AND SAFETY

Hochland Polska strives to ensure that working conditions are in line with best practices, strategies and systems.

The Company monitors H&S indicators on an ongoing basis. In 2024, the Company achieved an LTA accident frequency rate (LTA is an important parameter to assess the number of accidents in relation to the number of people working) of 9.28.

None of the accidents were fatal or serious. There was also no reported incidence of an occupational disease. The consequence of half of the accidents was a lower limb injury and one of the most common causes was a slip or trip.

After a stoppage during the pandemic period, when the number of roundings was reduced, Hochland Polska returned to the EVA process in 2023. The process is a tool for behavioural safety and supports managers in identifying risks from the way they do their work. The observations are being translated into concrete actions, aimed at facilitating work in a safer way than before. As part of the process, we conducted **30 roundings** in 2024.

Hochland's ambition is to record all hazardous incidents that could lead to injury and put in place measures to reduce the risk. Any Hochland

Employee can easily report a near miss and each incident is analysed, after which risk reduction measures are put in place. In 2024, 110 reports were made, an increase of up to 134% year-on-year. One of the pillars of safety is proper training. In 2024, trainings related to OHS, fire protection and first aid rules were provided to Hochland employees. Contractors providing services to Hochland and visitors to the plants were also trained during this time.

In addition, **safety days** were held at three locations.

2024 IN FIGURES

LTA rate: 9.28

EVA events held: 30

Potential accident events: 110



05

HOCHLAND SUPPORTS COMMUNITIES

5.1 HOCHLAND SUPPORTS LOCAL COMMUNITIES



2024 INTERNATIONAL EARTH DAY WITH HOCHLAND



Hochland Polska has its sites at two locations in Poland: in Kaźmierz and in Węgrów, where it is involved and co-organises events for the local community. These include:

International Earth Day

Two activities are planned as part of the Earth Day campaign at Hochland Polska: **“Flowers for electrowaste”** and **“30 trees for Hochland’s 30th anniversary”**. Anyone who handed over electric and electronic waste to the designated containers at the production sites in Kaźmierz and Węgrów or at the Poznań office received a flower and could invite a friend from Hochland to plant a tree. We planted 30 trees at each of the Hochland Polska production sites.

The Bread and Cheese Festival in Kaźmierz and in Węgrów

The Bread and Cheese Festival taking place in Kaźmierz and Węgrów has become a tradition for the local residents - this is the time for family relax and many activities, including those related to promoting pro-environmental attitudes. In 2024, attention was drawn to the following issues:

- water saving,
- energy saving,

- impact of flower meadows on the environment and on people.

The stand was very popular and was coordinated by the Sustainability Department and supported by the Columbus Team and the Production Departments of our Sites.



5.1 HOCHLAND SUPPORTS LOCAL COMMUNITIES

“Clean up the world”

Just like last year, Hochland Polska joined the **Clean Up the World campaign organised by Our Earth Foundation**. It was the 31st edition of the campaign, this year under the banner “Guarding the clean Earth”.

The Clean Up the World campaign aims to raise awareness and responsibility for the condition of the environment. It is not only about cleaning up, but also about education, promotion and integration of local communities around a common goal - to protect and improve the environment in which we live.

The Clean Up the World campaign was organised at Hochland Polska on 18 and 20 September 2024. In addition to Hochland employees, pupils from Years 7 and 8 of the Primary School in Kaźmierz joined the local campaign. In Węgrów, on the other hand, this included the students of the 1st Secondary School, named after Adam Mickiewicz, and students from Primary School 1, named after Jan Dobrogost Krasiński.

At the beginning of the action, the coordinators from the Hochland side reminded the participants of the segregation rules and handed out bags in

the right colours along with gloves. **More than 200 people in total participated at both locations.** 21.5 yellow bags (plastics, metal), 11 black bags (mixed waste), 11 green bags (glass), and 9 blue bags (paper) were collected during the event.

Supporting sports initiatives.

Hochland supports sports activities by organising and funding them. In Węgrów, the company and the Aktywni Węgrów sports club, organised the first **Almette Run along the River Liwiec Valley** in 2024, under the patronage of the Mayor of Węgrów.



The start and finish of the race were located at the reservoir in Węgrów. During the event, two runs for adults took place, 6 km and 24 km, as well as Nordic Walking 6 km. In addition, races for children and youth were planned.

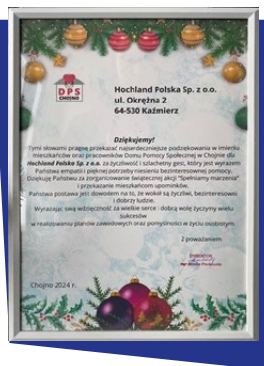
In Kaźmierz, the **12th Hochland Half Marathon** took place.

In the very heart of Kaźmierz, several hundred runners started in September in several races, including races for the youngest. There were support zones along the entire route, concerts, happenings and attractions for entire families of athletes and fans in the runner's zone.

5.1 HOCHLAND SUPPORTS LOCAL COMMUNITIES

As part of the **“We Fulfil Dreams”** Christmas action in 2024, Hochland gave gifts to more than 60 residents and staff of the Social Care Home in Chojno, where adults with cognitive disabilities live. Hochland’s employees were really committed into “adopting” the dreams - both of the residents and of the staff of the care home, preparing parcels tailored to their needs and desires. We were not only able to offer gifts to those in need but also show our gratitude to the care home staff for their daily, empathic work towards social activity and rehabilitation of their patients.

On the **Day of Good Deeds**, the employees of Hochland Polska once again showed that sharing our hearts runs in our blood. As part of the campaign, we collected crayons, art supplies and booklets to make sure that the patients of paediatric hospitals in Szamotuły and Węgrów can spend some quality time.



Satisfaction survey on the community initiatives of Hochland Polska

In 2024 Hochland Polska conducted already the seventh satisfaction survey on the community initiatives of the company. Residents of the Kaźmierz municipality and Hochland employees took part in the study. In 2024, **591 questionnaires** were

completed correctly, 66 of which were completed by Hochland Polska employees and residents of the Kaźmierz Municipality. The provided answers were analysed using the TOP BOX approach, i.e. the options “rather yes” and “definitely yes” were tallied together. This resulted in scores of over **96%** across all questions.

Question 1	Is Hochland Polska an environmentally friendly company?	97%
Question 2	Does Hochland Polska support socially important initiatives?	96%
Question 3	Does Hochland Polska support the education of young people?	97%
Question 4	Does Hochland Polska support activities promoting physical activity?	97%
Question 5	Is Hochland Polska involved in the development of the commune?	94%
Question 6	Overall level of satisfaction with Hochland Polska initiatives?	97%

BEST PRACTICE

SATISFACTION SURVEY

5.2 SUPPORT MEASURES

Hochland is a strategic partner of the Pajacyk Program. The Pajacyk Program is implemented by a Polish non-governmental organisation, a well-established Partner, which has been operating since 1992 and has knowledge and experience – the Polish Humanitarian Action. The partnership is based on long-term cooperation. The common goal is the proper development and health of children through the provision of school

and community meals and psychosocial support aimed at the development of life skills, social skills and interests.

Through its collaboration with the Polish Humanitarian Action, Hochland wants to draw attention to the problem of malnutrition and the related developmental barriers for children. The logo has been placed on the packaging of Hochland's

cheeses so that consumers know that, by choosing the product, they are making a contribution to supporting children in need.

As part of Hochland Polska's cooperation with PHA, **50,000 hot meals were funded just in 2024.**

BEST PRACTICE

WE SHARE
WHAT'S GOOD



5.2 SUPPORT MEASURES

SUPPORTING THE “CUKIERASY”**ASSOCIATION**

In 2024, Hochland Polska was also involved in the Sweet Poland project, which it has been supporting for years. “Sweet Poland” is a Polish football team of children and young people suffering from diabetes. The project coordinator and president of the Association of Parents and Guardians of Children with Diabetes “CukierAsy” is Mikołaj Ilukowicz.



Thanks to the support of Hochland Polska, **Sweet Poland planned a visit in Siedlce and a match against the Polish National Team in September, and a trip to Munich and participation in an international football competition in October.**

“ALMETTE PROTECTS MEADOWS”

Meadows and flower strips are crucial for the maintenance of biodiversity as an important part of the landscape in cities as well as in fields and at industrial sites. They provide the natural habitat of animals, especially insects. They help retain rainwater in the soil and clean the air. Compared to a traditional lawn, they require much less maintenance, including mowing, watering and fertilising. They also take care of our mental well-being and stimulate our senses, so that we experience pleasure and experience harmony with nature.



The Almette brand has been running the environmentally friendly CSR programme “Almette Protects Meadows” since 2021. The project is supported by experts, their knowledge and experience: Maciej Podyma - President of the Meadow Foundation and Prof. Dr. hab. Piotr Tryjanowski (University of Life Sciences in Poznań).

The main objectives of the project are:

- to educate indicating i.e. how important are meadows for the entire ecosystem,
- inspire people to sow and care for flower meadows,
- undertake activities towards meadow sowing.



5.2 SUPPORT MEASURES

PURPOSE: FLOWER MEADOWS**KPI: transfer of seeds for sowing 150,000 m² by 2024****2021**

- **educational workshops** and seeding of meadows in major cities: Warsaw, Częstochowa, Katowice,
- seeding of meadows on the premises of the Węgrów and Kaźmierz production plants,
- seeding of flower strips on the fields of some of the Węgrów plant milk suppliers.

**2022**

- meetings, **educational workshops** and sowing meadows in Łódź, Warsaw and Wrocław,
- participation in a discussion panel on the role of meadows in the ecosystem, during “Influencers Live Wrocław”,
- seeding of meadows by employees and volunteers at the Hochland Polska production plant in Kaźmierz,
- putting the first two free **seeds dispensers** in Warsaw for those willing to sow their own flower meadow in their garden or on their balcony,
- providing and shipping packages with flower meadow seeds for Hochland Polska employees and public and private institutions interested in sowing meadows in their area

2023

- meetings and **educational workshops** in other cities: Płock, Białystok and Warsaw,
- putting up **seeds dispensers** in Płock, Białystok and Warsaw and inspiring together with Influencers to collect seeds and sow their own meadow,
- providing and shipping packages with flower meadow seeds for Hochland Polska employees and public and private institutions interested in sowing meadows in their area.

2024

- installation of **seeds dispensers** with flower meadow seeds in Ełk, Lublin and Kraków and inspiring people with Influencers to collect the seeds and sow their own meadows.
- educational meetings and **workshops** in the following cities: Ełk, Lublin, Kraków.

**2024 IN FIGURES**

Throughout the period of the “Almette protects meadows” program, Hochland provided seeds for sowing 164,800 m² of flower meadows.